IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-16479-2024
Date of decision : 06.05.2026

Sushma Sharma ......Petitioner

V/S

State of Punjab and others ....Respondents

CORAM : HON'BLE MR. JUSTICE NAMIT KUMAR

Present: Mr. Rakesh Sobti, Advocate for the petitioner (through video conferencing).

Mr. Siddharth Sandhu, A.A.G., Punjab.

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NAMIT KUMAR, J. (ORAL)

1. The petitioner has filed the instant petition under Article 226 of the Constitution of India, seeking issuance of a writ of certiorari for quashing the orders dated 29.11.2022 (Annexure P-6), 28.02.2023 (Annexure P-7) & 02.03.2023 (Annexure P-9), whereby the claim of the petitioner for grant of interest @ 18% per annum on the delayed payments of retiral benefits including pension, has been rejected. Further, seeking issuance of a writ of mandamus directing the respondents to release the interest @ 18% per annum on the delayed payments of retiral benefits including pension.

2. Brief facts of the case, as have been pleaded in the petition, are that initially, the petitioner joined the Department of Health, Punjab, as Junior Analytical Assistant on 13.09.1983. Subsequently, she was promoted to the post of Senior Analytical Assistant in the year 1995, to the post of Analyst in the year 1997 and lastly, to the post of Scientific

Officer in the year 2019. Although, petitioner attained the age of superannuation on 31.12.2019 but having the clean service record, she was granted extension in service for one year. Thereafter, the State of Punjab had suddenly taken a decision withdrawing the service extension policy for the government employees. Consequently, the petitioner was retired on 30.09.2020. However, her retiral benefits were released by the respondent-department after a delay of 04 to 10 months without any interest. On receipt of her retiral benefits, the petitioner personally appeared before the respondents with a request to grant her interest @ 18% per annum on the delayed payment of retiral benefits. When no action was taken by the respondent-department, the petitioner served a legal notice dated 10.05.2021 (Annexure P-4) upon them but to no avail. Thereafter, the petitioner approached this Court by filing CWP No.15391 of 2021 (Sushma Sharma Vs. State of Punjab and others) for issuance of directions to the respondents to release interest @ 18% per annum to the petitioner on the delayed payments of retiral benefits, which was disposed of by this Court, vide order dated 25.08.2021 (Annexure P-5), with a direction to the official respondents to consider the legal notice dated 10.05.2021, as representation moved by the petitioner, and decide the same in accordance with law, by passing a speaking order preferably within a period of one month from the date of receipt of the certified copy of the order. When the order dated 10.05.2021 was not complied with by the respondent-department, the petitioner filed contempt petition bearing COCP No.2648 of 2021 (Sushma Sharma Vs. Vikas Garg, IAS and others) in which notice was issued to the respondents. During the pendency of the aforesaid contempt petition, respondent No.2 had passed the order dated 29.11.2022 (Annexure P-6) rejecting the claim of the petitioner. On the basis of the said order, respondent No.3 had also passed separate order dated 28.02.2023 (Annexure P-7) rejecting the case of the petitioner. Thereafter, respondent No.3 passed fresh order dated 02.03.2023 (Annexure P-9) again rejecting the case of the petitioner. Keeping in view the aforesaid impugned orders, the COCP filed by the petitioner was disposed of by this Court, vide order dated 18.04.2024 (Annexure P-10), with a liberty to the petitioner to challenge the same in accordance with law. Hence, the instant petition.

3. Short reply by way of an affidavit of Sh. Amit Kumar, Director, Food and Drug Labs, Near Civil Hospital, Kharar, Punjab, on behalf of respondents No.1 to 3, has been filed, wherein it has been stated as under :-

> *"xx xx xx xx xx*
>
> *9. That the bills of petitioner regarding her payments were released on following dates after the retirement of the Petitioner on 30.09.2020 who herself was working on the post of Drawing and Disbursing Officer in FDA Lab, Kharar:*
>
> > *a) The case of G.P.F of the Petitioner was sent to Director, Health and Family Welfare, Chandigarh on 17.07.2020 by herself being a DDO of the office, which was in fact required to be sent one year before the date of retirement. Thus, this delay is attributable to the Petitioner. Despite the outbreak of COVID-19, the Sanction of G.P.F was received to this office on 15.06.2021 and GPF Bill of Rs.36,28,543/- was generated by the Office of Public Analyst on 06.07.2021 and accordingly the payment was releasing on 15.07.2021.*
> >
> > *b) Bill of Leave encashment, amounting to Rs.8,30,670/- was generated on 21.10.2020.*

> *c) Bill of D.C.R.G amounting to Rs.10,00,000/- was generated on 21.01.2021.*
>
> *d) Bill of GIS amounting Rs.72,864/- was generated on 11.11.2020.*
>
> *In fact, the Petitioner was required to submit her pension case 2 years before the date of superannuation, as envisaged in Rule 9.3 of the Punjab Civil Services Rules, Volume Il so as to enable the Office to complete the pension papers 6 months prior to the date of retirement, which was never done by the Petitioner in the present case. Therefore, there is no delay in the release of payment of retiral benefits of the Petitioner.*
>
> *xx xx xx xx xx"*

4. Learned counsel for the petitioner submits that the respondents-department had unnecessarily withheld retiral benefits of the petitioner for about 04 to 10 months after her retirement. He further submits that since there is a considerable delay in releasing the retiral benefits, therefore, the petitioner is entitled for interest on the delayed payments of the said benefits. The retiral benefits of the petitioner have been released in the following manner :-

Sr. No.	**Retiral Benefits**	**Amount (Rs.)**	**Date of payment**	**Delay**
1.	G.P.F.	36,28,543/-	15.07.2021	10 months
2.	Leave Encashment	8,30,670/-	25.01.2021	04 months
3.	D.C.R.G.	10,00,000/-	27.04.2021	07 months
4.	G.I.S.	72,864/-	28.04.2021	07 months
5.	Pension	2,81,939/-	27.04.2021	07 months
6.	Commutation of Pension	5,17,027/-	27.04.2021	07 months

5. Per contra, learned State counsel, while referring to the averments made in the reply filed on behalf of respondents No.1 to 3, submits that the petitioner, being the Drawing and Disbursing officer (DDO), herself forwarded her G.P.F. case to the Director,

Health and Family Welfare, Chandigarh, on 17.07.2020, although it was required to have been submitted one year prior to the date of her retirement. Since the petitioner herself responsible for the delay occurred in releasing her retiral benefits, she 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 30.09.2020 and no departmental/criminal proceedings were pending against her before or after her retirement, therefore, she was entitled for the release of her retiral benefits immediately after her retirement and there was no legal impediment for denying the same. However, her retiral benefits have been released between 25.01.2021 to 15.07.2021 i.e. after a delay of about 04 to 10 months from the date of her retirement.

8. So far as the stand taken by respondents No.1 to 3 that the petitioner herself is responsible for the delay occurred in the payment of her G.P.F. amount as, being the D.D.O. of the office, she herself had forwarded her G.P.F. case to the Director, Health and Family Welfare, Chandigarh two months prior to the date of her retirement, whereas the same was required to be submitted one year prior to the date of her retirement is concerned, the State of Punjab had suddenly taken a decision withdrawing the service extension policy for the government employees and consequently, the petitioner was retired on 30.09.2020. If she had been aware of the withdrawal of the Government's service extension policy, she, being the D.D.O. of the office, would certainly

have submitted her G.P.F. case much prior to the date of her retirement. Moreover, the petitioner had sent her G.P.F. case on 17.07.2020, i.e., more than two months prior to the date of her retirement, thereby affording the respondents sufficient time to process and ensure timely release of her retiral benefits. Therefore, the petitioner is entitled for interest on the delayed payment of said benefit. Further, no explanation whatsoever has been furnished in the reply, filed on behalf of respondents No.1 to 3, regarding the delay caused in payments of the other retiral benefits.

9. 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"*

10. 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."*

11. 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 @ 7% per annum on the delayed payments of retiral benefits of the petitioner w.e.f. 01.12.2020 (i.e. after two months from the date of retirement of the petitioner) till the actual date of payment(s), within a period of 02 months from the date of receipt of certified copy of this order.

06.05.2026 **(NAMIT KUMAR)**
kothiyal **JUDGE**

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