IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Sr. No.209 **CWP-6711-2020 (O&M)**
Date of decision: 27.11.2025

Gurdeep Singh ..... Petitioner

VERSUS

State of Punjab and others ..... Respondents

CORAM: HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA

Present: Mr. Abhimanyu Kalsy, Advocate, for the petitioner.

Mr. Amarpreet Singh Bains, AAG, Punjab.

Mr. Himanshu Sharma, Advocate
for respondent No.6-Bank.

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DEEPINDER SINGH NALWA, J.(Oral)

1. In the present writ petition, the petitioner is praying for issuance of direction to respondents to pay the interest @ 9% per annum w.e.f. 01.10.2009 till the payment of commuted value of pension was paid to the petitioner on 17.09.2018.

2. Brief facts of the case are that the petitioner retired as a Math Master on 30.09.2009. The petitioner submitted various requisite documents on 15.07.2009 much before his date of retirement for the purpose of release of retiral benefits in time. The case of pension of

petitioner could not be decided due to repeated objections raised by respondents No.1 to 4. Ultimately, the Auditor General, Punjab granted approval on 24.01.2011 in respect of release of retiral benefits to the petitioner. The pension and gratuity was sanctioned on 24.01.2011. In regard to release of amount of commuted value of pension of the petitioner is concerned, the abovesaid amount was not released to the petitioner. As a consequence of this, the petitioner approached the respondents number of time requesting for release of the same. Ultimately, the amount of commuted value of pension was released to the petitioner on 17.09.2018 although, the same was sanctioned on 02.07.2013. As there was inordinate delay in release of amount of commuted value of pension from the date of the retirement of the petitioner, the petitioner served legal notice dated 12.10.2018 (Annexure P-1) to the respondents, wherein the petitioner had prayed for grant of interest on account of delayed payment of amount of commuted value of pension. The abovesaid legal notice was duly considered by the respondents, however, there was no reference made in regard to grant of interest to the petitioner on account of delayed payment of amount of commuted value of pension. Aggrieved against the abovesaid action of the respondents in not granting interest to the petitioner, the petitioner has filed the present writ petition.

3. Learned counsel appearing on behalf of the petitioner submits that the petitioner retired on 30.09.2009 and at the time of retirement, no

departmental proceedings were pending against the petitioner. Thus, the petitioner was entitled for grant of commuted value of pension within a reasonable time. He further submits that in fact, the amount of commuted value of pension was given to the petitioner on 17.09.2018, although the same was sanctioned on 02.07.2013 by the competent authority, as there was an inordinate delay in release of the abovesaid amount and there was no fault of the petitioner, the petitioner is entitled for interest on account of delayed payment of commuted value of pension.

4. Written statement has filed on behalf of respondents No.1 to 4. In Para No.2, the case of respondents No.1 to 4 is that respondent No.6 had withheld the commuted value of pension to the tune of Rs.3,04,697/- till 16.09.2018 despite sanction was given by the office of Accountant General, Punjab vide order dated 02.07.2013. As such, respondents No.1 to 4 was not liable to pay any interest on delayed payment of commuted value of pension.

5. Short written statement has been filed on behalf respondent No.6, it is a case of the respondent No.6 that as the petitioner approached the respondent-Bank in the year 2018 and thereafter immediately, the Bank had released the abovesaid amount, as such, there was lapse on the part of the petitioner as he did not approach the Bank at the earliest and therefore, petitioner is not entitled for any interest on amount of commuted value of pension. He also submits that action of respondent

No.6-Bank in releasing the abovesaid amount in the year 2018 is not arbitrary and is in accordance with law.

6. I have heard the learned counsels appearing on behalf of the parties at length.

7. A perusal of the facts of the case would show that the only issue involved in the present case is in regard to grant of interest on delayed payment of commuted value of pension. A perusal of the facts of the case would show that it is an admitted fact that the sanction was given by the respondent-department on 02.07.2013 in regard to release of amount of commuted value of pension to the bank in the case of the petitioner. In spite of the fact, the sanction was granted by the competent authority on 02.07.2013 for release of amount of commuted value of pension in the case of the petitioner, the respondent-Bank released the abovesaid benefit to the petitioner on 17.09.2018. It is not the case of respondent-Bank that the abovesaid sanction granted by the competent authority was not in the knowledge of respondent-Bank. In regard to contention raised by the learned counsel appearing on behalf of respondent-Bank that as the petitioner has approached the bank to the first time in the year 2018 for grant of amount of commuted value of pension and thereafter, the same was released immediately, as such, there is no delay on the part of the bank, the abovesaid contention raised by learned counsel appearing on behalf of the respondent-Bank cannot be accepted, even, if it is presumed for the sake of argument that the petitioner has

approached the respondent-Bank for the first time in the year 2018, in regard to release of amount of commuted value of pension, even then, as the sanction was granted by the competent authority on 02.07.2013, it was an obligation on part of the bank to release the abovesaid amount to the petitioner. Once a sanction has been granted by the competent authority in regard to release of retiral benefits, the same should immediately be released to a retired employee.

8. A perusal of the facts of the present case would show that there is delay of almost more than five years in releasing the amount of commuted value of pension to the petitioner. A perusal of facts of the case would clearly show that there was a delay on the part of respondent-Bank in releasing the commuted value of pension to the petitioner in the year 2018 in spite of the fact that the sanction was given by the competent authority on 02.07.2013. It is well settled law that retiral benefits are not a bounty, it is the right of an employee.

9. Reliance has been placed upon the judgment passed by Co-ordinate Bench of this Court in **CWP No.19759 of 2023** titled as **Parveen Kumar Vs. State of Punjab and others**, decided on 15.03.2024, wherein the Court had directed the respondents to pay interest on the delayed payment of retiral dues. The relevant extract from the aforesaid judgment in **Parveen Kumar's case (supra)**, is reproduced herein below:-

> "*9. Since either before or after the retirement of the petitioner, no departmental proceedings were*

pending against him, therefore, the retiral benefits of the petitioner were required to be released within a reasonable time after his premature retirement and since there is a delay of more than 01 year and 08 months in releasing the same, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of retiral dues.

10. 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."

11. 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.*"

12. In view of the above factual position and settled principles of law, the present petition is disposed of with a direction to the respondents to pay interest @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.09.2022 (after two months of his retirement) till the actual date of payment, within a period of 03 months from the date of receipt of certified copy of this order."

10. Taking into consideration the facts of the present case and above-referred judgments, it is held that the petitioner is entitled for grant of 6% interest on the amount of commuted value of pension w.e.f 02.07.2013 i.e. date of sanction till 17.09.2018 i.e. release of actual amount of commuted value of pension. Respondent No.6 is directed to

pay interest @ 6% to the petitioner on the amount of commuted value of pension w.e.f. 02.07.2013 till actual realization of the abovesaid amount within a period of 02 months from the date of receipt of a certified copy of this order.

11. The present writ petition is allowed in abovesaid terms.

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

(DEEPINDER SINGH NALWA)
JUDGE

27.11.2025
Ramandeep Singh

Whether speaking / reasoned Yes / No

Whether Reportable Yes/ No