



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

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CWP-231-2023

Date of decision : 05.05.2026

Madhu Bala

.....Petitioner

V/S

State of Punjab and others

....Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Narinder Sharma, Advocate for the petitioner.

Mr. Swapan Shorey, D.A.G., Punjab.

Mr. Satvik Bansal, Advocate for respondent No.4.

NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant petition under Articles 226/227 of the Constitution of India, seeking issuance of a writ of certiorari for quashing the order dated 21.11.2022 (Annexure P-8), passed by respondent No.2, whereby the claim of the petitioner has been partly allowed. Further, seeking issuance of a writ of mandamus directing the respondents to release the retiral benefits wrongly withheld, to the petitioner, along with interest @ 18% per annum from the date of retirement i.e. 31.03.2021, till actual date of payment.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner had joined the services as Teacher with respondent No.4-Arya Girls High School, Bathinda, in the year 1998. The said school is a privately managed recognized school getting 95% grant-in-aid from the State of Punjab. The petitioner retired on attaining the age

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of superannuation on 31.03.2021. However, her retiral benefits were withheld by the respondents without any reason or cause. The petitioner visited the office of respondents number of times but every time they told that the matter is pending consideration. Aggrieved by the inaction of the respondents to release her retiral benefits, the petitioner approached this Court by filing *CWP-10178-2022 (Madhu Bala Vs. State of Punjab and others)* for issuance of directions to the respondents to release all retiral benefits of the petitioner, along with interest @ 18% per annum. The said writ petition was disposed of by this Court, vide order dated 13.05.2022 (Annexure P-5), in view of the undertaking given by the State that if the petitioner makes any representation, the same will be decided within a period of 08 weeks of the receipt of the same, by passing an appropriate speaking order. In compliance of the said order, the petitioner submitted representation dated 18.05.2022 (Annexure P-6) to the respondents for releasing her retiral benefits with interest but no action was taken on the same by the respondents. Thereafter, the petitioner filed contempt petition bearing No.*COC P-2388-2022 (Madhu Bala Vs. Varinder Kumar Sharma, IAS and others)* before this Court and during pendency of the said contempt petition, the respondents produced speaking order dated 21.11.2022 (Annexure P-8), passed by respondent No.2, whereby the claim of the petitioner was partly allowed as the Pension Payment Order (PPO) was issued to the petitioner, vide order dated 11.11.2022, on the basis of last pay drawn and Death-cum-Retirement Gratuity (DCRG) amounting to Rs.6,86,622/- was also released to the District Education Officer (SE), Bathinda on 11.11.2022 for further payment to the petitioner, however,



no interest on the delayed payment was granted to the petitioner. In view of the order dated 21.11.2022, passed by respondent No.2, the contempt petition was disposed of by this Court. Hence, the instant petition.

3. Additional affidavit by way of reply of Ms. Amandeep Kaur, Assistant Director O/o Director of School Education (SE), Punjab, on behalf of respondents No.1 to 3, has been filed, wherein it has been stated as under :-

“xx xx xx xx xx

4. *That the deponent submits that there is dispute in granting Higher Grade Pay to Art & Craft teachers from Rs.10300-34800+3200 (GP) to 10300-34800+4400 (GP) w.e.f. 01.10.2011. As the matter for granting Grade Pay to Art & Craft teachers was under dispute and pending with the Finance Department, therefore, the respondent - 2 released the retiral benefits by awarding Grade Pay of Rs.4400/- subject to conditions to the effect that if any revision in grade pay is recommended by the Finance Department the recovery shall be made. It is apposite to mention that matter regarding pay scales of Art & Craft teachers is still pending with the Hon'ble High Court in CWP-33835 of 2024 which is posted for hearing on 12.03.2026.*

5. *That it is further pointed out here that vide order dated 11.11.2022 on the basis of last pay drawn the respondent - 2 issued Pension Payment Order (in short - PPO) (provisional) and Death-cum retirement-gratuity amounting to Rs. 6,86,622/- was also released on 11.11.2022. The delay in releasing the retiral benefits was neither intentional nor willful rather it was attributable to administrative reasons or lapses. It is also submitted here that the payment pertaining to Provident Fund has to be released by the respondent no. 4 (School Managing Committee). There is no provision of grant of leave encashment under Grant-in-Aid scheme. In this backforth, the present matter with regard to interest on payment is also not maintainable and liable to be dismissed, in the interest of justice.*

xx xx xx xx xx”



4. Learned counsel for the petitioner submits that the respondents-department had unnecessarily withheld retiral benefits of the petitioner for a period of more than 01 year and 07 months. He further submits that the petitioner was retired from service on 31.03.2021, however, her retiral benefits have been released on 11.11.2022. He further submits that since there is a considerable delay in releasing the retiral benefits, therefore, the petitioner is entitled for interest on the delayed payment of the said benefits.

5. Per contra, learned State counsel, while referring to the averments made in the additional affidavit filed on behalf of respondents No.1 to 3, submits that that the delay in releasing the retiral benefits of the petitioner is not intentional and purely procedural. Therefore, the petitioner is not entitled for any interest.

6. I have heard learned counsel for the parties and have gone through the relevant documents.

7. Admittedly, the petitioner retired from service, on attaining the age of superannuation, on 31.03.2021 and no departmental/criminal proceedings were pending against her before or after her retirement, therefore, she was entitled for the release of her retiral benefits immediately after her retirement and there was no legal impediment for denying the same. However, her retiral benefits have been released on 11.11.2022 i.e. after a delay of more than 01 year and 07 months from the date of her retirement. Therefore, the petitioner is entitled for interest on the delayed payment of said benefits.

8. A Full Bench of this Court in *A.S. Randhawa Vs. State of*



Punjab : 1997(3) S.C.T. 468 has held that where there is an inordinate delay in releasing benefits and the delay is not justifiable, employee will be entitled for interest. The relevant paragraph of the said judgment is as under:-

“8. Since a government employee on his retirement becomes immediately entitled to pension and other benefits in terms of the Pension Rules, a duty is simultaneously cast on the State to ensure the disbursement of pension and other benefits to the retiree in proper time. As to what is proper time will depend on the facts and circumstances of each case but normally it would not exceed two months from the date of retirement which time limit has been laid down by the Apex Court in M. Padmanabhan Nair's case (supra). If the State commits any default in the performance of its duty thereby denying to the retiree the benefit of the immediate use of his money, there is no gainsaying the fact that he gets a right to be compensated and, in our opinion, the only way to compensate him is to pay him interest for the period of delay on the amount as was due to him on the date of his retirement. xx xx xx xx”

9. Apart from this, in ***J.S. Cheema Vs. State of Haryana and others : 2014(13) RCR (Civil) 355***, this Court has held that an employee will be entitled for the interest on an amount which has been retained by the respondents without any valid justification. The relevant paragraph of the said judgment is as under: -

“5. xx xx xx xx The jurisprudential basis for grant of interest is the fact that one person's money has been used by somebody else. It is in that sense rent for the usage of money. If the user is compounded by any negligence on the part of the person with whom the money is laying it may result in higher rate because then it can also include the component of damages (in the form of interest). In the circumstances, even if there is no negligence on the part of the State it cannot be denied that money which rightly belonged to the petitioner was in the custody of the State and was being used by it.”



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10. In view of the above factual position and settled principles of law, the present petition is disposed of with a direction to the respondents to pay interest @ 7% per annum on the delayed payments of retiral benefits of the petitioner w.e.f. 01.06.2021 (i.e. after two months from the date of retirement of the petitioner) till the actual date of payment(s), within a period of 02 months from the date of receipt of certified copy of this order.

05.05.2026

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(NAMIT KUMAR)
JUDGE

Whether speaking/reasoned:

Yes/No

Whether Reportable:

Yes/No