



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

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CWP-19796-2023 (O&M)
Date of decision: 05.02.2025

Ram Raspal Kakkar

...Petitioner

Versus

State of Punjab and Another

...Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present : Mr. Samrat Malik, Advocate for the petitioner

Mr. Arun Gupta, DAG Punjab

Mr. H.S. Jugait, Advocate for respondent No.2

AMAN CHAUDHARY, J. (ORAL)

1. The prayer made in the present petition is for directing the respondents to release gratuity with interest.
2. Learned counsel submits that the petitioner though was retired on 28.02.2015 and two charge sheets pending against him, were dropped on 13.05.2015 and 28.09.2017, however, the gratuity has now been released on 18.04.2024 and the reason that has been given for the delay merely is that the No Objection Certificate was issued on 15.01.2024, cannot be said to be a ground to deny the petitioner, his dues.
3. Hon'ble the Supreme Court in the case of **The State of Andhra Pradesh and another vs. Smt. Dinavahi Lakshmi Kameswari**, SLP (C) No.12553 of 2020, decided on 08.02.2021, wherein on account of deferred salaries and pensions, interest at the rate of 6% per annum was granted, reduced the same



from 12% as granted by the High Court.

4. Stressing on the importance of granting pension, 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. In **A.S. Randhawa vs. State of Punjab and others**¹, **Vijay L. Mehrotra vs. State of UP**² and **J.S. Cheema vs. State of Haryana**³ it was held that indisputably 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, emphasizing that the retirement of a government employee triggers an immediate entitlement 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 and 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. Any unwarranted delay in disbursing pension and other retiral benefits, a vested right, necessitates recompense through interest, not merely as compensation for the deprivation suffered but as redress for the undue advantage wrongfully accrued to the respondents, serving as reparation rather than a penalty.

¹ 1997(3) SCT 468

² 2001 (9) SCC 687

³ 2014(13) RCR (Civil) 355



7. In view of the aforesaid, 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 amounts from the date it becomes due till actual date of payment. Needful be done within a period of three months.

(AMAN CHAUDHARY)
JUDGE

05.02.2025

M.Kamra

Whether speaking/reasoned : Yes / No

Whether reportable : Yes / No