



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

215

CWP-15380-2022

Date of decision: 19.11.2025

Sukhpal Singh

.....Petitioner

Versus

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE NAMIT KUMAR

Present : Mr. Harbans Sharma, Advocate
for the petitioner.

Mr. Surya Kumar, AAG, Punjab.

NAMIT KUMAR, J. (ORAL)

1. The instant petition has been filed by the petitioner under Article 226/227 of the Constitution of India claiming interest on his retiral dues such as gratuity and leave encashment.
2. It is the case of the petitioner that he retired from service on 31.07.2020 on attaining the age of superannuation, however, payment of gratuity of Rs.10 lakhs was released to him on 30.06.2022 and leave encashment of Rs.9,49,170/- on 29.12.2021.
3. Learned counsel for the petitioner submits that at the time of retirement neither any disciplinary proceedings were pending against the petitioner nor he was involved in any criminal case. Therefore, there was no justification to withhold the abovesaid benefits and since there is a considerable delay in the release of the same, therefore, the petitioner is entitled to the grant of interest in view of the 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 and J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355.

4. Learned State counsel, while referring to the averments made in paras 2 and 3 of the written statement filed on behalf of respondents No.1 to 3, submits that two complaints were being enquired by the Managing Director, Housefed and the Joint Registrar, Cooperative Societies, Ferozepur, respectively and despite that 100% provisional pension was sanctioned in favour of the petitioner vide letter dated 18.03.2021.

5. I have heard learned counsel for the parties and perused the material on record.

6. Admittedly, the petitioner retired from service on attaining the age of superannuation on 31.07.2020 from the Department of Co-operation as Deputy Registrar, Co-operative Societies. The State of Punjab has issued instructions dated 31.05.2002 which provides that the head of the department shall ensure that the retired employees of all the departments are given pensionary benefits on the date of their retirement subject to any Court/judicial order or any departmental action/inquiry pending against such employees.

7. In the present case, no enquiry or judicial proceedings were pending against the petitioner. Merely, the investigation of two complaints is no ground to withhold the retiral dues of the petitioner.

8. A Full Bench of this Court in ***A.S. Randhawa's case (supra)*** 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.”

9. Apart from this, in ***J.S. Cheema's case (supra)***, this Court 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.”

10. 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 grant interest @ 7% per annum to the petitioner on the delayed payment of leave encashment and gratuity from 01.11.2020 i.e.

after three months of his retirement till the date of actual payment. The necessary calculations shall be made and the interest amount be paid to the petitioner within a period of 02 months from the date of receipt of certified copy of this order.

19.11.2025

Vinay

(NAMIT KUMAR)
JUDGE

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