IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

237 **CWP-11744-2025**
Date of Decision : **December 02, 2025**

SAWINDER PAL SINGH
.....Petitioner

VERSUS

STATE OF PUNJAB AND OTHERS
.....Respondents

CORAM: HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA

Present : Mr. A.S.Manaise, Advocate for the petitioner.

Mr. N. P. S. Hira, DAG, Punjab.

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<u>DEEPINDER SINGH NALWA, J. (Oral)</u>

1. In the present writ petition, the petitioner has challenged the speaking order dated 04.03.2025 whereby, the claim of the petitioner for grant of interest @ 12% per annum on account of delayed payment of retiral benefits has been rejected.

2. Brief facts of the case are that the petitioner was appointed as Lecturer in Economics in Government College, Gurdaspur in the year 1983 on regular basis. The petitioner was further promoted on the post of Principal, Government College, Gurdaspur on 28.5.2016. Approximately one week before the date on which the petitioner was to retire on attaining the age of superannuation i.e. 31.5.2019, a charge-sheet was issued on 24.5.2019. The petitioner retired on attaining the age of superannuation on 31.5.2019. At the time of retirement of the petitioner, the petitioner was only granted the

benefit of CPF and no other retiral benefits were released to the petitioner. The respondents in the year 2022 granted sanction of leave encashment of an amount of Rs.11,49,000/-. Leave encashment was released to the petitioner on 07.10.2022. The amount of gratuity was also released to the petitioner on 18.04.2023.

3. The relevant chart showing the dates of release of retiral benefits to the petitioner is reproduced below for kind perusal:-

Sr. No.	Item	Amount	Date due	Released on	Delay
1.	Arrears of Pension	4,63,554/-	01.06.2019	20.02.2020	8 months
2.	Leave Encashment	11,49,000/-	01.06.2019	07.10.2022	3 years, 4 months
3.	Gratuity	10 Lac	01.06.2019	18.04.2023	3 years, 10 months

4. Perusal of the chart reproduced above would show that arrears of provisional pension was released to the petitioner after almost a delay of 8 months. Leave encashment was released to the petitioner after 3 years and 4 months and the gratuity after 3 years and 10 months from the date of retirement of the petitioner.

5. In pursuance to the abovementioned charge-sheet dated 24.5.2019, an enquiry was initiated. The Enquiry Officer held the charge to be proved and vide order dated 16.11.2022, punishment of cut in pension to the extent of 10% for 10 years was imposed upon the petitioner.

6. Aggrieved against the abovesaid order dated 16.11.2022, the petitioner filed a CWP No.21423 of 2023. The abovesaid writ petition came up for consideration before this Court on 22.8.2024, on that date, this Court was pleased to allow the same and the order dated 16.11.2022 was set-aside

by this Court. It was observed in the order that any amount recovered from the petitioner so far, be refunded back within a period of 8 weeks from the date of receipt of certified copy of the order.

7. As the retiral benefits were released to the petitioner after an inordinate delay, the petitioner served a legal notice dated 31.8.2024 (Annexure P-4) wherein, it was claimed by the petitioner that as there was an inordinate delay in release of the retiral benefits, as such he was entitled for grant of interest @ 12% per annum on account of delayed payment of retiral benefits. As no decision was taken on the legal notice served by the petitioner dated 31.08.2024 (Annexure P-4), the petitioner filed a CWP No.29916 of 2024 before this Court. The abovesaid writ petition was disposed of vide order dated 06.11.2024 (Annexure P-5) whereby, direction was given to the respondents to decide the legal notice served by the petitioner within a period of 8 weeks from the date of receipt of certified copy of the order by passing an appropriate speaking order. In pursuance of the abovesaid order passed by this Court on 06.11.2024 (Annexure P-5), the respondents has passed an impugned order dated 04.03.2025 (Annexure P-6) whereby, the claim of the petitioner for grant of interest on the delayed payment of retiral benefits has been rejected.

8. A perusal of the abovesaid impugned order would show that the reason for denying the interest on delayed payment of the retiral benefits to the petitioner by the respondents is that as the disciplinary proceedings were pending against the petitioner, as such, the retiral benefits to the petitioner could not be released. As per the respondents after the completion of disciplinary proceedings, the department has released the retiral benefits after

taking necessary approvals, as such, the petitioner is not entitled for grant of any interest on delayed payment of retiral benefits.

9. Aggrieved against the abovesaid order dated 04.03.2025 (Annexure P-6), the petitioner has filed the present writ petition.

10. The only contention raised by the learned counsel appearing on behalf of the petitioner is that perusal of the chart reproduced above would show that the petitioner had retired from the post of Principal on 31.05.2019. Arrears of provisional pension was given to the petitioner after 8 months from the date of retirement. In case of leave encashment, the same was released to the petitioner after 3 years and 4 months. As far as the gratuity is concerned, the same was released to the petitioner after 3 years and 10 months from the date of retirement. Learned counsel appearing on behalf of the petitioner submits that once the order of punishment passed against the petitioner has been set-aside by this Court, as such, the petitioner would be held entitled for grant of interest on the delayed payment of retiral benefits as there was no fault on the part of petitioner in regard to delay in release of retiral benefits to the petitioner.

11. The learned State counsel contends that the reason for delay in releasing the retiral benefits to the petitioner was that, as there was a departmental proceedings pending against the petitioner, the respondents had a right to withhold the retiral benefits. After completion of the departmental proceedings, the retiral benefits were released to the petitioner, as such, the petitioner is not entitled for the grant of interest on account of delay in releasing the retiral benefits to the petitioner.

12. After hearing the learned counsel for the parties at length, a perusal of the facts of the case would show that the petitioner had retired on attaining the age of superannuation on 31.5.2019. Perusal of the chart reproduced above would show that arrears of pension was released to the petitioner after almost 8 months from the date of retirement, leave encashment was released to the petitioner after an inordinate delay of 3 years and 4 months and gratuity was released on 18.04.2023 almost after 3 years and 10 months. A perusal of the abovesaid facts would clearly show that there is inordinate delay in release of retiral benefits to the petitioner. In regard to the contention raised by the learned State counsel that as departmental proceedings were pending against the petitioner, therefore, there was a valid reason for delay in releasing the retiral benefits to the petitioner, is concerned, a perusal of the facts would show that some of the retiral benefits i.e. arrears of pension and leave encashment were released to the petitioner during the pendency of the departmental proceedings, as such, the contention raised by the learned State counsel that the retiral benefits could not be released because of the pendency of the departmental proceedings cannot be accepted. Once during the pendency of the departmental proceedings, some of the retiral benefits were released to the petitioner, the petitioner was entitled for release of the abovesaid benefit at the earliest after his retirement. Even otherwise also, once the punishment order passed on the basis of the abovesaid departmental proceedings, on the basis of which, the retiral benefits were withheld, has been set-aside, pendency of departmental proceedings cannot be held to be a valid ground for denying interest on delayed payment of the retiral benefits to the petitioner. Once the order of punishment has been held to be bad in law and

has been set-aside, the petitioner would be held entitled for grant of interest on delayed payment of retiral benefits. It is well settled law that the retiral benefits are not a bounty but is a right of an employee/pensioner. Reliance in this regard can be placed on the judgment passed by this Court in CWP-25951-2022 (O&M) decided on 19.11.2025 titled as **"Gurcharan Singh VERSUS State of Punjab and others**", wherein it was observed as under:-

> *"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:-*
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> *"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.*
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> *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:-*
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> *"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."

13. Taking into consideration the facts of the case, the present writ petition is allowed, petitioner is held entitled for grant of interest @ 6% per annum on the delayed payment of retiral benefits w.e.f. 31.07.2019 i.e. after two months from the date of retirement of petitioner till the actual realization of retiral benefits. The respondents are directed to release the benefit of interest @ 6% per annum to the petitioner on the delayed amount of retiral benefits within a period of 03 months from the date of receipt of certified copy of this order.

14. All pending application(s), if any, also stand disposed of accordingly.

(DEEPINDER SINGH NALWA)
JUDGE

December 02, 2025
ajaysharma

Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No