



IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

237

CWP-16336-2020(O&M)
Date of decision: 08.01.2025

Shiam Lal Gupta ...Petitioner
Versus

State of Punjab and others ...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Lokendra Singh, Advocate for
Mr. J.S. Rana, Advocate for the petitioner.

Mr. Arun Gupta, DAG, Punjab.

AMAN CHAUDHARY, J. (Oral)

1. Prayer made in the present petition is for directing the respondents to pay the interest on delayed release of retiral benefits to the petitioner, who retired on 30.09.2016 and payments were released as per the table reproduced in para 3 of the reply dated 25.04.2023, which reads thus:-

Sr. No.	Particulars of retiral benefits	Bill No & Date	Amount	Voucher No. and payment date	Remarks
1.	Leave encashment	187/ 29.11.17	5,33,960/-	87/ 29.11.16	The payment has made on 29.11.2017
2.	Death cum Retirement Gratuity	232/ 08.02.16	9,78,170/-	-	Due to closer of payment, the bill could not passed
3.	-do-	15/ 17.04.17	9,78,170/-	164/ 16.05.17	Amount paid on 16.05.17
4.	G.I.S	122/ 06.08.17	15,470/-	44/26.10.17	Amount is paid on 26.10.17
5.	G.P.F.	238/ 28.02.17	19,98,501/-	27.4.2018	Due to closer of payment, the bill could not passed
6.	-do-	105/ 03.07.17	19,98,501/-	1064/ 05.06.17	Amount paid on 11.12.2017



2. Learned counsel states that though the petitioner was to retire on 31.03.2016, however prior thereto he was granted an extension in service. Owing to ill health, he applied for early retirement, which came to be accepted and he finally retired on 30.09.2016, a fact not disputed. He submits that the petitioner is entitled to interest for the amounts paid after 3 months of retirement, which the learned State counsel has not been able to refute in view of the law laid down.

3. Hon'ble the Supreme Court in **State of Kerala vs. M. Padmanabhan Nair**¹ had observed that, "Pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement but have become, under the decisions of this Court, valuable rights and property in their hands and any culpable delay in settlement and disbursement thereof must be visited with the penalty of payment of interest at the current market rate till actual payment."

4. Given the authoritative rulings in **A.S. Randhawa vs. State of Punjab and others**², and **Vijay L. Mehrotra vs. State of UP**³, it is indisputable that a retiree is entitled to compensation for delayed payments, most equitably addressed through interest on the due amount from the date of superannuation, particularly when no valid justification for the delay exists. Full Bench of this Court in **A.S. Randhawa** (supra) emphasized that the retirement of a government employee triggers an immediate entitlement to pension and related benefits, placing a statutory obligation on the State to ensure disbursement within a reasonable timeframe. Failure to do so entitles

¹ (1985) 1 SCC 429

² 1997(3) SCT 468

³ 2001 (9) SCC 687



the retiree to compensation via interest. Similarly in **J.S. Cheema vs. State of Haryana**⁴, the Court likened such interest to “rent for the usage of money” that rightfully belonged to the petitioner but was unjustly retained and utilized by the State.

5. The delay in releasing the pensionary benefits, a cherished right, entitles the petitioner to interest thereon, as compensation for being kept away from the funds, which the respondents wrongfully withheld and benefited therefrom.

6. In view of the above, the present petition stands disposed of by directing the respondents to pay the interest to the petitioner at the rate of 6% per annum on amounts that were released after 3 months of him having retired on attaining the age of superannuation on 30.09.2016. Needful be done within a period of three months.

(AMAN CHAUDHARY)
JUDGE

08.01.2025

Hemant

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