



CWP-25339-2024

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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

(270)

CWP-25339-2024

Date of Decision : 19.03.2026

Tejpal Singh

...Petitioner

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. Amrik Singh, Advocate
for the petitioner.

Mr. Tejinder Pal Singh Walia, AAG, Punjab.

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 issuance of a *mandamus*, upon the respondents, to pay interest @ 18% per annum, to the petitioner on the delayed payment of retiral benefits.

2. Learned counsel for the petitioner submits that the petitioner took voluntarily retirement from the service on 10.06.2022, whereas, all the retiral benefits have not been paid to him on the said date. According to the petitioner, GPF was paid on 29.11.2022, GIS on 12.10.2023, whereas, the benefit of gratuity and arrears of pension was paid to him on 02.09.2024, and leave encashment was paid on 04.09.2024. 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. Learned counsel for the respondent/State, on the other hand, submits that the petitioner has sought a voluntary retirement, by filing an

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application dated 10.03.2022, which was finally allowed on 10.06.2022, and the respondent/department cannot anticipate the act of the petitioner, seeking voluntary retirement, and only after the receipt of application of the petitioner, seeking voluntary retirement, his case was duly processed for pension. He further submits that the office of Additional Director (Finance and Accounts), returned the case of the petitioner, on 10.05.2024, with the report that the name of the petitioner is involved in allegations of non-filing of civil suit for recovery of embezzled amount of Rs.1,33,00,000/-, in Malout Division of the department, against the delinquent employee, as the petitioner remained as Executive Engineer of Division Malout. Therefore, the case of the petitioner could not be forwarded to the Accountant General Office, Punjab (A&E). Thereafter, the department on 04.06.2024, decided not to issue any show cause notice to the petitioner, and the case of the petitioner was again put up to the Additional Director (Finance and Accounts), for financial vetting on 29.05.2024, who vetted the same on 06.06.2024, and the case was forwarded to the Accountant General, Punjab, on 07.06.2024, which was approved by the Accountant General, Punjab, Chandigarh, vide order dated 04.07.2024. Upon approval, the entire benefits have been released in favour of the petitioner.

4. What surfaced from the submissions, as made by learned counsel for the petitioner as well as respondent/State is, that it is a case of voluntary retirement, otherwise the date of petitioner's superannuation was 31.01.2023. In the instant case, the petitioner applied for GPF, on 28.07.2022 (Annexure R-1), which was forwarded to Deputy Director (Finance and Accounts), Water Supply and Sanitation Department (GPF Branch), Patiala, on the same day. It was sanctioned by Additional Director Finance, Patiala, vide order dated 31.10.2022, and the final bill of GPF was sent to District



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Treasury for payment by the Divisional Office, on 21.11.2022, which released the GPF amount to the petitioner on 29.11.2022, i.e. after a period of five months.

5. Admittedly, there is also a delay in making the payment against the heads of gratuity and leave encashment, which was paid on 02.09.2024 and 04.09.2024, respectively. Even, if this Court considers that it is a case of voluntary retirement, the petitioner ought to have been retired on attaining the age of superannuation on 31.01.2023, therefore, the respondent/department, at the best would be ready to make payment to the petitioner, as per his fixed date of superannuation. However, there is a considerable delay of approximately one year and eight months, in making the payment of gratuity and leave encashment to the petitioner.

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, against the heads gratuity and leave encashment, which is to be calculated from the date of his superannuation, i.e. from 31.01.2023, till the date when the gratuity and leave encashment is actually paid.
10. 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.
11. Ordered accordingly.

(KULDEEP TIWARI)
JUDGE

March 19, 2026
Manpreet

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