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

208

CWP-7099-2022
Date of Decision: 19.12.2025

PRADEEP KUMAR BHAGAT

...Petitioner

Versus

THE ADMINISTRATOR, U.T. CHANDIGARH AND ORS

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI

Present:- Mr. Harpal Singh Saini, Advocate,
for the petitioner.

Mr. Jaivir S. Chandail, Addl. Standing Counsel,
for the respondent-U.T. Chandigarh.

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HARSIMRAN SINGH SETHI, J. (ORAL)

1. In the present petition, the only challenge raised is that on the delayed release of the pensionary benefits to which petitioner has been found to be entitled to, the benefit of interest has not been granted by respondent No.4-Central Administrative Tribunal, Chandigarh (hereinafter referred to as 'Tribunal'), while passing the impugned order dated 04.07.2019 (Annexure P-4), non-grant of which benefit is contrary to the settled principle of law laid down by Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others 1997(3) S.C.T. 468,*** according to which judgment, in case there was no disciplinary proceedings pending against employee concerned at the time of retirement, the pensionary benefits are to be released within a period of two months of retirement, failing which the employee becomes entitled for the grant of interest on such delayed release

of benefits.

2. Learned counsel for the petitioner argues that even as per the judgment of learned Single Bench of this Court in CWP No.15867 of 2011, titled as *'J. S. Cheema vs. State of Haryana and others'*, decided on 20.11.2013, the benefit of interest is to be given to the employee in case, amount due towards such an employee has been retained by the Department and used and therefore, the non-grant of benefit of interest by the Tribunal in the impugned order despite recording a finding that there was a delay at the hands of respondent-department in release of the pensionary benefits to petitioner, is incorrect.

3. Learned counsel for the respondents admits that though there was no chargesheet filed against the petitioner at the time of his retirement but there was a vigilance investigation pending against him, due to which, the pensionary benefits admissible to petitioner were withheld, hence the claim of interest upon such delayed payment, is incorrect and the said prayer may kindly be rejected. Learned counsel for the respondents very fairly conceded that even in the vigilance investigation against the petitioner dropped later on.

4. We have heard the learned counsel for the parties and have gone through the record of the case with their able assistance.

5. It may be noticed that in case there is an impediment in the release of the pensionary benefits, then only the same can be withheld and that too, only where rules support the said withholding of the benefits. No

such rule has been brought to the notice of this Court, which could show that in case vigilance investigation is pending against an employee, the retiral benefits admissible to such employee can be withheld, even though, no charge-sheet has been issued to such an employee even for the allegations alleged against such employee, which allegations were under investigation by the Vigilance Department.

6. Further, even otherwise, the vigilance investigation initiated against petitioner has been dropped as the allegations alleged against him could not be substantiated. That being so, once the allegations alleged have not been substantiated, the delay in release of benefits admissible to petitioner has to be attributable to the Department concerned and the employee needs to be compensated for such delay.

7. Further, as per the judgment of the Full Bench of this Court in ***A.S. Randhawa's*** case (supra), in case there was no disciplinary proceedings pending against an employee at the time of his/her retirement, the pensionary benefits are to be released within a period of two months. The relevant para of the aforesaid judgment is 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 retirer 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%.

8. Further, nothing has been brought to the notice of this Court that vigilance investigation against an employee can also be treated as an impediment under the rules use to withhold the retirement benefits admissible to such employee, there was no jurisdiction with the respondents to withhold such benefits which were ultimately released.

9. The Single Bench of this Court in ***J. S. Cheema's*** *case (supra)*, has held that even where, the dues to which an employee is entitled for, remains with the employer and the same has been used to the benefit of the employer, the employee becomes entitled for interest. The relevant para of the said judgment is as under:-

> "In the circumstances, I hold the petitioner entitled to interest @ 8% p.a. on the delayed payment of retiral benefits. The interest will become due w.e.f. 01.05.2000. Let the interest on the above components i.e. gratuity, arrears of pension and leave encashment be computed @ 8% p.a. from 01.05.2000 till the date of payment and the same be released to the petitioner within a period of two

> months from the date of receipt of a certified copy of this order, failing which, the petitioner would be entitled to claim the same with interest @ 9% p.a."

10. In view of the above settled principle of law, especially where the pensionary benefits have been paid much after a period of two months of the retirement of petitioner and that too, without there being any disciplinary proceedings pending against him, grant of interest in favour of the employee upon the said delayed payment, has to be done. Hence, the claim of interest by the petitioner on the delayed release of the pensionary benefits is justified and he is allowed interest at the rate of 6% per annum on the delayed release of the pensionary benefits from the date the amount became due till the date of the date of release of such benefit. Let the interest be calculated and released within a period of eight weeks from the date of receipt of copy of this order.

11. The writ petition is allowed accordingly.

12. Pending applications, if any, also stand disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

(VIKAS SURI)
JUDGE

December 19, 2025
harish

Whether speaking/reasoned	Yes
Whether reportable	No