



CWP-20500-2018
CWP-20522-2018

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

222-2 cases

CWP-20500-2018
Date of decision: 07.01.2025

Rajvir Singh ...Petitioner
Versus
State of Punjab and others ...Respondents

Shimla Devi ...Petitioner
Versus
State of Punjab and others ...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Amit Kumar and Mr. Sher Singh, Advocates
for the petitioners in both cases.

Mr. Amarpreet Singh Bains, AAG, Punjab.

AMAN CHAUDHARY, J. (Oral)

1. These cases involve similar issues and therefore, are being disposed of together by this common judgment, for the sake of convenience the facts are derived from CWP-20500-2018.
2. 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 30.06.2017 and payments were released as per the table reproduced in para 2 of the reply, which reads thus:-

S. No.	Bill No. and name of payment	Amount	Date of online bill to treasury	Date of deposit in treasury	Payment date
1.	25/Leave encashment	5,91,727	4.7.2017	11.7.2017	31.07.2017
2.	26/Gratuity	10,00,000	4.7.2017	11.7.2017	06.10.2017
3.	24/G.P.F	27,00,432	4.7.2017	11.7.2017	1.12.2017
4.	46/G.I.S	52,508	16.9.2017	18.9.2017	13.12.2017



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5.	22/Revised Leave Encashment	67,642	27.4.2018	27.4.2018	10.5.2018
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3. Learned counsel for the petitioner states that in para 6 of the written statement on merits, it has been mentioned that some delay had occurred in release of payments by the treasury and on instructions, submits that on the amounts paid after 3 months of retirement, he is entitled for interest, which learned State counsel has not been able to refute in view of the stand taken in the written statement and the law laid down.

4. Hon’ble the Supreme Court in **State of Kerala vs. M. Padmanabhan Nair**¹ reiterated 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.”

5. 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

¹ (1985) 1 SCC 429
² 1997(3) SCT 468
³ 2001 (9) SCC 687



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to pension and related benefits, placing a statutory obligation on the State to ensure disbursement within a reasonable timeframe, typically no longer than two months. Failure to do so entitles 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.

6. The delay in releasing the pensionary benefits, a cherished right, entitles the petitioner to interest thereon, as compensation for being deprived of the funds, which the respondents wrongfully withheld and benefited from, serving as reparation rather than a penalty.

7. In view of the above, the present petitions stand 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 the petitioner having retired on attaining the age of superannuation. Needful be done within a period of three months.

8. A photocopy of this order be placed on the file of the connected case.

(AMAN CHAUDHARY)
JUDGE

07.01.2025
Hemant

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