



CWP-11939-2021

1

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

(253)

CWP-11939-2021

Date of Decision : 25.03.2026

Karam Singh

...Petitioner

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. Rajesh Kumar Girdhar, Advocate and
Ms. Kirandeep Kaur, Advocate
for the petitioner.

Mr. Tejinder Pal Singh Walia, AAG, Punjab.

KULDEEP TIWARI, J. (ORAL)

1. Through the instant writ petition, cast under Article 226/227 of the Constitution of India, a prayer is made for issuance of a *mandamus*, upon the respondents, to pay interest @ 12% per annum, to the petitioner on the delayed payment of retiral benefits, i.e. DCRG (Gratuity), Leave Encashment, Commuted Pension, Regular Pension etc. w.e.f. the date of retirement, i.e. 30.06.2019.

2. Learned counsel for the petitioner submits that the petitioner joined the respondent/department, on 26.02.1982, as Section Officer (Junior Engineer), and he retired on attaining the age of superannuation, on 30.06.2019, as Sub Divisional Officer, from the office of Canal Construction, Sub Division No.7, Sri Muktsar Sahib, after rendering more than 37 years of meritorious service.



3. It is also asserted by learned counsel for the petitioner that five months before the retirement of the petitioner, a letter dated 31.01.2019, was issued by the respondent No.3 to respondent No.1, for issuance of 'No Due Certificate' *qua* the petitioner. He also submitted that there is no case, criminal or civil, or any department or vigilance enquiry was pending against the petitioner. However, the vigilance clearance certificate was issued to the petitioner, only on 02.07.2020, and there was no cogent reason to delay the vigilance clearance. It is also submitted before this Court that the said delay was actually attributable to intra departmental communications, and the administrative delay, for which, the petitioner cannot be made to suffer. The respondent/department, cannot take premium of their own, by keeping the retiral benefits of the petitioner, pending for such a long period.

4. Learned counsel for the respondents/State, by referring to the written statement, submits that the case of the petitioner for issuance of 'No Due Certificate' was sent by respondent No.4, on 27.12.2018, which was forwarded by Chief Engineer Canal, on 09.05.2018, to the Principal Secretary, Govt. of Punjab, which vide its letter dated 03.02.2020, withheld the sanction of DCRG and leave encashment of petitioner, for payment of his pensionary benefits, because as per the Govt., the proceedings in FIR No.08, was pending against the petitioner. However, subsequently, it came to the knowledge of the Govt. that the said FIR was not related with the petitioner, and thereafter, respondent No.4, vide letter dated 04.03.2020, sent the pension case of the petitioner, to the Accountant General, Punjab, Chandigarh. Thereafter, on number of occasions, various *inter se* communications were made between the Accountant General, Punjab, Chandigarh, and the respondent No.4.



Further, on account of outbreak of Covid-19 Pandemic, a delay has occurred in releasing the retiral benefits to the petitioner.

5. This Court has heard the rival submissions, as made by learned counsel for the parties concerned, and has gone through the available record.

6. In the instant case, the petitioner was retired on 30.06.2019, whereas, the lockdown on account of outbreak of Covid-19 Pandemic, was enforced in the month of March, 2020. Therefore, the respondents/State, do not have any plausible explanation for the delay, which occurred in releasing the retiral benefits to the petitioner.

7. Since the retiral benefits have been released to the petitioner, after a period of considerable delay, the petitioner is held entitled for the interest, by virtue of law laid down by Full Bench of this Court in ***'A.S. Randhawa versus State of Punjab' 1997 (3) SCT 468.***

8. Furthermore, similar issue has already been examined by Coordinate Bench of this Court in CWP-602-2023, titled ***'Hira Lal Karakara versus State of Punjab and others'*** decided on 09.05.2024. The relevant paragraphs of the said judgment are extracted hereinafter :-

4. Learned counsel for the petitioner submits that the petitioner has retired from service on 31.10.2022 and since the retiral dues of the petitioner have been released after a considerable delay, therefore, he is entitled for interest on the same in view of the law laid down by a Full Bench of this Court in A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468 and J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355.

5. On the other hand, learned counsel for respondent No.2, while referring to the averments made in the reply,



submits that since the whole amount of retiral dues has already been paid to the petitioner, therefore, the instant petition has been rendered infructuous.

xxx xxx xxx

7. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against him, therefore, his retiral benefits were required to be released within a reasonable time after his retirement. Moreover, a perusal of reply filed by the respondent No.2 shows that although the retiral dues of the petitioner have been released, however, the same have been released after a considerable delay and no explanation has been furnished for not releasing the same at the time of retirement or within a reasonable time thereafter.

*8. A Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468** has held that where there is an inordinate delay in releasing benefits and the delay is not justifiable, employee will be entitled for interest. The relevant paragraph of said judgment is as under:-*

*“Since a government employee on his retirement becomes immediately entitled to pension and other benefits in terms of the Pension Rules, a duty is simultaneously cast on the State to ensure the disbursement of pension and other benefits to the retiree in proper time. As to what is proper time will depend on the facts and circumstances of each case but normally it would not exceed two months from the date of retirement which time limit has been laid down by the Apex Court in *M. Padmanabhan Nair's case (supra)*. If the State commits any default in the performance of its duty thereby denying to the retiree the benefit of the immediate use of his money, there is no gainsaying*



the fact that he gets a right to be compensated and, in our opinion, the only way to compensate him is to pay him interest for the period of delay on the amount as was due to him on the date of his retirement.”

9. Apart from this, a Coordinate Bench of this Court in ***‘J.S. Cheema Vs. State of Haryana’ 2014 (13) RCR (Civil) 355***, had held that an employee will be entitled for the interest on an amount which has been retained by the respondents without any valid justification. The relevant paragraph of the said judgment is as under: -

“The jurisprudential basis for grant of interest is the fact that one person's money has been used by somebody else. It is in that sense rent for the usage of money. If the user is compounded by any negligence on the part of the person with whom the money is lying it may result in higher rate because then it can also include the component of damages (in the form of interest). In the circumstances, even if there is no negligence on the part of the State it cannot be denied that money which rightly belonged to the petitioner was in the custody of the State and was being used by it.”

10. In view of the above factual position and settled principles of law, the present petition is allowed and respondent No.2 is directed to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.01.2023 (after two months of his retirement) till the actual date of payment, within a period of 03 months from the date of receipt of certified copy of this order.”

10. In view of the above settled position, the instant writ petition is **allowed**, with a *mandamus*, upon the respondents, to pay the



CWP-11939-2021

6

interest @ 6% per annum, to the petitioner, on the delayed payment of retiral benefits, from the date of retirement, till actual payment.

11. The above said exercise shall be carried out within a period of three months, from the date of receipt of certified copy of this order.
12. Ordered accordingly.

(KULDEEP TIWARI)
JUDGE

March 25, 2026
Manpreet

Whether speaking/reasoned :

Whether reportable :

Yes/No

Yes/No