IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

(237) **CWP-16668-2020**
Date of Decision : 13.05.2026

Ram Dass …Petitioner

Versus

State of Punjab and others ...Respondents

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Ms. Shreya Rana, Advocate
for the petitioner.

Mr. Amit Kumar Goyal, Addl. AG, Punjab.

Mr. H.S. Jugait, Advocate
for respondent No.3.

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KULDEEP TIWARI, J. (ORAL)

1. Through the instant writ petition, cast under Article 226/227 of the Constitution of India, a prayer is made for quashing of order dated 06.03.2020 (Annexure P-5), passed by Chief Engineer/Canals, Water Resources Department, Punjab (respondent No.2), wherethrough, the claim of the petitioner for grant of interest on the delayed payment of retiral benefits, was decined.

2. What emerges from perusal of the instant writ petition is that the petitioner retired from his services on 31.12.2017, after availing two years extension in service. He was paid leave encashment on 31.03.2018, and GPF was paid on 12.09.2018, whereas, death-cum-retirement gratuity was paid on 06.07.2018, and the amount accrued under the GIS was paid on 17.07.2018.

He submits that there is a considerable delay in paying the retiral benefits, and therefore, the petitioner is entitled for interest on the delayed payment.

3. Perusal of the impugned speaking order reflects that the respondent tried to justified the release of payment of retiral benefits to the petitioner. It is submitted by learned counsel for the respondents/State that sanction for payment of amounts against each head was made on time.

4. This Court has heard the learned counsel for the parties concerned, and has gone through the available record.

5. The issue, as involved in the instant writ petition, is not with regard to the date, as to when the requisite sanction was accorded by the authorities concerned rather, the issue herein is, the date when the petitioner actually received the pensionary benefits. Admittedly, there is a considerable delay in paying the retiral benefits, and therefore, the petitioner is entitled for interest on the delayed payment.

6. Since the retiral benefits have been released to the petitioner, after a period of considerable delay, the petitioner is held entitled for the interest, by virtue of law laid down by Full Bench of this Court in ***'A.S. Randhawa versus State of Punjab' 1997 (3) SCT 468***, and a decision rendered by a Coordinate Bench of this Court in ***'J.S. Cheema versus State of Haryana' 2014(13) R.C.R. (Civil) 355***.

7. Furthermore, similar issue has already been examined by Coordinate Bench of this Court in ***CWP-602-2023***, titled ***'Hira Lal Karakara versus State of Punjab and others'*** decided on 09.05.2024. The relevant paragraphs of the said judgment are extracted hereinafter :-

> *4. Learned counsel for the petitioner submits that the petitioner has retired from service on 31.10.2022 and since the retiral dues of the petitioner have been released*

after a considerable delay, therefore, he is entitled for interest on the same in view of the law laid down by a Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab and others : 1997(3) S.C.T. 468*** *and* ***J.S. Cheema Vs. State of Haryana : 2014(13) RCR (Civil) 355****.*

5. On the other hand, learned counsel for respondent No.2, while referring to the averments made in the reply, submits that since the whole amount of retiral dues has already been paid to the petitioner, therefore, the instant petition has been rendered infructuous.

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7. Since either before or after the retirement of the petitioner, no departmental/criminal proceedings were pending against him, therefore, his retiral benefits were required to be released within a reasonable time after his retirement. Moreover, a perusal of reply filed by the respondent No.2 shows that although the retiral dues of the petitioner have been released, however, the same have been released after a considerable delay and no explanation has been furnished for not releasing the same at the time of retirement or within a reasonable time thereafter.

8. 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."

8. 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."

10. In view of the above factual position and settled principles of law, the present petition is allowed and respondent No.2 is directed to pay interest @ 6% per annum to the petitioner, on the delayed

> *payment of retiral dues w.e.f. 01.01.2023 (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. In view of the above settled position, the instant writ petition is **disposed of**, with a *mandamus*, upon the respondents, to pay the interest @ 6% per annum, to the petitioner, on the delayed payment of retiral benefits, which is to be calculated from the date of his superannuation, till its realization.

10. It goes without saying that the above said exercise shall be carried out within a period of three months, from the date of receipt of certified copy of this order.

(KULDEEP TIWARI)
JUDGE

May 13, 2026
Manpreet

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