2026:PHHC:069913

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

116+121+122

Date of decision: 06.05.2026

1. CWP-13988-2026 (O&M)

Sham Lal

....Petitioner

Versus

Deputy Chief Labour Commissioner (Central) and another

....Respondents

2. CWP-14009-2026 (O&M)

Kiranjeet Kaur

....Petitioner

Versus

Deputy Chief Labour Commissioner (Central) and another

....Respondents

3. CWP-14024-2026 (O&M)

Mohan Lal

....Petitioner

Versus

Deputy Chief Labour Commissioner (Central) and another

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Manjit Singh Sarao, Advocate
for the petitioner(s) in all the cases.

HARPREET SINGH BRAR J. (Oral)

1. Vide this common order, I intend to dispose of CWP Nos.13988, 14009 and 14024 of 2026, as common questions of law and facts are involved for adjudication. For the sake of convenience, facts are taken from CWP-13988-2026.

2. Prayer in the writ petition (CWP-13988-2026) filed under Articles 226/227 of the Constitution of India, is for issuance of a writ in

the nature of mandamus, directing the respondents to release interest @ 10% per annum on the adjudicated amount of gratuity upto actual date of payment.

3. Learned counsel for the petitioner(s) has, *inter alia*, contended that the petitioner superannuated on 30.04.2016 from the respondent/Bank as Assistant General Manager and, having been granted extension in service, he finally retired on 30.04.2018. The services of the petitioner was governed by the Payment of Gratuity Act, 1972 (in short 'the Act of 1972') and by virtue of amendment to Section 4(3) of the Act of 1972 w.e.f. 29.03.2018, the maximum limit of gratuity stood enhanced from Rs.10 lakhs to Rs.20 lakhs, yet the petitioner was paid only Rs.10 lakhs on 14.06.2018. He has further submitted that the respondent/Bank relied upon the Government Instructions dated 13.09.2019 (Annexure P-1) and its own correspondence (Annexure P-2), followed by the circular dated 10.02.2023 (Annexure P-3), and compelled the petitioner to file claim before the Controlling Authority vide application dated 22.03.2023 (Annexure P-4). The said claim was allowed vide order dated 01.02.2024 (Annexure P-5) and the respondent/Bank was directed to make the payment of balance amount of gratuity amounting to Rs.10 lakhs along with simple interest @ 10% on Rs.20 lakhs from 01.05.2018 to 13.06.2018 and on Rs.10 lakhs from 14.06.2018 till the date of payment. The order dated 01.02.2024 (Annexure P-5) passed by the Controlling Authority stood affirmed by the Appellate Authority vide order dated 17.11.2025 (Annexure P-6).

Learned counsel for the petitioner has further submitted that although the respondent/Bank deposited the amount at the time of filing the appeal and the same was later on released to the petitioner vide communication dated 06.04.2026 (Annexure P-7), however, the interest has been paid only up to the date of deposit and not till the date of actual disbursement. Feeling aggrieved, the petitioner submitted a detailed representation dated 20.04.2026 (Annexure P-8), which remain unheeded. Learned counsel for the petitioner has relied upon the speaking order dated 09.12.2025 (Annexure P-9) passed in terms of the directions issued by this Court in **CWP-1803-2026**, titled as ***Kamaljeet Singh Chauhan and others vs Punjab State Cooperative Bank Limited***, and contended that the respondent/Bank has concluded that the demand of the petitioner for payment of additional interest is not sustainable.

4. Having heard learned counsel for the petitioner(s) and after perusing the record of the case with his able assistance, the present petitions are being decided *in limine* without issuing notice to the respondents in order to save judicial time of the Court and also the litigation costs of the respondents.

5. From the perusal of the record, it transpires that the limited controversy involved in the present cases relate to the claim of the petitioner(s) for grant of interest on the gratuity amount beyond the date on which the respondent/Bank deposited the adjudicated amount along with interest before the Appellate Authority under Section 7(7) of the

Payment of Gratuity Act, 1972. It is not in dispute that the Controlling Authority vide order dated 01.02.2024 (Annexure P-5) directed payment of balance amount of gratuity amounting to Rs.10 lakhs along with simple interest @ 10% on Rs.20 lakhs from 01.05.2018 to 13.06.2018 and on Rs.10 lakhs from 14.06.2018 till the date of payment, and the said order was duly affirmed by the Appellate Authority vide order dated 17.11.2025 (Annexure P-6). It further emerges from the record that the respondent/Bank, while filing the statutory appeal, deposited the entire adjudicated amount along with interest in compliance with Section 7(7) of the Act of 1972, and thereafter the said amount remained in the custody and control of the Labour Authorities till its actual disbursement to the petitioner(s).

6. This Court is of the considered opinion that once the employer deposits the entire determined amount along with interest in terms of the statutory mandate under Section 7(7) of the Act of 1972, the same goes out of its control and domain and any delay thereafter in disbursement cannot be attributed to the employer. The deposit made under Section 7(7) of the Act of 1972 is a statutory pre-condition for maintaining an appeal and upon such compliance, the liability of the employer in terms of the adjudicated order stands satisfied. There is nothing on record to show that any specific direction was issued by the Controlling Authority or the Appellate Authority requiring payment of further interest beyond the date of deposit.

7. Though Sections 7(3) and 7(3-A) of the Act of 1972 provide for payment of interest in case of delayed payment, the said provisions cannot be interpreted to fasten liability upon the employer for the period during which the amount remained with the statutory authorities after deposit. The speaking order dated 09.12.2025 (Annexure P-9) also records that the respondent/Bank had no control over the amount after deposit and, therefore, cannot be held liable for any further interest.

8. In view of the aforesaid factual and legal position, this Court finds that the claim of the petitioner(s) for grant of interest till the date of actual disbursement is not sustainable.

9. Accordingly, all the captioned writ petition are dismissed being devoid of merit.

10. A photocopy of this order be placed on the file of other connected cases.

(HARPREET SINGH BRAR)
JUDGE

06.05.2026
yakub

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No