IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

215

CWP-6856-2001(O&M)
Date of decision : 10.02.2026

Dr. Atma Singh Bhatti .....Petitioner

V/S

State of Punjab and another ....Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Ms. Dheerja, Advocate for the petitioner as Amicus Curiae.

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

****

NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant writ petition under Articles 226 of the Constitution of India, seeking issuance of a writ of mandamus, directing the respondents to pay interest @ 18% per annum on the delayed payment of retiral benefits of the petitioner.

2. Brief facts of the case, as have been pleaded in the petition, are that the petitioner was a member of the Punjab Veterinary Service Class-I and was posted as Assistant Director, Animal Husbandry, Medical Store, Jalandhar at the time of his retirement. He retired from service, on attaining the age of superannuation, on 30.04.1999 after rendering 33 years of service with unblemished record. However, the respondent-department had released the retiral benefits of the petitioner after a considerable delay ranging from 7 to 19 months without any fault of the petitioner. The petitioner approached the respondents-department for payment of interest on the delayed payment of retiral

benefits but they refused to accede to the request. Thereafter, the petitioner served a legal notice dated 07.02.2001 (Annexure P-4) upon the respondents claiming interest @ 18% on the delayed payment of retiral benefits but the respondents did not respond to the said notice. The petitioner also served reminder dated 07.04.2001 (Annexure P-5) to the respondents but to no avail. Hence, the instant petition.

3. Written statement by way of an affidavit of Dr. G.S. Chahal (PAHS-1), Director, Animal Husbandry, Punjab, Chandigarh, on behalf of respondents No.1 & 2, has been filed, wherein it has been stated as under :-

> *"xx xx xx xx xx*
>
> *2. The petitioner has not come to this Hon'ble Court with clean hands and has concealed the material fact that he submitted; his pension papers only on 22.2.1999 two months prior to his date of retirement i.e. 30.4.1999. Petitioner has knowingly delayed his pension case when it was in his knowledge to process his pension papers much prior to his date of retirement. The pension papers were submitted timely by the office to the quarter concerned but due to some observation by the Accountant General, Punjab the case of the petitioner took some time for its finalization. So it cannot be said that case of the petitioner has been knowingly delayed by the respondents and it was the prima-facie duty of the petitioner to submit his paper in time. So there is no deliberate delay on the part of the respondent and the petitioner is not entitled to any interest on any retrial benefits.*
>
> *xx xx xx xx xx"*

4. Learned counsel for the petitioner submits that since there is a considerable delay in releasing the retiral benefits of the petitioner,

therefore, he is entitled for interest on the delayed payment of retiral benefits. She further submits that the retiral benefits of the petitioner were released in the following manner :-

Sr. No.	**Particulars**	**Amount (in Rs.)**	**Date of Payment**	**Due Date**	**Delay Period**
1.	Pension/Arrears of Pension	78,352/-	31.12.1999	01.05.1999	8 months
2.	Commuted value of Pension	3,52,963/-	31.12.1999	01.05.1999	8 months
3.	Gratuity	3,11,454/-	29.12.1999	01.05.1999	7 months
4.	Leave encashment	2,04,600/-	22.11.2000	01.05.1999	19 months

5. Per contra, learned State counsel, while referring to the averments made in the reply filed on behalf of respondents No.1 and 2, submits that the delay has occurred in releasing the pensionary benefits of the petitioner was not on the part of the respondents as the petitioner himself submitted his pension papers only two months prior to his retirement. 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 30.04.1999, on attaining the age of superannuation and no departmental/criminal proceedings were pending against him before or after his retirement, therefore, he was entitled for the release of his retiral benefits immediately after his retirement. However, his retiral benefits have been released after a delay of 7 to 19 months. Since there is a considerable delay in releasing the retiral dues of the petitioner, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of gratuity as per settled principles of law.

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 retirer 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."

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 @ 6% per annum on the delayed payment of retiral benefits, to the petitioner w.e.f. 01.07.1999 (i.e. after two months of the retirement of the petitioner) till the actual date of payment, within a period of 02 months from the date of receipt of certified copy of this order.

10.02.2026 **(NAMIT KUMAR)**
kothiyal **JUDGE**

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