

CWP-10875-2026

2026:PHHC:055087



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

123

CWP-10875-2026

Date of Decision: 09.04.2026

Madhav Gupta

....Petitioner

VERSUS

State Of Punjab And Others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present : Ms Pridhi Sandhu, Advocate for the petitioner.

Mr. Vikas Sonak, AAG, Punjab.

HARPREET SINGH BRAR, J. (Oral)

1. The present petition has been filed under Article 226 of the Constitution of India praying for issuance of an appropriate writ, order or direction, directing the respondents to transmit the entire record of the case to this Court. It is further prayed for issuance of a writ in the nature of *mandamus*, or any other appropriate writ, order or direction, directing the respondents to forthwith release to the petitioner the refund of the interest component @ 18% on account of delay in releasing gratuity and other retiral benefits, which have been withheld in a wholly illegal, arbitrary and

CWP-10875-2026

2026:PHHC:055087



unjustified manner, being violative of Articles 14 and 300A of the Constitution of India.

2. Learned counsel for the petitioner, *inter alia*, contends that the petitioner worked as a Chief Accounts Officer with the respondent-Corporation. During his service, a charge-sheet dated 06.04.2021 was issued against 12 employees, including the petitioner. The petitioner retired on 30.06.2021 and, on account of the pendency of the charge-sheet, his gratuity and other retiral dues were withheld. On 01.08.2025, the petitioner was exonerated after a detailed inquiry conducted by the Committee of Whole-Time Directors, as is discernible from (Annexure P-2). The petitioner thereafter submitted several representations seeking release of gratuity and other retiral benefits, which were ultimately released in September and October, 2025, without any interest for the delay of approximately 04 years and 03 months. Despite multiple communications and issuance of a legal notice dated 02.01.2026 (Annexure P-4), the same have remained unheeded.

3. Notice of motion.

4. Mr. Gurnoor Singh Sethi, Advocate has filed Power of Attorney on behalf of respondents No.2 and 3 in the Court today, which is ordered to be taken on record. Registry is directed to place the same at an appropriate place.

CWP-10875-2026

2026:PHHC:055087



5. Learned counsel for the respondent-Corporation submits that the legal notice of the petitioner was duly considered and rejected. However, learned counsel for the petitioner contends that no such rejection was ever communicated to the petitioner; otherwise, the same would have been duly challenged. It is further submitted on behalf of the respondents that the denial of interest is in accordance with the applicable calculations and that the disciplinary proceedings were conducted strictly in terms of the procedure prescribed under the relevant rules.

6. Having heard learned counsel for the parties and after perusal of the record, it transpires that charge-sheet was served on 06.04.2021 and the petitioner was exonerated on 01.08.2025. The respondent-Corporation took more than four years in concluding the departmental proceedings, which is contrary to the law settled by the Apex Court in ***Prem Nath Bali vs. Registrar, High Court of Delhi and Anr. 2015 CWP No. 958 of 2010.*** Further, once the petitioner stands exonerated from all the allegations after detailed inquiry by the Committee of Whole-Time Directors, he is entitled to interest on account of delay in releasing his retiral dues. However, it is made clear that while calculating the interest, the period of six months shall be deducted from the date of retirement, being a reasonable period for the conclusion of disciplinary proceedings.

CWP-10875-2026

2026:PHHC:055087



7. A Two Judge Bench of the Hon'ble Supreme Court in ***Prem Nath Bali*** (supra) while speaking through Justice Abhay Manohar Sapre, made the following observations:-

“31) Time and again, this Court has emphasized that it is the duty of the employer to ensure that the departmental inquiry initiated against the delinquent employee is concluded within the shortest possible time by taking priority measures. In cases where the delinquent is placed under suspension during the pendency of such inquiry then it becomes all the more imperative for the employer to ensure that the inquiry is concluded in the shortest possible time to avoid any inconvenience, loss and prejudice to the rights of the delinquent employee.

32) As a matter of experience, we often notice that after completion of the inquiry, the issue involved therein does not come to an end because if the findings of the inquiry proceedings have gone against the delinquent employee, he invariably pursues the issue in Court to ventilate his grievance, which again consumes time for its final conclusion.

33) Keeping these factors in mind, we are of the considered opinion that every employer (whether State or private) must make sincere endeavor to conclude the departmental inquiry proceedings once initiated against the delinquent employee within a reasonable

CWP-10875-2026

2026:PHHC:055087



time by giving priority to such proceedings and as far as possible it should be concluded within six months as an outer limit. Where it is not possible for the employer to conclude due to certain unavoidable causes arising in the proceedings within the time frame then efforts should be made to conclude within reasonably extended period depending upon the cause and the nature of inquiry but not more than a year.”

(emphasis added)

8. Furthermore, reliance can also be placed upon the judgment passed by this Court in **CWP-9606-2022, titled as *Khairati Lal Versus State of Haryana and others***, decided on 13.10.2025. The observations made therein be reads as under:-

“(i) The charge sheet must be issued within a reasonable period.

(ii) The inquiry must be concluded within six months of issuance of the charge sheet.

(iii) The Punishing Authority shall decide the matter within three months of receipt of the inquiry report.

(iv) The Appellate Authority shall dispose of the appeal preferred against the decision of the Punishing Authority within three months of filing such an appeal.

CWP-10875-2026

2026:PHHC:055087



(v) Thus, the entire process of disciplinary action must conclude within one year at the most. Any unexplained or inordinate delay beyond this period shall vitiate the proceedings and invite an adverse inference against the disciplinary authority

(vi) The Administrative Secretaries of the concerned departments, as well as heads of relevant Boards and Corporations, are also directed to conduct a quarterly review to ensure that the prescribed timeline is scrupulously followed and no disciplinary action is unjustly delayed.”

9. The employer must conduct proceedings diligently and without unnecessary delay. Protracted enquiries defeat the very purpose of disciplinary mechanism, instead of ensuring efficiency, integrity, and accountability they breed inefficiency, demoralization, and distrust in the system. A lack of seriousness in pursuing charges reflects poorly on the administration and may indicate malice or oblique motives, the employer cannot be permitted to keep the sword of disciplinary action dangling over an employee indefinitely.

10. It is trite law that retiral benefits are not a matter of grace or bounty, but a statutory and vested right accruing to an employee upon superannuation. The issue is no longer res integra. The controversy stands squarely covered by the authoritative pronouncement of the Full Bench of

CWP-10875-2026

2026:PHHC:055087



this Court in *A.S. Randhawa, Superintending Engineer (Retd.) vs. State of Punjab, 1998 (1) SCT 343*, wherein it has been unequivocally held that any delay in release of pensionary or retiral benefits beyond a reasonable period of two months from the date they become due would entail payment of interest to compensate the retiree for such delay.

11. The rationale underlying the grant of interest is that an employee, who has rendered long years of service, cannot be deprived of his legitimate dues without lawful justification.

12. In view of the above facts and circumstances, the writ petition is disposed of with a direction to the respondents/competent authority to compute and release interest on the delayed payment of arrears payable to the petitioner @ 6% per annum. The interest shall be calculated after the expiry of a period of six months from the date of retirement of the petitioner, the same being a reasonable and rational duration ordinarily required for culmination of disciplinary proceedings, and shall run till the date of actual realization.

13. The aforesaid exercise shall be undertaken expeditiously and in any case within a period of three months from the date of receipt of a certified copy of this order

CWP-10875-2026

2026:PHHC:055087



14. Pending miscellaneous application(s), if any, shall also stand disposed of.

(HARPREET SINGH BRAR)
JUDGE

09.04.2026
Parul Verma

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