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IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

CWP-20720-2020
Date of decision: 10.02.2026

SUKHVIR KAUR ....Petitioner

Versus

STATE OF PUNJAB AND OTHERS ....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Ms. Shruti Jain Goyal, Advocate for
Mr. Komal Klana, Advocate
for the petitioner.

Mr. Vikas Sonak, AAG, Punjab.

Mr. Sumeet Sharma, Advocate
for respondent No.5.

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HARPREET SINGH BRAR, J (Oral):

The present civil writ petition has been filed under Articles 226/227 of the Constitution of India for issuance of a writ in the nature of *Mandamus* directing the respondent Municipal Council to grant/release the entitled service benefits and dues including retiral/pensionary service benefits (Gratuity, GPF, Leave Encashment, Dearness Allowance and Arrears of Increments and other Arrears) along with interest @ 18% per annum for the delay in payment till its realization, at the earliest, in view of judgment passed by a Full Bench judgment of this Court in ***A.S. Randhawa Vs. State of Punjab and others" 1997(3) SCT 468.*** A further prayer has been made for directing the respondent-Municipal Committee to settle/make good the payment of excessive amount of interest paid to

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Housing Development Finance Cooperation Limited (HDFC) and to be paid to the Muktsar Co-operative Bank, Gidderbaha, respectively with regard to the loans taken by the Late Sh. Balour Singh (husband of the petitioner) especially, in the light of the facts that the husband of the petitioner had authorized the respondent Municipal Committee to remit the EMIs of the loans taken from the respondent Banks and the said EMIs were stopped without informing the petitioner. It is further prayed to direct the respondent(s) to decide the representations dated 10.12.2018, 24.06.2019 and 24.07.2019 (Annexures P-10 to P-12) submitted by the petitioner in a time bound manner and respondent No.4 (Bank) be directed not to pressurize the petitioner or to take coercive action against him apropos payment of the loan amount alongwith interest, during the pendency of writ petition.

2. Learned counsel for the petitioners *inter alia* contends that the husband of the petitioner joined as Fireman in Fire Brigade with the respondent-Municipal Council. On 18.08.2004, late husband of the petitioner obtained a Home Extension Loan bearing Account No.560226825, amounting to Rs.2,16,450/- in terms of loan agreement dated 26.12.2000 from respondent No.5. The husband of the petitioner had availed the benefit of automatic deduction of EMIs from his salary vide authority letter 18.08.2004 and has further authorized the respondent Municipal Council to deduct from his bonus/ex-gratia payments/interest subsidy/terminal benefits or any other benefits. The husband of the petitioner had also taken personal loan for a sum of Rs.4,00,000/- from respondent No.4 through the respondent Municipal Council. The EMIs

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were being regularly deducted from the salary of late husband of the petitioner. On 12.01.2017, the husband of the petitioner died in harness. The respondent Municipal Council stopped making payments of EMIs of aforementioned loans taken by her late husband without informing the petitioner or any other family members. On three occasions, some amount was paid to respondent No.4 (Bank). Due to the lapse of respondent No.3, the petitioner had to bear the brunt of excessive payment to respondents No.4 and 5 towards full and final settlement. The petitioner received notices from respondent No.4 (Bank) and thereafter, she approached respondent No.3 personally and also made written representation(s) from time to time with regard to her grievance seeking the detail regarding the retiral benefits of her late husband. Learned counsel for the petitioner further highlights that there were no disciplinary or judicial proceedings pending against the husband of the petitioner. As such, there was no embargo in releasing the retiral dues. Moreover, during pendency of present petition, retiral dues of husband of the petitioner have been released by respondent No.3.

3. Learned counsel for respondent No.5 submits that due to not maintaining the financial discipline, appropriate proceedings were initiated against husband of the petitioner. Thereafter, a settlement agreement was executed and in view of the same, entire loan amount was repaid on 14.10.2019. Respondent No.5 levied interest and charges on delayed payment strictly in accordance with loan agreement.

4. I have heard learned counsel for the parties and perused the record with their able assistance. It transpires that while serving the

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respondent Municipal Council, the petitioner died in harness on 12.01.2017, whereas the benefits were released in piecemeal in the year 2021 and the detail of the same reads as under:-

Sr. No.	**Particulars**	**Total amount due (in Rs.)**	**Amount paid (in Rs.)**	**Means of payment**	**Outstanding payment (if any) (in Rs.)**
1.	Ex gratia	1,00,000/-	1,00,000/-	Vide cheque bearing No.35419 daed 17.01.2017.	Nil
2.	Gratuity	7,57,284/-	7,57,284/-	Vide various cheques (Annexure R-1). Some payments have been made in lieu of bank loan	Nil
3.	Leave Encahsment	4,52,630/-	4,52,630/-	Vide Cheque No.97467 dated 02.06.2021 and cheque No.101522 dated 28.09.2021 (for the purpose of "Bank Loan")	Nil
4.	Provident Fund	1,50,919/-	1,50,919/-	Vide cheque No.101522 dated 28.09.2021	Nil
5.	Arrears of increased scale qua Provident Fund	34,748/-	34,48/-	Vide Cheque No.101522 dated 28.09.2021	Nil
6.	Dearness allowance deposited in GPF account	80,067/-	80,067/-	Vide Cheque No.101522 dated 28.09.2021	Nil

5. Further, a reference can be made to the judgment rendered by

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a Full Bench of this Court in ***A.S. Randhawa Supg. Engineer (Retd.) vs. State of Punjab, 1998 (1) SCT 343,*** wherein it was opined that disbursement of pension and other benefits payable at retirement must be done in a timely manner. Any delay over a period of two months, qua the said disbursement would entitle the retired employee to claim interest on the amount due. Speaking through Justice N.K. Sodhi, the following was held:

> *"9. 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 retirer in proper time.* ***<u>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</u>*** *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. Again, as to what should be the rate of interest, it should, in our view, be generally 12% unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18%."*

(emphasis added)

6. Reliance in this regard may also be paid on the judgments rendered by the Hon'ble Supreme Court in ***S.K. Dua vs. State of Haryana***

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(2008) 3 SCC 44 and ***State of Kerala vs. M. Padmanabhan Nair (1985) 1 SCC 429.***

7. In view of the law laid down by the Full Bench of this Court in ***A.S. Randhawa*'s** case *(supra)*, the present petition is disposed of and the respondent(s) is directed to pay the interest on the delayed payment of service benefits of late husband of the petitioner @6% per annum, to be calculated after expiry of two months from the date of death of the petitioner's husband.

8. Further, respondent No.2 is directed to ensure that respondent No.3 pays the interest component on delayed payment of service benefits within the time frame granted by this Court, till its actual realization. Needful be done within a period of three months from the date of receipt of a certified copy of this order.

9. Pending miscellaneous application(s), if any, stand disposed of accordingly.

10. A copy of this order be supplied to learned State counsel for information and necessary compliance.

(HARPREET SINGH BRAR)
JUDGE

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1. Whether speaking/ reasoned : Yes /No
2. Whether reportable : Yes /No

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