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

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CWP-561-2025

Date of decision: 03.02.2025

VINOD KUMAR YADAV

....PETITIONER

Vs.

STATE OF HARYANA AND OTHERS

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: Mr. Suresh Kumar Kaushik, Advocate,
Mr. Ankit Singhla, Advocate and
Mr. Hitesh Chauhan, Advocate
for the petitioner.

Mr. Raman Sharma, Addl. A.G., Haryana.

Mr. Arvind Seth, Advocate
for the respondent-HSVP.

JAGMOHAN BANSAL, J (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of orders dated 05.05.2022 and 02.12.2024 (Annexures P-8 and P-10) whereby respondent No. 3 has declined his claim.

2. The petitioner on attaining the age of superannuation retired from the post of Sub Divisional Engineer on 31.03.2021. He was entitled to GPF, leave encashment, gratuity and commutation of pension. The respondent delayed in making payment towards aforesaid benefits as well as commencement of monthly pension. He was paid arrears towards pension on 04.07.2022.

3. Mr. Suresh Kumar Kaushik, Advocate submits that petitioner is entitled to interest on delayed payment. His claim *qua* interest is based upon



Court in ‘*A.J. Randhawa, Supg. Engineer (Retd.) v. State of Punjab*’, 1997 SCC OnLine P&H 705.

4. Mr. Arvind Seth, Advocate, who on advance notice is present in Court, expressed his inability to controvert the fact that there was some delay in making retiral dues. He submits that delay was unintentional and length of delay is small, thus, petitioner is not entitled to interest. The delay was not on the part of respondent.

5. I have heard the arguments of learned counsels for both sides and perused the record with their able assistance.

6. From the perusal of record, it comes out that petitioner retired on 31.03.2021 on attaining the age of superannuation. The petitioner was released pension, financial assistance, provident fund and arrears of pension with small delay and he is claiming interest on these elements. The payment of commutation of pension, gratuity and leave encashment was made beyond two months’ period as laid down by Full Bench of this Court in *A.J. Randhawa (supra)*.

7. The detail of payment of retiral dues is as below:-

Sr. No.	Prescribed retiral benefits	Amount (in Rs.)	Released on
1.	GPF	21,26,989/-	09.06.2021
2.	Leave Encashment	8,84,520/-	02.12.2021
3.	Gratuity	14,37,345/-	02.12.2021
4.	Commutation	15,18,834/-	23.05.2022
5.	Arrear of monthly pension from April 201 to June 2022	5,05,018/-	04.07.2022

8. A Full Bench of this Court in *A.J. Randhawa (supra)* has adverted with an identical issue and held that an employee normally would be paid retiral



benefits within two months and in case of payment beyond two months, he shall be entitled to interest. The relevant extracts of the said judgment read as:

“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 case [1985 (2) L.L.N. 18] (vide 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 per cent unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18 per cent.”

9. The Apex Court in **S. K Dua (supra)** has clearly held that an employee can claim interest in terms of Part III of Constitution of India. The relevant extracts of the said judgment read as:

“13. Having heard the learned counsel for the parties, in our opinion, the appeal deserves to be partly allowed. It is not in dispute by and between the parties that the appellant retired from service on 30-6-1998. It is also undisputed that at the time of retirement from service, the appellant had completed more than three decades in government service. Obviously, therefore, he was entitled to retiral benefits in accordance with law. True it is that certain charge-sheets/show-cause notices were issued against him and the appellant was called upon to show cause why disciplinary proceedings should not be initiated against him. It is, however, the



case of the appellant that all those actions had been taken at the instance of Mr Quraishi against whom serious allegations of malpractices and misconduct had been levelled by the appellant which resulted in removal of Mr Quraishi from the post of Secretary, Irrigation. The said Mr Quraishi then became Principal Secretary to the Chief Minister. Immediately thereafter charge-sheets were issued to the appellant and proceedings were initiated against him. The fact remains that proceedings were finally dropped and all retiral benefits were extended to the appellant. But it also cannot be denied that those benefits were given to the appellant after four years.

14. In the circumstances, prima facie, we are of the view that the grievance voiced by the appellant appears to be well founded that he would be entitled to interest on such benefits. If there are statutory rules occupying the field, the appellant could claim payment of interest relying on such rules. If there are administrative instructions, guidelines or norms prescribed for the purpose, the appellant may claim benefit of interest on that basis. But even in absence of statutory rules, administrative instructions or guidelines, an employee can claim interest under Part III of the Constitution relying on Articles 14, 19 and 21 of the Constitution. The submission of the learned counsel for the appellant, that retiral benefits are not in the nature of “bounty” is, in our opinion, well founded and needs no authority in support thereof. In that view of the matter, in our considered opinion, the High Court was not right in dismissing the petition in limine even without issuing notice to the respondents.”

10. In the wake of aforesaid judgments, it is quite evident that an employee is entitled to interest if payment of retiral dues is made beyond two months from the date of retirement. In view of changed rate of interest granted by banks, at present an employee cannot be granted interest beyond 6% per annum.



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11. In view of above facts and findings, it is hereby held that the petitioner is entitled to interest @ 6% per annum on delayed payment of commutation of pension, gratuity and leave encashment. The period of interest would run from 01.06.2021 to the date of payment.
12. It is made clear that there would be no interest on GPF because it automatically carries interest.
13. With respect to claim of petitioner *qua* DA @ 28%, the respondents are directed to reconsider his claim and pass an appropriate order in terms of their instructions.
14. Let the needful be done within 3 months from today.
15. Disposed of in above terms.

03.02.2025
manoj

[JAGMOHAN BANSAL]
JUDGE

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