



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

228

CWP-30291-2022**Date of decision: 18.02.2026**

Bimla Chalia

.....Petitioner

Versus

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE NAMIT KUMAR

Present : Mr. Krishan Singh, Advocate for the petitioner.

Mr. Satnampreet Singh Chauhan, DAG, Punjab.

NAMIT KUMAR, J. (ORAL)

1. The instant petition has been filed under Articles 226/227 of the Constitution of India, seeking a writ of mandamus for directing the respondents to pay interest @ 18% on the delayed payment of Rs.59,47,051/- of retiral dues with effect from the due date i.e. 09.10.2018 upto the date of payment as per notification dated 20.02.2002 (Annexure P-9).

2. The petitioner, who was initially appointed as Medical Officer on 03.01.1987, was further promoted to the post of Senior Medical Officer on 27.05.2014; and Deputy Director on 27.04.2018 and attained the age of superannuation of 58 years on 30.06.2018 and was granted extension for one year with effect from 01.07.2018 to 30.06.2019, however, on her request, she retired from service w.e.f. 09.10.2018.

3. The grievance of the petitioner is that her retiral dues have

been released after a considerable delay and details of the payments have been made in para 9 of the petition, which reads as under:-

“Date of Retirement:-9, October, 2018

Sr. No.	Item	Date on which the amount was paid	Paid amount
01	Five Months Salary from 01.05.2018 to 08.10.2018	In October, 2019	Rs.10,13,435/-
02	Provisional Pension paid by Distt. Punjab Treasury	06.01.2020	Rs.11,68,920/-
03	Leave in encashment	21.01.2020	Rs.16,30,186/-
04	GIS (Group Insurance Scheme)	22.01.2020	Rs.1,56,184/-
05	GPF 10%	31.01.2020	Rs.3,32,639/-
06	Gratuity	27.10.2020	Rs.10,00,000/-
07	Seven Month Pension from April to October 2020	27.10.2020	Rs.6,45,687/-
Total Amount			Rs.59,47,051/-
Fifty Nine Lac Forty Seven thousand Fifty One only”			

4. Written statement by way of affidavit of Dr. Adarshpreet Kaur, Director, Health and Family Welfare, Punjab, Chandigarh, on behalf of respondents No.1 to 4 has been filed, wherein the above-said payments have not been disputed, however, with regard to delay in release of retiral dues it has been stated as under:-

“xxx xxx xxx xxx xxx

4. That the respondent No.3 constituted a committee of 3 members for enquiry regarding embezzlement of NHM Funds. The committee found that Dr.Bimla Rani, Senior Medical Officer, C.H.C.Amloh District Fatehgarh Sahib had not made any entries in the cash book regarding the expenditure and no record of the funds which were allocated by the NHM Punjab to the C.H.C.Amloh was maintained. That the committee found defects/irregularities in Cash Book, NHM Cash Book and user charges Cash Book.

5. That the petitioner was granted extension of one year w.e.f. 01.07.2018 to 30.06.2019 by the respondent No.1 vide order dated 20.06.2018 issued vide endorsement

No.1/52/2018-3H1/2708 dated 25.06.2018, keeping in view the Instructions issued by the Government of Punjab, Finance Department(Finance Personnel-2 Branch) from time to time. But before completing one year of extension period, the petitioner left service on 09.10.2018. The Mission Director, NHM Punjab vide note dated 07.06.2018 recommended respondent No.2 to take suitable action against the Petitioner for the irregularities committed by her regarding NHM funds.

6. That it is submitted that the Pension Clearance Certificate in favour of the petitioner was issued by the respondent No. 2 vide letter No.4994-E2(1)Pb.18/5408-12 dated 16.10.2018 was immediately withheld after coming into notice the above said irregularities in NHM funds. Keeping in view the above said irregularities in NHM funds respondent No.2 vide order dated 31.10.2018 issued vide endorsement No.4994-E2(1)Pb.18/5896-97 dated 22.11.2018 Dr. Harish Malhotra, Deputy Director and Joint Controller (Finance & Accounts) was appointed as Inquiry Officer. But on account of the transfer of Dr. Harish Malhotra the enquiry could not be completed by them. In order to conduct enquiry, respondent No.2 vide endorsement No. 4994-E(1)Pb.18/3191-92 dated 26.06.2019 appointed Dr. N.K. Aggarwal, Deputy Director and Joint Controller (Finance & Accounts) as Inquiry Officer. Dr. N.K. Aggarwal, Deputy Director also could not complete the enquiry due to his transfer. After this, to enquire into these financial irregularities Office of respondent No.2 vide endorsement No.4994-E(1)Pb.19/3680 dated 17.07.2019 appointed Dr.Poornima Sehgal, Deputy Director and Joint Controller (Finance & Accounts) as Inquiry Officer. The Inquiry officer submitted detailed inquiry report to Respondent No.2 vide her letter No.Steno/JC(F&A)Pb.19/61 dated 20.09.2019, vide which Dr. Bimla Rani was held responsible for the irregularities done at her end in maintaining the Cash Books of NHM funds.

7. That it is submitted that the report submitted by the inquiry officer was sent to respondent No.1 by the respondent No.2 through letter No.E3(5)Pb.19/5339 dated 11.10.2019 with the request that action may please be initiated against the staff and Dr.Bimla Chalia (Petitioner) being Head of Institution.

8. That it is submitted that after examining the inquiry report sent by respondent No.2 the same was filed by the respondent No.1 and an intimation to this effect was sent to respondent No.2 vide memo No.17/139/2019-3H1/3362 dated 30.10.2019.

9. That it is submitted that the Accountant General Punjab,

Chandigarh had issued detailed instructions vide his letter No.Pension-1/AG(A&E)/Pb/2007-08/4755-4832 dated 06, June 2007. Accountant General Punjab, Chandigarh had stressed in the above instructions that suitable guidelines may please be issued to all the subordinate offices/authorities of the Departments/Punjab Government to desist from sending pension cases to their office in respect of employees against whom departmental enquiries/court proceedings were pending. Their pension cases may be sent to their office only after the conclusion of departmental enquiries/ court cases to avoid not only wastage of time and other resources of AG office but also to avoid any chance of any kind of excess payment of pensionary benefits to the pensioner leading to consequent loss to the State exchequer.

10. That it is submitted that inquiry proceedings of National Health Mission funds were dropped by the respondent No.1 vide Memo No.17/139/2019-3H1/3362 dated 30.10.2019 and all the retiral dues of the petitioner were released within a period of 3 months after 30.10.2019 the date when the departmental proceedings against the petitioner were filed by the respondent No.1. It is also submitted that Pension and DCRG case of the petitioner was sent to Accountant General Punjab, Chandigarh by the respondent No.2 vide Letter No. G.A.D.(1)Pb:2020/39 dated 08.01.2020 after completing all the formalities and the Office of Accountant General Punjab had issued PPO in favour of petitioner on 17.02.2020.

xxx xxx xxx xxx xxx”

5. As per the stand taken by the respondents, the enquiry proceedings initiated against the petitioner were finally dropped on 30.10.2019 and thereafter, the retiral dues of the petitioner have been released.

6. Learned counsel for the petitioner, while relying upon a judgment of Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab : 1997(3) S.C.T. 468*** and a judgment of this Court in ***J.S. Cheema Vs. State of Haryana and others : 2014(13) RCR (Civil) 355***, submits that since the enquiry proceedings pending against the petitioner have been dropped, therefore, the petitioner is entitled for

grant of interest on the delayed payments of her retiral dues.

7. *Per contra*, learned State counsel, while referring to the averments made in the written statement, submits that the enquiry proceedings could not be concluded in time as three Enquiry Officers were changed due to administrative reasons and there is no intentional delay on the part of the department and the enquiry proceedings were dropped on 30.10.2019 and immediately thereafter all the payments of retiral dues of the petitioner were released.

8. I have heard learned counsel for the parties and perused the record.

9. The request of the petitioner for retirement was accepted by the respondents and she retired from service on 09.10.2018. It was, therefore, expected from the respondents to release the pensionary benefits of the petitioner within a reasonable period. However, the same were released after a considerable delay as is evident from the chart reproduced hereinabove. Consequently, the petitioner cannot be denied the benefit of interest on the delayed payments of her retiral dues, as the delay is clearly attributable to the respondents and not to any act or omission on the part of the petitioner. It is well settled proposition of law that pension and other retiral benefits are not a matter of grace or bounty, but constitute a vested and enforceable right accruing to an employee upon retirement, governed by statutory rules. The timely release of such benefits is a legal obligation of an employer, and any delay therein, unless justified by cogent and lawful reasons attributable to the employer, is impermissible.

10. The Full Bench of this Court in ***A.S. Randhawa's case***

(supra) 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 the said judgment is as under:-

“8. 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. xx xx xx xx”

11. Apart from this, in *J.S. Cheema's case (supra)*, this Court 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: -

“5. xx xx xx xx 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 laying 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.”

12. The State, being a model employer, is expected to act fairly, reasonably and expeditiously in settling retiral claims. Any unexplained delay not only causes financial hardship to the retiree, who is dependent upon such dues for post-retiral sustenance, but also amounts to arbitrary deprivation of property, offending the mandate of

Articles 14, 21 and 300-A of the Constitution of India. Therefore, denial of interest in cases of unjustified delay would amount to allowing the State to take advantage of its own lapse, which is impermissible in law.

13. Keeping in view the above, the petitioner is held entitled for the grant of interest on his retiral dues at the rate of 6% per annum from 09.12.2018 (after 02 months from the date of retirement) till the actual date of payment(s). The necessary benefits shall be calculated and be released to her within a period of two months from the date of receipt of certified copy of this order.

14. Disposed of in the above terms.

18.02.2026

Vinay

(NAMIT KUMAR)
JUDGE

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No