



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

258

CWP-19907-2022

Date of decision: 28.01.2025

Vijay Paul

...Petitioner

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present: Mr. Aditya Pal Singla, Advocate
for the petitioner.

Mr. Swapan Shorey, 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 leave encashment.
2. The petitioner was retired as professor from Govt. Ayurvedic College Patiala on 31.03.2019 and the leave encashment was released on 05.06.2020, for which the reason that has forth come in the written statement is that it was procedural delay occurred on account of technical complications/problems, which is not a plausible justification to deny what was due to a retiree.
3. Hon'ble the Supreme Court in **State of Kerala vs. M. Padmanabhan Nair**, (1985) 1 SCC 429 held 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. Full Bench of this Court in **A.S. Randhawa vs. State of Punjab and others**, 1997(3) SCT 468 held that an employee would be entitled to be compensated by granting interest by the State on account of delayed disbursal of retiral benefits. In **Vijay L. Mehrotra vs. State of UP**, 2001 (9) SCC 687, it was ruled that in case there is no justification or reason for delayed payment of retiral benefits, interest would be liable to be paid, while this Court in **J.S. Cheema vs. State of Haryana**, 2014(13) RCR (Civil) 355, observed that, the interest has to be given to an employee where an amount belonging to him, was retained and utilized by the respondents, has been released on a later date.
5. The delay in releasing the pensionary benefits, a treasured right, entitles the petitioner to interest thereon, having been deprived of the amount with which, the respondents unjustly enriched themselves, which is by way of compensation and not penalty.
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 the leave encashment from the date it was due till realisation. Needful be done within a period of three months.

(AMAN CHAUDHARY)
JUDGE

28.01.2025
Hemant

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