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

CWP-18907-2022 (O&M)
Date of decision: 14.05.2026

Avtar Singh Kahlon ....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.

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KULDEEP TIWARI, J. (Oral)

1. Through the instant writ petition, filed under Article 226/227 of the Constitution of India, the petitioner prays for issuance of a Mandamus upon the respondents to pay interest on the delayed payment of retiral benefits.

2. At the outset, learned counsel for the petitioner submits that the petitioner, at this stage, confines his claim of interest only qua the delayed payment of gratuity. He submits that the petitioner retired on 30.09.2020, and the amount of gratuity was paid on 01.06.2022, i.e. after about the delay of one year and nine months. Therefore, the petitioner is entitled to interest @ 6% per annum on the delayed payment of gratuity.

3. *Per contra*, learned State counsel, while vehemently opposing the claim of the petitioner, submits that, in fact, the petitioner submitted his pension papers only a month before the date of his superannuation, which is the root cause of the delay in releasing the gratuity. Thereafter, some interdepartmental communications were exchanged to process the claim of the petitioner, after removing the objections, and thus, no delay can be attributed to the respondents in disbursement of the amount of gratuity.

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4. Having heard learned counsel for the parties at length, this Court is of the considered view that apparently, there exists delay in releasing the amount of gratuity. Further, the respondent-State has not been able to justify, as to how, the petitioner is responsible for causing any delay in the process of disbursement of gratuity which was to be released in his favour only. So much so, any delay caused on account of exchange of some communications between the departments, in any case, attributes to the respondents only, as the petitioner had no role to play in such a process.

5. Since the gratuity has been released after a considerable delay, the petitioner is held entitled to 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.***

6. Furthermore, a similar issue has already been examined by Coordinate Bench of this Court in ***CWP-602-2023 (Hira Lal Karakara versus State of Punjab and others)*** decided on 09.05.2024. The relevant observations 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****.*
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> *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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> *xxx xxx xxx*

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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."*

7. Further, in ***J.S. Cheema (supra),*** it was 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: -

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"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."

8. In the wake of the above settled position, the instant writ petition is disposed of, with a Mandamus upon the competent authority, amongst the respondents, to pay interest @ 6% per annum to the petitioner, on the delayed payment of gratuity, from the date of his superannuation till the date when the gratuity was remitted, within three months from the date of receipt of a certified copy of this order. However, as prayed for by learned State counsel, it is clarified that the period of initial 30 days from the date of superannuation, shall not be included for the purpose of computing interest on the delayed payment.

(KULDEEP TIWARI)
JUDGE

14.05.2026
Ak Sharma

Whether speaking/reasoned	Yes
Whether reportable	Yes/No