IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

110+245(cases) Date of decision:01.04.2026

1. CWP-6290-2023 (O&M)

Gurjant Singh and others

.....Petitioners

VERSUS

State of Punjab and others

.....Respondents

2. CWP-11253-2023

Dalwara Singh and others

.....Petitioners

VERSUS

State of Punjab and others

.....Respondents

3. CWP-14806-2023

Jagdev Singh

.....Petitioner

VERSUS

State of Punjab and others

.....Respondents

4. CWP-17081-2023

Vinod Kumar @ Vinod Kumar Anand

.....Petitioner

VERSUS

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present : Mr. Peeush Gagneja, Advocates for the petitioner(s).

Mr. Vikas Sonak, AAG, Punjab.

Mr. Aditya Pratap Singh, Advocate for respondent No.3 in CWP-6290-2023.

Ms. Gurneet Sagoo, Advocate for respondent No.4 in CWP-17081-2023.

Mr. Parminder Singh, Advocate for respondent NO.3 in CWP-11253-2023.

Ms. Khushboo Garg, Advocate for Ms. Bindu Goel, Advocate for respondent No.3 in CWP-14806-2023.

HARPREET SINGH BRAR, J. (Oral)

CM-4798-CWP-2025 in CWP-6290-2023

The present application has been filed under Section 151 of CPC for placing on record replication and Annexures P-7 to P-10.

In view of the grounds mentioned in the application, the same is allowed, subject to all just exceptions. Annexures P-7 to P-10 are ordered to be taken on record.

Registry is directed to place the same at an appropriate place.

CM-4799-CWP-2025 in CWP-6290-2023

Allowed as prayed for.

CM-944-CWP-2026 in CWP-6290-2023

The present application has been filed under Section 151 of CPC for placing on record Annexures P-11 to P-15.

In view of the grounds mentioned in the application, the same is allowed, subject to all just exceptions. Annexures P-11 to P-15 are ordered to be taken on record.

Registry is directed to place the same at an appropriate place.

CM-945-CWP-2026 in CWP-6290-2023

Allowed as prayed for.

MAIN CASES

1. This order shall dispose of the above-mentioned writ petitions as they arise from a similar factual matrix. However, for the sake of brevity, the facts are taken from **CWP-6290-2023.**

2. The petitioner has approached this Court by filing the present writ petition under Articles 226/227 of the Constitution of India praying for issuance of a writ in the nature of *mandamus* directing the respondents to release the amount of revised pension, leave encashment, gratuity, as well as arrears of revised pension and all other consequential benefits along with

interest @ 18% per annum and for which a legal notice dated 21.12.2022 (Annexure P-5) has been served by the petitioners.

3. Learned counsel for the petitioners submits that all the petitioners were appointed and served in different Municipal Bodies on Class-III and Class-IV posts and, upon attaining the age of superannuation, stood retired from the office of the Municipal Corporation, Abohar, during the period from 31.03.2016 to 31.05.2021, as is evident from Annexure P-1. It is further submitted that, vide circular dated 29.10.2021 issued by the Government of Punjab, Department of Finance, the recommendations of the 6th Pay Commission with regard to pension and other retiral benefits were made applicable to employees who retired on or after 01.01.2016. However, despite the aforesaid policy decision, the petitioners have neither been extended the benefit of enhanced gratuity and leave encashment nor have they been granted revised pension in accordance therewith.

3.1 Learned counsel further submits that the respondent-Department of Local Government, vide communication dated 22.12.2022, conveyed approval to all Municipal Bodies for disbursement of enhanced gratuity. In pursuance thereto, the petitioners also served a legal notice upon the respondents, requesting release of their legitimate retiral dues; however, no action was taken and the same remained unaddressed. It is further contended that respondent No.2, vide instructions dated 07.03.2023 (Annexure P-6), clarified that even those employees of the Local

Government who had retired prior to the notification dated 05.01.2022 are entitled to the benefit of enhanced gratuity in terms of the applicable Service Rules of the Government Departments.

3.2 Learned counsel further submits that petitioners in CWP No.6290 and 11253 of 2023 have been released their admissible retiral dues, no interest has been paid to them for the inordinate delay in disbursement. It is, thus, contended that there has been an inordinate, unexplained and wholly unjustified delay in the settlement of retiral benefits, which, *per se*, entitles the petitioners to the grant of interest in view of the ratio laid down by the Full Bench in ***A.S. Randhawa, Superintending Engineer (Retd.) vs. State of Punjab, 1998 (1) SCT 343***. In contrast, the petitioners in CWP No. 14806 and 17081 of 2023 have not been paid any retiral benefits till date, despite repeated representations, thereby rendering the inaction of the respondents arbitrary, illegal, and unsustainable in the eyes of law.

4. Learned counsel for respondent No.3 submits that the petitioners had rendered service in various Municipal Bodies prior to their retirement from respondent No.3 and, therefore, some delay has occurred in the release of their retiral dues on account of procedural formalities and administrative exigencies. However, he is unable to controvert the fact that the Government of Punjab has issued instructions for grant of benefits in terms of the recommendations of the 6th Pay Commission.

4.1 Learned counsel appearing for respondent No.4 in CWP No.17081 of 2023, on the other hand, is not in a position to furnish any reasonable or definite timeline for the release of the admissible retiral benefits to the petitioners. Furthermore, the said respondents are also unable to rebut or distinguish the judgments relied upon by the petitioners with regard to the grant of interest on account of delay in disbursement of retiral dues.

5. Having heard learned counsel for the parties and upon perusal of the record, this Court finds that the entitlement of the petitioners to the grant of revised pension, enhanced gratuity, leave encashment and other consequential retiral benefits, in terms of the recommendations of the 6th Pay Commission as adopted by the Government of Punjab, is not in dispute. The respondents have also not denied the issuance of relevant circulars/instructions extending such benefits to similarly situated employees.

5.1 It is further evident that despite the issuance of instructions dated 29.10.2021 and subsequent clarifications dated 22.12.2022 and 07.03.2023, the respondents have failed to ensure timely release of the admitted retiral dues to the petitioners. The explanation sought to be furnished on behalf of respondent No.3 attributing the delay to procedural formalities and administrative exigencies cannot be accepted as a valid justification for withholding retiral benefits, which are not a bounty but a vested right of the employees.

5.2 It is a settled proposition of law that retiral benefits are required to be disbursed within a reasonable period from the date of retirement, and any inordinate or unexplained delay in such disbursement would entitle the employee to compensation by way of interest. In the present case, the delay in releasing the dues, particularly in respect of certain petitioners who have not been paid any amount till date, is wholly unjustified and arbitrary.

5.3 The respondents have also failed to place on record any cogent material to justify the denial of interest on delayed payments to those petitioners who have since been paid their retiral dues. The inability of the respondents to controvert the legal position settled by judicial precedents, including the judgment relied upon by the petitioners, further fortifies the claim of the petitioners for grant of interest.

5.4 Moreover, the stand of respondent No.4 in CWP No.17081 of 2023, in not being able to furnish any definite timeline for release of the admitted dues, reflects a lack of diligence and administrative apathy, which cannot be countenanced by this Court.

5.5 It transpires, from the admitted factual matrix, that the claim raised by the petitioners is no longer res integra and stands squarely governed by the authoritative pronouncement of the Full Bench in ***A.S. Randhawa*** (supra). The Full Bench has unequivocally enunciated that pensionary and retiral benefits do not partake the character of a bounty dependent upon the discretion of the employer, but rather constitute a vested and enforceable right accruing to an employee upon superannuation. It has been further authoritatively held that any culpable delay in the release of such dues beyond a reasonable period quantified therein as two months would *ipso facto* entail a corresponding liability upon the employer to recompense the retiree by way of interest on the belated disbursement.

5.6 Further, the contention raised by the respondents attributing the delay in release of retiral dues to procedural formalities and administrative exigencies is untenable.

5.7. Reliance can be placed upon the judgment rendered by this coordinate Bench of this Court in ***Prof. Dr. R.R. Sharma v. PGI (2000(1) SCT 565)***, wherein the petitioner had rendered over 37 years of continuous combined service across three employers: the Uttar Pradesh Government, the National Dairy Research Institute, Karnal, and finally the Post Graduate Institute, Chandigarh. When PGI denied him full pension on the ground that the previous employers had not contributed their pro-rata share, the Court found this to be a case of harassment. Noting that PGI had not taken sincere or effective steps to recover the contributions from the earlier employers, the Court directed PGI to pay the full pension and gratuity counting all qualifying service from September 25, 1954, without waiting further for receipt of proportionate amounts from the other employers. PGI was granted liberty to recover the proportionate liability from the Uttar Pradesh Government and the Karnal Institute thereafter.

5.8 The underlying principle applied in this case is that the last employer must bear the responsibility of ensuring the employee receives full retiral benefits, and the employee cannot be made to suffer due to non-contribution or internal disputes between government bodies.

5.9. Further reliance can be placed upon the judgment rendered in ***Vimal Kumar v. State of Punjab & Ors (CWP-19401-2013, decided on July 5, 2019)***, where the petitioner had served in the PWD (B&R) Department, Government of Punjab from May 15, 1975 to November 20, 1990, before being absorbed in the Nagar Council, Mohali. He later retired from Nagar Council, Nangal on May 31, 2012. The dispute arose when his previous service under PWD was not counted as qualifying service for pension on the ground that he had left on his own and not in public interest. Relying on Government instructions dated December 2, 2005, which provided that service under the Government of Punjab before joining a Municipal body shall be treated as qualifying service, the Court rejected this artificial distinction. Noting that the petitioner had even deposited the required amount from his own pocket to avoid delay, the Court directed respondents No. 1 to 3 (the PWD department) to grant the benefit of his previous service towards gratuity, leave encashment, and other pensionary benefits along with interest as per rules.

5.10 Thus crystallizing that an employee cannot be denied qualifying service for pension merely because the previous employer has failed to transfer its share of contribution.

6. Further, the notification dated 19.08.2016 by the Accounts Branch, Department of Local Government, Government of Punjab, in its Clause 8, (f) while dealing with the Rule 16 of the Punjab Municipal Corporation Services (Recruitment & Conditions of Service) Rules, 1978, Rule 16 stipulates that:-

> *(1) "**The total service of a member under different Municipal Committees and Corporations, he has served, shall be taken into account for calculating the amount of gratuity due to him.***
>
> *(2) On transfer of a member of a service from one Municipal Committee/Corporation to another Corporation, the gratuity to which he may be entitled shall be transferred to the Municipal Corporation to which such a member has been transferred and the member shall be entitled **to claim the entire amount of gratuity due from the Municipal Corporation last served**.*
>
> *(3) **Each Municipal Committee shall bear the gratuity cost in proportion to the length of service the employee rendered in that Committee."***

6.1 As such, the primary responsibility rests upon the last employer to effectively pursue and coordinate the matter with the previous employer(s) with respect to requisite contributions, and any lapse in this regard cannot be used to the detriment of the employee.

7. In view of the aforesaid factual and legal position, and without embarking upon any further adjudication on the merits of the controversy, the writ petitions bearing CWP Nos. 6290 and 11253 of 2023 are disposed of with a direction to the respondents/competent authority to compute and release interest on the delayed payment of arrears payable to the petitioners @ 6% per annum. The interest shall be calculated after the expiry of a period of two months from the respective dates of retirement of the petitioners and shall run till the date of actual realization.

8. However, CWP Nos. 14806 and 17081 of 2023 are disposed of with a direction to the respondents/competent authority to release all the retiral dues, including revised pension, gratuity and leave encashment, if any, along with arrears thereof, with interest @ 6% per annum, to be calculated from the date the same became due till the date of actual payment. The interest shall be calculated after the expiry of a period of two months from the respective dates of retirement of the petitioners and shall run till the date of actual realization.

9. Let the aforesaid exercise be undertaken with due expedition and the consequential monetary benefits be released to the petitioners within a period of three months from the date of receipt of a certified copy of this order.

10. A copy of this order be furnished to the learned State Counsel for information and necessary compliance. Respondent No.2 is further directed to ensure due compliance of the directions issued herein and to oversee the release of the pending dues of the petitioners in a time-bound manner.

11. It is made clear that in the event of non-compliance or any deviation from the directions issued by this Court, the petitioners shall be at liberty to avail appropriate legal remedies in accordance with law, including initiating proceedings under Article 215 of the Constitution of India.

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

13. The Registry is directed to place a copy of this order on the files of the connected matters.

(HARPREET SINGH BRAR)
JUDGE

01.04.2026
Puneet Chawla

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