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

**CWP-16579-2000
DECIDED ON:29.01.2026**

DARSHAN SINGH

.....PETITIONER(S)

VERSUS

STATE OF HARYANA & ORS

.....RESPONDENT(S)

CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL

Present: Mr. Parminder Singh, Advocate
for the petitioner.

Mr. R.D. Sharma, DAG Haryana

<u>SANDEEP MOUDGIL, J (ORAL)</u>

<u>Prayer</u>

1. The jurisdiction of this Court under Articles 226/227 of the constitution of India praying for the issuance of a writ of *certiorari*, mandamus or any other appropriate writ, order or direction directing the respondent authorities to pay interest @ 18% per annum fron 8.6.1999 to 30.9.2000 on the delayed payment amounting to Rs.1,12,200/-as leave encashment and for the issuance of any other writ, order or direction which this Hon' ble Court may deem fit in the circumstances of the case.

<u>Brief facts</u>

2. The petitioner joined government service as an Assistant Employment Officer through the Haryana Public Service Commission on 13.12.1976 and was promoted as District Employment Officer on 21.12.1980. The petitioner was prematurely retired by the respondent department on 07.06.1999 vide order dated 04.06.1999. The said order is non-speaking and was passed without issuance of any show-cause notice. After his premature retirement, the respondent department failed to release his retiral benefits, including leave encashment, within the stipulated period. Despite repeated representations, the leave encashment amounting to ₹1,12,200/- was released only on 27.09.2000, after a delay of more than one year and three months, causing financial hardship to the petitioner.

Contentions

Learned Counsel for the Petitioner

3. Learned counsel for the petitioner contends that the order of premature retirement is illegal, arbitrary, and violative of Rule 5.32(a), (b), and (c) of the Civil Services Rules, Volume II, as it was passed without a show-cause notice and without recording any reasons. It is further contended that the delay in releasing leave encashment is wholly unjustified and contrary to government instructions mandating payment within three months of retirement. The petitioner, having been deprived of the timely use of his lawful dues, is entitled to compensation by way of interest.

4. Reliance is placed on the Full Bench judgment of this court "***A.J. Randhawa v. State of Punjab (1997)117 PLR 6***" and other precedents, wherein it has been held that delayed payment of retiral benefits attracts liability for payment of interest and that the plea of limitation is not available to the State in such matters. It is further argued that this Court, in "***Moti Ram Gupta v. State of Haryana 1993(1) ESJ page 799***", has held that the State is bound to pay interest at the rate of 18% per annum on belated payments. On these grounds, the petitioner seeks interest at the rate of 18% per annum on the delayed payment of

leave encashment from 08.06.1999 till the date of actual payment, as denial of the same is violative of Articles 226 and 227 of the Constitution of India and the principles of natural justice, equity, and fair play.

Contentions of the State

5. Learned State counsel submits that, without adverting to or conceding the merits of the case and without admitting any illegality in the order of premature retirement, the respondent authorities are willing to grant interest on the delayed payment of leave encashment as a measure of equity. It is contended that the delay was neither intentional nor deliberate, and occurred due to administrative reasons. However, in order to put a quietus to the controversy and in deference to the settled legal position regarding delayed release of retiral benefits, the respondents undertake to release interest on the delayed amount in accordance with applicable rules and judicial precedents, without treating the same as a precedent and without prejudice to their rights and contentions in law.

Analysis

6. Having heard learned counsel for the parties and perused the material placed on record, this Court is deeply conscious of the prolonged and avoidable hardship suffered by the petitioner. The petitioner joined government service on 13.12.1976 and served the respondent State for more than two decades. He was prematurely retired on 07.06.1999. Upon such retirement, his retiral benefits, including leave encashment, stood legally accrued and payable within a reasonable time, ordinarily not exceeding three months.

7. However, despite the lapse of the statutory and administrative period, the petitioner's leave encashment amounting to ₹1,12,200/- was released only on 27.09.2000, after a delay of more than one year and three months. The record does not disclose any justifiable reason for such inordinate delay. During this period,

the petitioner was deprived of the use of his own lawful dues at a stage of life when financial security assumes paramount importance.

8. What further aggravates the petitioner's suffering is the fact that, even after the release of the principal amount, he has been constrained to pursue this litigation for nearly twenty-five years to secure interest on a benefit that had legally accrued to him as far back as June 1999. A retired employee, having already superannuated or been retired from service, ought not to be compelled to spend the evening of his life knocking at the doors of the Court for enforcement of such basic rights.

9. Retiral benefits are not a matter of charity or grace; they are a deferred portion of compensation earned through years of service. Any unreasonable withholding of such benefits not only causes financial loss but also inflicts mental agony and erodes the dignity of a retired public servant. It is well settled that retiral benefits are not a bounty, but a vested right of an employee, and any unjustified delay in their release entitles the retiree to compensation by way of interest. The Full Bench judgment of this Court in ***A.J. Randhawa (supra)*** has categorically held that the State is liable to pay interest on delayed retiral benefits and cannot take shelter under technical pleas to deny such relief. The relevant paragraph of the same reads as under:

> *4. It is by now well settled by a catena of judgments of the Court that pension payable to a retired government servant is no longer a bounty which is payable on the sweet will and pleasure of the government. It has been held to be a valuable right which flows to such an employee by virtue of the rules which governed his employment. Reference in this regard be made to Deokinandan Prasad v. Stale of Bihar and Ors., AIR 1971 S.C. 1409 wherein their Lordships of the Supreme Court expressed this view. The learned Judges after referring to the material provisions in the pension rules further held that the grant of pension did not depend upon an order being passed by the authorities to that effect. It may be that for the purposes of qualifying the amount having regard to the period of service and other allied matters, it may become necessary for the authorities to pass an order to that effect but the right to receive pension flows to the government servant not because of the said order but by virtue of the rules which have a statutory force. The same view Was expressed by the Supreme Court in State of Punjab v. Iqbal*

Singh, A.I.R. 1976 S.C. 667 and State of Kerala and Ors. v. M. Padmanabhan, AIR 1985 S.C. 356 the Supreme Court reiterated its earlier view aid it will be of interest to quote the following observations from this judgment:-

> *"Pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement but have become, 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."*

10. This Court is of the considered view that making a retired employee, who entered service in 1976, to wait till this day for complete justice in respect of his lawful dues is manifestly unjust and calls for a compassionate and humane response. Justice in such cases must be tempered with empathy, equity, and a keen awareness of the human consequences of administrative delay.

11. Accordingly, the writ petition is allowed to the extent that the respondents are directed to pay interest at the rate of 9% per annum on the amount of ₹1,12,200/- for the period from 08.06.1999 till 27.09.2000. The aforesaid amount shall be released to the petitioner within a period of three months from the date of receipt of a certified copy of this order.

12. Ordered accordingly.

(SANDEEP MOUDGIL)
JUDGE

29.01.2026
Anuradha

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