IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

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CWP-16551-2023 (O&M)
Date of decision: 20.02.2025

Neelam Rani

....Petitioner

Versus

State of Punjab and Others

...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

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Present : Mr. Amrik Singh, Advocate for the petitioner

Mr. Charanpreet Singh, AAG Punjab

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AMAN CHAUDHARY, J. (ORAL)

1. The prayer made in the present petition is for directing the respondents to fix the revised pay of the petitioner and to pay interest on the delayed release of gratuity, leave encashment etc.

2. Learned counsel for the petitioner has fairly stated that insofar as the 1st prayer is concerned, the petition has been rendered infructuous as the pay has now been revised, however, is entitled to interest for the delayed release of leave encashment on 08.06.2023 and gratuity on 02.05.2023, while the petitioner retired on 31.08.2022 and the sole reason given in the reply is that it was on account of procedural delay.

3. Learned State counsel on the other hand states that the pension case of the petitioner after completion of service-book was sent to respondent No.3-Accountant General for approval on 08.08.2022 and was received back on 10.10.2022 by raising some objections. It was finally approved by the said

authority on 06.03.2023, therefore, the Department cannot be said to be at any fault.

4. 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."

5. 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.

6. 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.

7. 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 pensionary benefits from the date it was due till realisation and

liberty is granted to the Department to settle the same separately with the Accountant General-respondent No.3. Needful be done within a period of four months.

(AMAN CHAUDHARY)
JUDGE

20.02.2025
M.Kamra

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