



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

249

CWP-16270-2022 (O&M)  
Date of decision : 23.07.2024

Bimla Devi

.....Petitioner

V/S

State of Punjab and others

....Respondents

**CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR**

Present: Mr. Kuljit Singh, Advocate for  
Mr. Peeyush Gagneja, Advocate for the petitioner.

Ms. Saguna Arora, A.A.G. Punjab.

Mr. Ashish Bakshi, Advocate for  
Mr. Naveen Upadhyay, Advocate for respondent No.3.

Mr. K.D.S. Sidhu, Advocate for respondent No.4.

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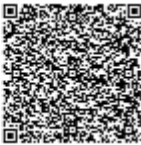
**NAMIT KUMAR, J. (ORAL)****CM-3785 & 3787-CWP-2023**

Prayer in the instant applications filed under Section 151 of CPC is for placing on record copy of letter dated 26.04.2022 as Annexure P-7 and exemption from filing certified copy of the same.

Allowed as prayed for subject to all just exceptions.

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1. The petitioner has filed the instant writ petition under Articles 226/227 of the Constitution of India, seeking a writ in the nature of mandamus, directing the respondents to release the remaining amount of service-cum-retiral dues of the petitioner including pension and revised pay scale along with interest on the delayed payment.



2. Brief facts of the case, as have been pleaded in the present petition, are that the petitioner was serving as Inspector in the office of respondent No.3 and retired as such on attaining the age of superannuation on 31.01.2022. When after 04 months of her retirement, her service-cum-retirement benefits were not released by respondent No.3, the petitioner served a legal notice dated 02.05.2022 to the respondents for releasing her service-cum-retiral benefits but to no avail. Hence, the present petition.

3. Pursuant to notice of motion, separate replies have been filed by the respondents. In the reply filed on behalf of respondent No.3, it has been stated as under :-

“xx                      xx                      xx                      xx                      xx

4. That the contents of Para No.4 of the petition are wrong and hence, denied. The petitioner retirement dues pertaining to Municipal Corporation, Bathinda such as gratuity, leave encashment amounting to Rs.47,298/- was released immediately after retirement and pension of petitioner also got sanctioned and disbursed within time. As far as the amount pertaining to Municipal Corporation, Abohar, the same was released on dated 03.04.2023 i.e. of Rs.17,87,668/-. It is also pertinent to mention here that her provident fund has also been released. Hence, nothing is left pending with respondent No.3 to be paid to the petitioner in lieu of her services. It is pertinent to mention here that the details of amount disbursed to the petitioner are detailed below :-

| Sr. No. | Transaction                             | Cheque No. | Date       | Amount      |
|---------|-----------------------------------------|------------|------------|-------------|
| 1.      | GPF with interest                       | 060035     | 01.06.2022 | 2,96,877/-  |
| 2.      | Leave Encashment & Gratuity (Part)      | 374712     | 28.01.2022 | 50,000/-    |
| 3.      | Leave Encashment & Gratuity (Remaining) | 409672     | 03.04.2023 | 17,37,668/- |

xx                      xx                      xx                      xx                      xx”



4. Learned counsel for the petitioner submits that although all the retiral benefits have been released to the petitioner during the pendency of the instant petition, however, the same have been released after a lapse of more than one year. Since there is a considerable delay in releasing the gratuity and leave encashment of the petitioner, therefore, the petitioner is entitled for interest on the same.

5. Per contra, learned counsel(s) for the respondents-Corporation, while referring to the contents of the reply, filed on behalf of respondents-Corporation, submits that since all the retiral benefits of the petitioner have already been paid to her, therefore, the instant petition has been rendered infructuous.

6. I have heard learned counsel for the parties and have gone through the relevant documents.

7. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against her, therefore, the retiral benefits of the petitioner were required to be released within a reasonable time after her retirement. Since there is a considerable delay in releasing the payment of gratuity and leave encashment to the petitioner, therefore, the petitioner cannot be denied the benefit of interest on the same.

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 disposed of with direction to respondent No.3-Corporation to pay interest @ 6% per annum to the petitioner, on the delayed payment of gratuity and leave encashment, w.e.f. 01.05.2022 (i.e. after three months of her retirement) till the actual date



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of payment, within a period of three months from the date of receipt of certified copy of this order.

23.07.2024

*kothiyal*

(NAMIT KUMAR)  
JUDGE

Whether speaking/reasoned:

Yes/No

Whether Reportable:

Yes/No