IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

220 **CWP-3206-2023**
Date of Decision : **January 14, 2026**

GURMEJ KAINTH .....Petitioner

VERSUS

STATE OF PUNJAB AND OTHERS .....Respondents

CORAM: HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA

Present : Mr. R.K.Arora, Sr. Advocate assisted by
Mr. Jugam Arora, Advocate and
Mr. Shiva Ahuja, Advocate for the petitioner.
Mr. Amarpreet Singh Bains, AAG, Punjab.
****

DEEPINDER SINGH NALWA, J. (Oral)

1. In the present writ petition, the petitioner is praying for issuance of a direction to the respondents to release the interest on delayed payment of death-cum-retirement gratuity, arrears of pension and commutation of pension etc. forthwith @ 12% per annum.

2. The brief facts of the present case are that the petitioner initially joined the Education Department as Vocational Master in the year 1983 and retired on 30.06.2018 on attaining the age of superannuation while working on the post of Assistant Director. The petitioner was granted one year extension in service w.e.f. 01.07.2018 to 30.06.2019. Thereafter another one year extension was granted w.e.f. 01.07.2019 to 30.06.2020. During the period of second extension in service, the petitioner was served with a charge-sheet dated 02.08.2019 under Rule 8 of the Punjab Civil Services (Punishment and Appeal) Rules, 1970. In view of the abovesaid charge-sheet issued to the petitioner, second extension granted to the petitioner was cancelled on 30.09.2019. In pursuance to the abovesaid charge-sheet, the punishing

authority passed an order of punishment dated 13.12.2021 (Annexure P-1) vide which, the punishment of 10% cut in pension was imposed for a period of five years. Aggrieved against the abovesaid order dated 13.12.2021 (Annexure P-1), the petitioner filed an appeal/review before the Appellate Authority on 28.01.2022. It further transpires from the facts of the case that the petitioner had also filed CWP No. 9134 of 2022 before this Court challenging the order of punishment dated 13.12.2021 (Annexure P-1). The said writ petition was disposed of by this Court vide order dated 24.05.2022 (Annexure P-3). In pursuance to the order passed by this Court on 24.05.2022 (Annexure P-3), the Appellate Authority passed an order dated 05.09.2022 (Annexure P-4) vide which, the order of punishment dated 13.12.2021 (Annexure P-1) was reviewed and the same was withdrawn while showing displeasure to the petitioner. After withdrawal of the order of punishment dated 13.12.2021 (Annexure P-1), the respondents released the retiral benefits to the petitioner. The relevant chart is reproduced here-in-below showing the date of release of retiral benefits to the petitioner:-

Sr. No.	Name of the Benefit	Amount	Date of Payment
1.	DCRG	Rs.18,53,775/-	01.12.2022
2.	Arrears of Pension	Rs.2,41,304/-	01.12.2022
3.	Commutation of pension	Rs.15,08,598/-	01.12.2022
4.	GPF	Rs.25,07,481/- with interest only upto 30.09.2019. On this payment, the petitioner is entitled to statutory interest till the date of actual payment.	17.12.2019

A perusal of the abovesaid chart would show that except GPF, other retiral benefits were released after inordinate delay.

3. After the release of the abovesaid retiral benefits, as the order of punishment dated 13.12.2021 (Annexure P-1) was withdrawn by the respondents, the petitioner filed representations dated 31.12.2022 (Annexures P-10 and P-11) claiming interest for delay in releasing the retiral benefits. However, no action was taken by the respondents for the purpose of grant of interest to the petitioner on account of delayed payment of retiral benefits, as a consequence the petitioner has filed the present writ petition claiming interest on delayed payment.

4. Learned counsel appearing on behalf of the petitioner submits that once the order of punishment dated 13.12.2021 (Annexure P-1) was withdrawn vide order dated 05.09.2022 (Annexure P-4), as such, the petitioner would be entitled for interest on the delayed payment. Learned counsel further submits that the order of punishment which was withdrawn with displeasure, cannot cause prejudice to the petitioner for grant of interest and as such, he is entitled for grant of interest on delayed payment of retiral benefits.

5. Per contra, the learned State counsel submits that the retiral benefits were not released to the petitioner after his retirement as departmental proceedings were pending against the petitioner at the time of retirement and order of punishment was passed on 13.12.2021 (Annexure P-1) which constituted a valid reason for delay in release of retiral benefits. The learned State counsel further submits that the petitioner preferred an appeal/review against the order of punishment dated 13.12.2021 (Annexure P-1) which was

withdrawn on 05.09.2022 (Annexure P-4), as such thereafter the respondents has rightly released the retiral benefits after the decision of appeal/review as such, there is no delay in releasing the retiral benefits.

6. After hearing the learned counsel for the parties at length, the issue that arises for consideration in the present case is as to whether the petitioner is entitled to interest on the delayed payment of retiral benefits.

7. A perusal of the facts of the present case would show that at the time of granting second extension to the petitioner, a charge-sheet was issued to the petitioner and vide order dated 13.12.2021 (Annexure P-1), the order of punishment was passed imposing a punishment of 10% cut in pension for five years. Aggrieved against the abovesaid order dated 13.12.2021 (Annexure P-1), an appeal/review was filed by the petitioner, which was ultimately allowed by the competent authority, and the order of punishment dated 13.12.2021 (Annexure P-1) was withdrawn. Taking into consideration the fact that the order of punishment passed against the petitioner was withdrawn vide order dated 05.09.2022 (Annexure P-4) by the Appellate Authority, it is held that, in fact, there was no order of punishment passed in the case of the petitioner at the time of retirement and it cannot be used as valid reason to deny interest on delayed payment of retiral benefits. It is a well settled law that the retiral benefits are not a bounty but a right of an employee.

8. Reliance has been placed upon the judgment passed by Co-ordinate Bench of this Court in **CWP No.19759 of 2023** titled as **Parveen Kumar Vs. State of Punjab and others**, decided on 15.03.2024, wherein the Court had directed the respondents to pay interest on the delayed payment of

retiral dues. The relevant extract from the aforesaid judgment in **Parveen Kumar's case (supra)**, is reproduced herein below:-

> *"9. Since either before or after the retirement of the petitioner, no departmental proceedings were pending against him, therefore, the retiral benefits of the petitioner were required to be released within a reasonable time after his premature retirement and since there is a delay of more than 01 year and 08 months in releasing the same, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of retiral dues.*
>
> *10. A Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab and others : 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 said judgment is as under:-*
>
> > *"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."

11. Apart from this, a Coordinate Bench of this Court in ***J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355****, had 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: -*

"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 lying 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."

12. 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 @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.09.2022 (after two months of his retirement) till the actual date of payment, within a period of 03 months from the date of receipt of certified copy of this order."

9. Keeping in view the aforesaid facts and circumstances, the present writ petition is allowed to an extent that the petitioner is held entitled to interest @ 6% per annum on the delayed release of the retiral benefits i.e. death-cum-retirement gratuity, arrears of pension and commutation of pension from the date the amount became due till the same was released to the petitioner. The calculation of interest for which the petitioner is entitled

be made within a period of two months from the date of receipt of certified copy of this order and the payment so calculated be released to the petitioner within a period of one month thereafter.

10. Pending application(s), if any, shall also stand(s) disposed of accordingly.

(DEEPINDER SINGH NALWA)
JUDGE

January 14, 2026
ajaysharma

Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No