

117 RSA No.4228 of 2006 and 869 of 2007

IN THE HIGH COURT OF PUNJAB & HARYANA  
AT CHANDIGARH

1. RSA-4228 of 2006

State of Haryana and ors.

.....Appellants

Vs.

Satwant Singh and anr.

.....Respondents

2. RSA-869 of 2007

Satwant Singh

.....Appellants

Vs.

State of Haryana and ors.

.....Respondents

**Date of Reserve: 18.02.2026**

**Date of Pronouncement: 24 .02.2026**

**Uploaded on:- 26.02.2026**

***Whether only the operative part of the judgment is pronounced?*** **No**  
***Whether full judgment is pronounced?*** **Yes**

**CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA**

Present: Mr. Harish Nain, A.A.G. Haryana  
for the appellants in RSA No. 4228 of 2006  
and for the respondent in RSA No. 869-2007.

Mr. Daksh Uppal and Mr. Akshat Aggarwal, Advocates  
for the appellants in RSA No. 869-2007 and  
for the respondent in RSA No. 4228 of 2006.

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**SUDEEPTI SHARMA J. (ORAL)**

1. The above referred to both appeals are preferred against judgment and decree dated 12.10.2006 passed by learned District Judge, Hisar, therefore, both the appeal (s) are decided, vide this common judgment.

2. RSA No. 4228-2006 is preferred by State of Haryana against the judgment and decree dated 12.10.2006 passed by learned District Judge, Hisar, whereby in the appeal preferred by respondent-Satwant Singh (appellant in RSA

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No. 869-2007) against judgment and decree dated 20.04.2005 passed by learned Civil Judge (Jr. Division), Hisar, he was granted interest @ 18% per annum on delayed payment of retiral benefits.

3. RSA No. 869-2007 is preferred by appellant-Satwant Singh (respondent No. 1 in RSA No. 4228-2006) against the judgment and decree dated 20.04.2005 passed by learned Civil Judge (Jr. Division), Hisar and judgment and decree dated 12.10.2006 passed by learned District Judge, Hisar, whereby the civil suit filed by the appellant-Satwant Singh is partly allowed and the appeal filed against the dismissal of part claim by Civil Court, is dismissed respectively.

4. Brief facts of the case are that Satwant Singh (respondent No. 1 in RSA No. 4228-2006 and appellant in RSA No. 869-2007) retired from Haryana Police on 31.08.1998 as Sub Inspector. Since the substantial amount of retiral benefits were withheld by State of Haryana, without any reasoning and subsequently, belatedly retiral benefits were granted, therefore, Satwant Singh filed civil suit claiming interest on the delayed payments of retiral benefits. Further claim in the civil suit was that State of Haryana has withheld amount of Rs.81,628/- from retiral benefits of Satwant Singh as penal rent, illegally and unauthorisedly, therefore, Satwant Singh/plaintiff is entitled to get this amount from State of Haryana along with interest.

5. As per the reply filed by the State, amount of Rs. 81,628/- was deducted from the arrears of Satwant Singh since during the period of service, he had not vacated the government accommodation and as such the amount was imposed as penal rent and the recovery was imposed upon Satwant Singh as per his last pay certificate.

6. The civil suit filed by Satwant Singh was partly allowed by learned Civil Judge (Jr. Division), Hisar, vide judgment and decree dated 20.09.2005 and

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he filed appeal against the partly dismissed claim, which was also partly allowed, vide judgment and decree dated 12.10.2006 passed by learned District Judge, Hisar and he was held entitled to payment of interest @ 18% per annum. However, the other portion of the claim with respect to entitlement of Rs.81628/- which was withheld as penal rent, was dismissed.

7. Now, before this Court, State of Haryana has preferred RSA No. 4228-2006 only on the ground that interest @ 18% granted by learned District Judge, Hisar, vide its judgment and decree dated 12.10.2006 is on the higher side.

8. Similarly, Satwant Singh preferred RSA No. 869-2007 on the ground of dismissal of his part claim with respect to entitlement of Rs.81628/- which was withheld as penal rent.

9. Learned State counsel for the appellants in RSA No. 4228-2006 contends that interest granted by the learned District Judge, Hisar, vide its judgment and decree dated 12.10.2006 is on the higher side and vide order dated 14.12.2006, payment of interest beyond 12 % was stayed by this Court and interest @ 12% has already been paid to Satwant Singh. He, therefore prays that the interest @ 18% is on the higher side, therefore, RSA No. 4228-2006 be allowed and interest @ 12% per annum already paid, be allowed.

10. To support his contentions, he relies upon judgment of Hon'ble the Supreme Court of India in a case of ***D.D. Tewari (d) through Lrs vs. UHBVNL and others, 2014 (9) Scale 78 and S.K. Dua vs. State of Haryana and anr, 2008 (1) SCT 618.***

11. Per contra, learned counsel for the respondent-Satwant Singh contends that learned District Judge, Hisar has rightly granted interest @ 18 interest on the delayed payment. He, therefore prays that the present appeal be dismissed.

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12. To support his contentions, he relies upon judgment of Hon'ble the Supreme Court of India in a case of *Vijay L. Malhotra vs. State of U.P, 2000 (4) SCT 267* and full bench judgment of this Court in *A.S. Randhawa vs. State of Punjab & others, 1997(3) SCT 468*.

13. Learned counsel for the appellant-Satwant Singh (RSA No. 869-2007) contends that both the Court fell in grave error in dismissing the prayer of the appellant with respect to his entitlement of Rs.81628/- along with interest. He, therefore prays that the appeal (RSA No. 869-2007) be allowed.

14. Per contra, learned State counsel contends that both the Courts have rightly dismissed the prayer of the appellant-Satwant Singh with respect to his entitlement of Rs.81628/- along with interest. He, therefore prays that the present appeal (RSA No. 869-2007) be dismissed.

15. I have heard learned counsel for the parties and perused the whole record of these cases.

16. Admittedly, Satwant Singh retired from service on 31.08.1998 and his retiral benefits were not granted at the time of his retirement and there is delay of long period in granting pensionary benefits. Further amount of Rs.81,628/- as penal rent was withheld from the arrears of Satwant Singh in compliance of the order dated 14.10.1998, issued by Inspector General, Hisar Range Hisar. So far as claim of Satwant Singh with respect to refund of amount of Rs.81628/- along with interest, which was deducted from his retiral benefits on account of penal rent is concerned, the same was charged since he did not vacate the official accommodation during his posting at Sirsa. It is admitted fact of Satwant Singh that he had retained the official accommodation at Hisar illegally despite the fact that during that period he was posted at Sirsa. This is admission of Satwant Singh himself in his statement during cross examination wherein he had categorically

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admitted that he had retained the official accommodation at Hisar during his posting at Sirsa. It is further admitted during his cross examination that department had issued letters against him as well with regard to vacating the house in question. It is further admitted by Satwant Singh in his cross examination that he did not challenge the quantum of penal rent. He further admitted during his cross examination that he had retained the official accommodation at Hisar for nearly about two years and had vacated the same near about one month prior to his retirement.

17. Therefore from the cross examination of Satwant Singh, it is clear that he was in illegal possession of the official residence at Hisar against the rules. Further, the quantum of penal rent is not disputed at all by Satwant Singh himself and if the same is not disputed then there is no question of granting him opportunity of hearing before passing the order of withholding amount of Rs.81628/- from the arrears of Satwant Singh.

18. A perusal of the record further shows that all the formalities were completed before charging of penal rent from Satwant Singh. Satwant Singh was granted last pay certificate on 31.3.1998 as Ex.D2 wherein it was categorically stated that the amount of Rs.103500/- was imposed upon Satwant Singh as penal rent out of which Rs. 21872/-had been recovered and the amount of Rs. 81628/- was still outstanding against him. In this manner the recovery process had already started during his service tenure and the amount of Rs.21872/- was already recovered from him and the recovery of balance amount was effected from his retiral benefits. He did not claim the amount of Rs.21872/- which had been recovered from him during his service tenure in the civil suit, rather, he claimed the refund of the amount of 81628/- which was withheld from his retiral benefits. This shows that Satwant Singh had accepted the genuineness of the order in question

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and he did not challenge the legality of the order in question during his service tenure or before starting of the process of recovery.

19. He retired from the service on 31.8.1998 and before that amount of Ra.21872/- had already been recovered from him. He filed civil suit on 16.7.2002, after about four years of his retirement and after starting of the process of the recovery. Therefore, both the Courts have rightly dismissed the claim of Satwant Singh with respect to his entitlement of Rs.81628/- along with interest.

20. Accordingly, RSA No. 869-2007 filed by the respondent-Satwant Singh is liable to be dismissed.

21. So far as appeal i.e RSA No. 4228-2006 filed by State of Haryana with respect to grant of interest @ 18 % on higher side is concerned, learned counsel for the appellants has relied upon *S.K. Dua'a case (supra)*.

22. The above referred to judgment {*S.K. Dua'a case (supra)*} was regarding grant of interest on delayed payment of retiral benefits wherein the matter was remanded to High Court, therefore, the same would not be applicable to the facts of the present case.

23. So far as reliance of *D.D. Tewari's case (supra)* is concerned, in that case, interest @ 9 % was granted. But no specific directions were given by Hon'ble the Supreme Court that the interest cannot be granted more than 9 %.

25. Now coming to the judgments referred to by learned counsel for the respondent-Satwant Singh.

26. In *Vijay L. Malhotra's case (supra)*, it has been observed that there was no reason in justifying for not making the payment for months together, therefore, interest @ 18% w.e.f date of retirement till the date of payment was ordered by Hon'ble the Supreme Court.

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27. Learned counsel for the respondent-Satwant Singh has further relied upon **A.S. Randhawa's case (supra)**

28. The Full Bench of this Court in **A.S. Randhawa's case (supra)** has held as under:-

*“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 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. 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%.”*

29. In view of the above, I do not find any infirmity in judgment and decree dated 12.10.2006 passed by learned District Judge, Hisar and the same is upheld.

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30. Accordingly, both the appeals i.e RSA No. 4228-2006 and RSA No. 869-2007 are hereby dismissed. Respondent-Satwant Singh is held entitled to grant of 18% interest per annum.

31. Vide order dated 14.02.2006, payment of interest beyond 12 % was ordered to be stayed by this Court. The present appeals pertains to the year 2007 and are now been decided after almost 19 years because of which the respondent-Satwant Singh is deprived of his right of grant of remaining 6% interest per annum. Therefore, to avoid further delay and harassment to the respondent-Satwant Singh, justice demands that the directions be issued to the appellants-State that they should not force the respondent-Satwant Singh to file execution for the remaining interest.

32. Resultantly, the appellant-State is directed to grant remaining 6% interest per annum to the respondent-Satwant Singh within a period of one month, as held vide judgment and decree dated 12.10.2006 passed by learned District Judge, Hisar,

33. Pending application (s), if any also stands disposed of.

**24.02.2026**

Gaurav Arora

**(SUDEEPTI SHARMA)****JUDGE**

Whether speaking/non-speaking : Speaking

Whether reportable : Yes