

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP-35958-2025
DECIDED ON: 01.05.2026

SATYA NARAIN HOODA @ SATYA NARAYAN HOODA

....PETITIONER(S)

VERSUS

STATE OF HARYANA AND ORS

....RESPONDENT(S)

CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL.

Present: None for petitioner(s)

Mr. Teevar Sharma, DAG Haryana

Mr. H.S. Oberoi, Advocate for the respondent no. 4

SANDEEP MOUDGIL, J

Prayer

1. The present writ petition under Articles 226/227 of the Constitution of India has been filed seeking issuance of a writ of certiorari for setting aside the reply dated 10.06.2025 issued by respondent No.4, wherein it has been stated that there was no delay in release of DCRG, and also for issuance of a writ of mandamus directing the respondents to release interest on the delayed payment of gratuity amounting to Rs.14,07,441/- with interest @ 18% per annum from the date of retirement till actual payment on 13.09.2024.

Brief Facts

2. The petitioner retired from government service on 31.05.2018 after rendering qualifying service and became entitled to pensionary benefits including

gratuity (DCRG). Prior to retirement, a draft charge sheet under Rule 7 alleging financial loss of Rs.45,000/- was initiated, due to which only provisional pension was sanctioned and gratuity was withheld in terms of applicable pension rules.

3. Subsequently, vide orders dated 04.04.2019 and 18.04.2019, sanction was granted for release of full pensionary benefits with withholding of Rs.95,000/- (Rs.45,000/- towards alleged loss and Rs.50,000/- pending vigilance clearance). The vigilance clearance was received and part of the withheld amount (Rs.50,000/-) was released in 2019. The remaining amount continued to be withheld.

4. The disciplinary proceedings/draft charge sheet were dropped by the competent authority vide order dated 06.01.2020. Despite dropping of proceedings, the remaining gratuity amount was not released immediately. Correspondence between the departments continued regarding clarification and release of DCRG.

5. In 2024, the respondents processed the matter for release of full gratuity, and ultimately the entire gratuity amount was released to the petitioner on 13.09.2024. Aggrieved by the delay, the petitioner issued a legal notice seeking interest on the delayed payment of gratuity. The response received from the authorities denied delay on their part and did not grant the claimed interest.

6. Hence, this petition.

Contentions

On the behalf of petitioner

7. Learned counsel for the petitioner contends that the action of the respondents in withholding the gratuity was wholly arbitrary and contrary to law.

It is argued that though only a sum of Rs.95,000/- was proposed to be withheld on

account of a draft charge sheet, the respondents, in effect, withheld the entire gratuity amount without any legal justification.

8. It is further submitted that the disciplinary proceedings were admittedly dropped on 06.01.2020, and thereafter there remained no impediment in releasing the full gratuity to the petitioner. Despite this, the respondents failed to release the amount for several years, resulting in inordinate and unexplained delay.

9. Learned counsel submits that such delay is clearly attributable to administrative lapses on the part of the respondents and violates the statutory provisions governing timely disbursement of retiral benefits.

On behalf of the Respondents

10. Per contra, learned counsel appearing for the respondents submits that there was no illegality or arbitrariness in the action taken by the authorities. It is contended that at the time of retirement, disciplinary proceedings were pending against the petitioner, and therefore, in terms of the applicable pension rules, the respondents were justified in withholding gratuity and sanctioning only provisional pension.

11. It is further argued that the withholding of gratuity continued in accordance with the statutory framework until necessary clarifications and approvals were obtained from the competent authorities. Learned counsel submits that the delay, if any, was procedural and not deliberate, and that the authorities acted in compliance with the rules at every stage.

12. It is also contended that as per the governing provisions, interest on delayed payment is not automatic and is payable only if the delay is attributable to administrative lapse, subject to prescribed rates. The respondents submit that the

petitioner, if found eligible, would be granted interest strictly in accordance with the applicable rules and after due approval. On these grounds, it is prayed that the writ petition be dismissed as being devoid of merit.

Analysis

13. This Court has considered the rival submissions advanced by learned counsel for the parties and perused the material available on record. The core issue that arises for consideration is whether the petitioner is entitled to interest on delayed payment of gratuity and, if so, at what rate and for which period.

14. It is not in dispute that the petitioner retired on 31.05.2018 and that the gratuity amount, except for a limited portion initially proposed to be withheld, was not released to him within the prescribed period. It is further an admitted position that the disciplinary proceedings initiated against the petitioner were dropped on 06.01.2020 and, thus, there remained no legal impediment for release of the retiral dues thereafter. However, the record reflects that the full gratuity amount was ultimately released only on 13.09.2024, resulting in substantial delay.

15. Significantly, in the short reply filed by way of affidavit of Devender Dahiya, Engineer-in-Chief, Public Health Engineering Department, Haryana, on behalf of respondents No.1 to 4, it has been fairly conceded that the petitioner is eligible for payment of simple interest on delayed payment of gratuity for the period from 01.06.2018 to 13.09.2024, in terms of the applicable rules, at the rate of General Provident Fund (GPF). It has also been stated that such payment would be made after completion of requisite formalities and approval of the competent authority.

16. In view of the aforesaid categorical stand taken by the respondents themselves, the entitlement of the petitioner to interest on delayed payment of gratuity no longer remains in dispute. Once the respondents have acknowledged their liability, there is no justification to deny the petitioner the relief sought, at least to the extent of interest admissible under the rules. The delay in release of gratuity, regardless of the reasons earlier cited, cannot deprive the petitioner of statutory interest, particularly when the rules themselves contemplate grant of such interest where delay is attributable to administrative processes.

Conclusion

17. Accordingly, the present writ petition is allowed and the respondents are directed to calculate and pay to the petitioner simple interest on the delayed payment of gratuity from the date it became due to 13.09.2024, at the rate applicable to General Provident Fund deposits as prevailing at the time the payment became due. The said exercise shall be completed and the amount released to the petitioner within a period of six weeks from the date of receipt of a certified copy of this order.

18. Accordingly, the present writ petition is allowed

19. Pending application(s), if any shall disposed off.

01.05.2026

Meenu

(SANDEEP MOUDGIL)
JUDGE

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