266 IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-34451-2019
Date of Decision: 03.12.2025

P.K. Pushkarana and Others

...Petitioners

Versus

Municipal Corporation Through Its Commissioner, Chandigarh and Others

...Respondents

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Ashok Sharma Nabhewala, Advocate and
Ms. Gauri Sharma, Advocate
for the petitioners.

Mr. Sanjiv Ghai, Advocate and
Mr. Manpreet Singh, Advocate
for respondents No.1 and 2.

Mr. Lajwant Singh Virk, Addl. Standing Counsel
for respondent No.3-U.T. Chandigarh.

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JAGMOHAN BANSAL, J. (ORAL)

1. The petitioners through instant petition under Articles 226/227 of the Constitution of India are seeking direction to respondent to pay interest on delayed payment of pension and pensionary benefits.

2. The petitioners are retired employees of Municipal Corporation, Chandigarh. They joined Chandigarh Administration. Municipal Corporation, Chandigarh was constituted on 22.07.1994. The Chandigarh Administration decided to transfer its employees to Municipal Corporation, Chandigarh. The petitioners came to be allocated to Municipal Corporation, Chandigarh. They at the time of appointment were working with Director, Health and Family Welfare, Chandigarh

Administration. They became part of Medical Officer (Health), Municipal Corporation, Chandigarh. Three petitioners retired on 31.12.2014 on attaining the age of superannuation and two in March and April' 2015. As the petitioners had worked for quite some time with Chandigarh Administration, communication started between Municipal Corporation, Chandigarh and Chandigarh Administration with respect to pensionary benefits of the petitioners. The matter came to be referred to Finance Department as well as Accounts and Audit Section of Chandigarh Administration. On the basis of letters of Chandigarh Administration, matter was finalized in March' 2017.

3. The petitioners were paid 90% provisional pension in 2015. Their remaining pension was released in 2018. Their partial gratuity was released in 2016 and remaining in 2017. Their leave encashment was released in 2017. They are claiming that they were eligible for all benefits in 2015. There was delay on part of respondent.

4. Learned counsel for respondents No.1 and 2 submits that petitioners were employees of Chandigarh Administration, thus, their pension papers were sent to Chandigarh Administration. The Chandigarh Administration clarified the matter on 08.03.2017 and thereafter Municipal Corporation, Chandigarh submitted petitioner's case on 24.03.2017. There was no delay on the part of Municipal Corporation, Chandigarh. Delay, if any, occurred on the part of Chandigarh Administration.

5. Learned counsel for respondent No.3 submits that petitioners were initially employees of Chandigarh Administration and they were allocated to Municipal Corporation, Chandigarh. There was no delay on

the part of Chandigarh Administration. The matter was clarified by Finance Department in 2017. On account of complexity in the matter of petitioners, the delay took place. There was no intentional delay.

6. I have heard learned counsel for the parties and perused the record with their able assistance.

7. From the perusal of record, it is evident that petitioners retired in 2014-2015. They were entitled to pension, gratuity and leave encashment. The respondent released provisional pension after few months and final pension was released after more than two years. Gratuity as well as leave encashment was delayed. There was delay on the part of respondents. Municipal Corporation, Chandigarh is attempting to shift burden upon Chandigarh Administration and Chandigarh Administration in turn is trying to shift burden upon Municipal Corporation, Chandigarh. Be that as it may, the petitioners as per judgment of Full Bench of this Court in '***A.S. Randhawa, Supg. Engineer (Retd.) v. State of Punjab', 1997 SCC OnLine P&H 705*** are entitled to interest on delayed payment of pension, gratuity and leave encashment. The petitioners could not be deprived from their valuable right of pension and retiral dues on account of communication between two Government departments.

8. In the wake of above discussion and findings, this Court finds it appropriate to direct the respondents to pay interest @ 7.5% on delayed payment of pension, gratuity and leave encashment. The interest would commence after two months from the date of retirement. 60% of interest shall be borne by Chandigarh Administration and 40% by Municipal Corporation, Chandigarh. It is clarified that interest would be

payable on actual delayed amount. Partial amount paid by a particular date, would carry interest up to said date. The petitioner shall calculate interest and submit to Municipal Corporation, Chandigarh which would verify the figure and do the needful within three months from today failing which respondents would be liable to be pay interest @ 9%.

9. ***Disposed of*** in above terms.

(JAGMOHAN BANSAL)
JUDGE

03.12.2025
Prince Chawla

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No