2026:PHHC:048015-DB

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

215 **CWP-5510-2022 (O&M)**
Date of Decision : 25.03.2026

Nanu Singh Gill

....Petitioner

Versus

Union of India and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI

Present: Mr. Harinder Pal Singh Ishar, Advocate and
Mr. Nikhil Sheoran, Advocate
for the petitioner.

Mr. Satya Pal Jain, Additional Solicitor General of India with
Mr. Sunil Kumar Sharma, Advocate (through V.C)
for respondent – UOI.

****

Harsimran Singh Sethi, J. (Oral)

1. In the present petition, the challenge is to the impugned order dated 10.09.2018 (Annexure P-3) passed by respondent No.8 – Central Administrative Tribunal, Chandigarh Bench, Chandigarh (hereinafter referred to as 'the Tribunal), by which, on the delayed disbursal of retiral benefits, the benefit of interest has been given but in the operative part of the impugned order, the retiral benefit of 'gratuity' has only been mentioned, which has been directed to be disbursed and upon which benefit of interest has been granted.

2. Learned counsel for the petitioner submits that a review petition against said order was filed which has already been dismissed on the ground of delay. Learned counsel for the petitioner further submits that the petitioner retired from service upon attaining the age of superannuation on 30.06.2007.

3. The plea of the petitioner before the Tribunal was that as there is a delay at hands of respondent-employer in disbursal of the retiral benefits, which delay in disbursal of such benefits to the petitioner was accepted by the Tribunal to be attributable to the respondent so as to grant benefit of interest but, rather than granting the benefit of interest on whole of the delayed retiral benefits, the same has only been restricted to the "gratuity" by Tribunal in the operative of order which is causing prejudice and the said fact was brought to the notice of the Tribunal by way of review application which was dismissed on the ground of delay hence, the respondent be directed to grant the benefit of interest on all the retiral benefits.

4. Learned counsel for the respondent-UOI on the other hand submits that once a particular benefit has been granted by the Tribunal and the same has been implemented, therefore, the claim of interest on all the retiral benefits disbursal of which had been delayed which is being sought may kindly be declined.

5. We have learned counsel for the parties and have gone through the record with their able assistance.

6. As per the settled principle of law settled by the Full Bench of this Court in **A.S. Randhawa Vs. State of Punjab,** ***1997 (3) SCT 468***, in case the retiral benefits admissible to an employee are not paid within a period of two months, in case there is no impediment to deny the employee of the same, the employee becomes entitled for the grant of interest on such delayed payment by way of compensation. The relevant paragraph of the judgment is as under:-

> *"9. Since a government employee on his retirement*

2026:PHHC:048015-DB

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 front 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. Again, as to what should be the rate of interest, it should, in our view, be generally 12% unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18%.

10. The question that now arises for our consideration is whether a retiree can approach this Court under Article 226 of the Constitution to claim-interest only on the delayed payment of pension and other retiral benefits. As observed earlier, there is a duty cast on the State to disburse pension and retiral benefits immediately when they become due and it is the non-performance of this statutory duty which gives rise to the retiree to claim compensation by way of interest. This right to claim interest partakes the nature and character of the retiral benefits and is indeed a concomitant of the right to claim pension and retiral benefits and cannot be separated therefrom. This being so, a claim for interest by a pensioner cannot be equated with the claim for money simpliciter or any interest thereon arising out of contractual obligations. Moreover, in a claim of recovering pension or other retiral benefits which the State has wrongfully withheld or even when interest is claimed on these amounts, the *plea of bar of limitation cannot be permitted to be raised because the State has defaulted in the performance of its duty in not paying the amount when it became due. In this view of the matter, it follows that when a retired government employee can seek his remedy by invoking the jurisdiction of this Court under Article 226 of this Constitution to claim pension and retiral benefits by the issuance of a writ of mandamus or any other order or direction, he is equally entitled to seek relief in the same way for claiming interest only on delayed payments which is an enforcement of an incident of the same right. It will, of course, be open to the State to plead and prove that there has been no delay much less culpable delay on its part in disbursing the amount so as to entitle a retired employee to any interest as claimed by him. To put it differently, if a retired government employee can show that there was delay in the payment of pension or any other retiral benefit to him the onus would be on the State to show that it is not guilty of any culpable delay and if it is unable to discharge the onus or satisfy the court as to the reasons for the delay a direction to pay interest for the period would invariable issue.*

18. Before concluding we are constrained to observe that it has been noticed that invariably in the matter of payment of pension and other retiral benefits to a retiring employee there have been delays and sometimes to an extent that is shocking. It must be realised by the concerned functionaries of the State at all levels that for a government servant, the only source of his subsistence after retirement is his pension and other retiral benefits and if they are not made available to him on time, he and his family are put under great mental tension making it difficult for them even to survive. Those dealing with the preparation of pension cases at different stages and with disbursement of retiral benefits must not forget that they too have to retire one day and will be looking up for the payment of those benefits and how will *they feel if they are driven from pillar to post to get their dues and if hurdles are put and delay is caused in payment thereof. It is to save this harassment to the retired that the Rules require that the procedure to compute pension and retiral benefits should commence two years before the date of superannuation so that whatever be the apathy or the inefficiency of the concerned officials in working out the amounts, they will be able to complete the cases atleast in two years and pay the dues to the retirers. If in spite of these safeguards as provided in the Rules the working of the administrative officers at different levels high or low is so indifferent in the performance of their duties as enjoined on them it is but fair that those responsible for causing delays in the matter of payment of retiral benefits should be made personally liable for the payment of interest that may have to be paid to the retiring employee. The loss caused to the State exchequer by avoidable payment of interest must, therefore, be replenished by recovering the same from the erring officers/employees, the extent and proportion of which will be determined in each case by the Chief Secretary of the State.*

19. In the cases before us there is no satisfactory explanation for the delay in disbursing the retiral benefits to the pensioners and they are, therefore, entitled to interest at the rate of 12% per annum for the period of delay on the amounts as paid to them. The writ petitions are accordingly allowed and the respondents directed to pay the interest as aforesaid within 3 months from the date of receipt of a copy of this order. The Chief Secretaries of the two State Governments of Punjab and Haryana are further directed to fix the responsibility of the erring officers/officials in each case pertaining to their State in regard to the delay Caused in the disbursement of retiral benefits to the petitioners and recover the amount of interest from them so that there is no loss caused to the State exchequer for their default. A copy of this judgment be sent to the Chief Secretaries of the States

2026:PHHC:048015-DB

of Punjab and Haryana for information and necessary action."

7. Not only this, a Co-ordinate Bench of this Court while deciding ***J.S. Cheema Vs. State of Haryana and others*, 2014(13) RCR (Civil) 355**, has held that once the amount has been retained by the department, the department is liable to pay the interest on the said retained amount. The relevant portion 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."*

8. In the present case, there is no challenge at the hands of the respondent-employer to the order passed by the Tribunal holding the department liable for the delay in release of the pensionary benefits. That being so, once the delay in disbursing the retiral benefits is admissible to petitioner, was attributed to the department, the Tribunal should have granted the benefit of interest on all the retiral benefits, admissible to petitioner which were paid after a delay. Restricting the same only to the amount of gratuity in the operative portion of the impugned order, is incorrect.

9. Keeping in view the totality of the circumstances, the order dated 06.11.2019 (Annexure P-8) passed by the Tribunal, rejecting the review petition being barred by delay, is set aside.

2026:PHHC:048015-DB

10. The order dated 10.09.2018 (Annexure P-3) is modified to the extent that the petitioner will be entitled for interest on all the retiral benefits which were paid after a period of two months of his retirement @6% interest per annum from the date he retired and the actual benefit were released.

11. Let the order be complied with within a period of eight weeks of the receipt of the copy of this Court.

12. The petition is allowed of in the above terms.

13. Pending applications, if any, also stand disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

(VIKAS SURI)
JUDGE

March 25, 2026
Varinder

Whether speaking/reasoned : Yes

Whether reportable : No