



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

Sr. No.211**CWP-23034-2019 (O&M)****Date of decision: 19.05.2026**

Veer Chand

..... Petitioner

VERSUS

State of Punjab and others

..... Respondents

CORAM: HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA

Present: Mr. Surinder Garg, Advocate, for the petitioner.

Mr. Amarpreet Singh Bains, AAG, Punjab.

DEEPINDER SINGH NALWA, J.(Oral)

1 In the present writ petition, the petitioner has challenged the order dated 16.05.2019 (Annexure P-5), vide which, the claim of the petitioner for grant of interest on account of delayed payment of retiral benefits i.e. gratuity and leave encashment has been rejected.

2. The brief facts of the case are that the petitioner was initially appointed on the post of Constable in the year 1975 with the Punjab Police. Thereafter, the petitioner was promoted on various posts from time to time. Ultimately, the petitioner retired from the rank of Deputy Superintendent of Police (Intelligence) on 31.05.2017 after getting extension of 02 years. The gratuity was sanctioned on 05.07.2017 and



leave encashment on 08.08.2017. However, the respondents released the amount of gratuity i.e. Rs.10,00,000/- to the petitioner on 27.12.2017 and leave encashment amount of Rs.6,28,780/- on 19.03.2018. As there was a delay in releasing the retiral benefits to the petitioner i.e. gratuity and leave encashment, the petitioner served a legal notice dated 28.10.2018 (Annexure P-2) for grant of interest on the delayed payment. The abovesaid legal notice dated 28.10.2018 (Annexure P-2) was considered by the respondents and vide order dated 16.05.2019 (Annexure P-5), the claim of interest made by the petitioner was rejected on the ground that there was a delay on the part of the treasury. As such, the petitioner is not entitled for grant of interest on delayed payment of retiral benefits. Aggrieved against the abovesaid order dated 16.05.2019 (Annexure P-5), the petitioner has filed the present writ petition.

3. The only grievance of the petitioner in the present writ petition is in regard to grant of interest on delayed payment of retiral benefits i.e. gratuity and leave encashment.

4. Learned counsel appearing on behalf of the petitioner submits that at the time of retirement of the petitioner, there were no departmental or criminal proceedings pending against the petitioner. As such, the petitioner was entitled for grant of retiral benefits within a reasonable time. He further submits that the amount of gratuity was released to the petitioner after almost 07 months from the date of retirement and amount of leave encashment after more than 10 months. Learned counsel submits



that as there was no fault on the part of the petitioner and there was a delay in the release of retiral benefits i.e. gratuity and leave encashment, the petitioner is entitled for grant of interest on delayed payment of abovesaid retiral benefits.

5. On the other hand, learned counsel appearing on behalf of the respondents submits that there was no inordinate delay in release of grant of retiral benefits i.e. gratuity and leave encashment. He submits that the delay in releasing the retiral benefits i.e. gratuity and leave encashment was not intentional but was procedural delay. As such, the petitioner is not entitled for grant of any interest on delayed payment of retiral benefits.

6. After hearing the learned counsel appearing for the parties, a perusal of the facts of the case would show that there was no fault of the petitioner in regard to delay in releasing retiral benefits. No valid reason has been given by the respondents in regard to delay in releasing retiral benefits i.e. gratuity and leave encashment. It is well settled law that the retiral benefits are not a bounty but is a right of an employee.

7. Reliance has been placed on the judgment passed by Co-ordinate Bench of this Court in **CWP No.19759 of 2023** titled as **Parveen Kumar Vs. State of Punjab and others**, decided on 15.03.2024, wherein the Court had directed the respondents to pay interest on the



delayed payment of retiral dues. The relevant extract from the aforesaid judgment in **Parveen Kumar's case (supra)**, is reproduced herein below:-

“9. Since either before or after the retirement of the petitioner, no departmental proceedings were pending against him, therefore, the retiral benefits of the petitioner were required to be released within a reasonable time after his premature retirement and since there is a delay of more than 01 year and 08 months in releasing the same, therefore, the petitioner cannot be denied the benefit of interest on the delayed payment of retiral dues.

*10. 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.”*

*11. 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.”

12. 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 @ 6% per annum to the petitioner, on the delayed payment of retiral dues w.e.f. 01.09.2022 (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.”

8. Taking into consideration the facts of the case and the law referred above, the present writ petition is allowed. The petitioner is held entitled for grant of interest @6% per annum on the delayed payment of retiral benefits i.e. gratuity and leave encashment after two months from the

date of retirement of petitioner till the actual realization of the retiral benefits i.e. gratuity and leave encashment. The respondents are directed to release the benefit of interest to the petitioner within a period of 03 months from the date of receipt of certified copy of this order.

9. Pending miscellaneous application(s), if any, also stands disposed of.

(DEEPINDER SINGH NALWA)

JUDGE

19.05.2026

Ramandeep Singh

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