CNR No: PHHC011286322022
2026:PHHC:111060

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

CWP-43-2023 (O&M)

JASBIR SINGH

..Petitioner

Versus

STATE OF PUNJAB AND ORS.

..Respondents

Reserved on: 05.08.2026
Pronounced on : 12.08.2026
Uploaded on : 19.08.2026

Whether only the operative part of the judgment is pronounced? *NO*
Whether full judgment is pronounced? *YES*

CORAM: HON'BLE MRS. JUSTICE SUDEEPTI SHARMA

Present: Mr. P.K.S. Gill, Advocate
for the petitioner.

Ms. Arundhati Kulshreshtha, AAG, Punjab.

* * * * *

SUDEEPTI SHARMA, J.

1. The challenge in the present writ petition is to order dated 19.07.2019, whereby, interest on delayed payment of gratuity, leave encashment and provident fund was refused.

2. Learned counsel for the petitioner contends that vide impugned order dated 19.07.2019 passed by respondent No.3, the interest on delayed payment of gratuity, leave encashment and provident fund has wrongly been rejected. Hence, prays that present petition be allowed.

3. Per contra, learned counsel for the respondents submits that the delay in payment was due to the delay in filing of the papers for grant of pensionary benefits by the petitioner himself and thus the writ petition is liable to be dismissed.

4. I have heard learned counsel for the parties and perused the whole file of this case with their able assistance.

5. Before proceeding further, it would be apposite to reproduce the relevant portion of impugned order dated 19.07.2019, which is reproduced as under:-

> *"With payment of all the pensioner benefits to the petitioner as admissible to him. Nothing stands outstanding except his alleged claim regarding payment of interest on alleged delayed payments. It has been alleged in the representation that since a considerable delay was caused in making the payment of his retiral benefits, he is entitled to interest on delayed payments @ 12% PA from the date the same becoming due till the date of payment.*
>
> *I have considered this submissions made by the petitioner but find no merit in the same. The delay whatsoever was caused in making payment of his retiral benefits is attributable to the petitioner and not to his employer department. Admittedly he retired on 30.6.2016. As per the provisions of Rule 9.4(C) of Punjab Civil Services Rules Vol. II, Form PEN 15, the petitioner was required to submit his documents 8 months before his due date of retirement so that the department could complete the formalities like obtaining of no dues certificate (NDC), vigilance clearance certificate sanctions/approvals etc. regarding employees pension case from other departments and also within department. Since he was due for retirement on. 30.6.2016, he was to submit the complete pension papers by 31.10.2015 but instead, he submitted the same on 03.08.2016 i.e two months after his retirement . There was hence delay of ten months here only. Executive Engineer Water Supply & Sanitation (Mechanical) Division, Patiala sent the case*

on dated 04.08.2016 to higher authorities as well as concerned authorities i.e (where petitioner had served during the his tenure of service) for No Dues Certificate and approval of pension case of the petitioner.

That the pension case of petitioner had been sent to Respondent No. 3 vide Superintending Engineer, Water Supply and Sanitation Circle Patiala vide letter no. 2137 dated 24.08.2016. Respondent No. 3 asked vide letter no. JSS/A(3)16/23935 dated 05.09.2016 Executive Engineer (Mechanical) Division Patiala for attachment of self Declaration Performa which was to be signed by the petitioner, hence returned the pension case to the said office vide letter No. 27922 of 10.10.2016 for compliance of some observations Executive Engineer (Mechanical) Division, Patiala vide letter no. 5459 dated 21.12.2016 again sent the pension case to Respondent no.3 after removing objections for requisite action On completion of the final verification of documents, pension case was sent to the office of Accountant General, Punjab, Chandigarh vide letter no JSS/A/1(3) 17/1384 dated 17.01.2017. by Respondent No. 3 for issuance of verification report of admissibility of Pension/ Gratuity in favour of petitioner. Thereafter, office of Accountant General Punjab Chandigarh issued verification report of admissibility of pension/gratuity in favour of petitioner vide letter No.PAN-09/2181761452/2016-17 /PE 17/10/80126785 dated 28.02.2017. On receiving verification report from Accountant General, Punjab Chandigarh respondent No. 3 had given the sanction for payment of gratuity to the petitioner vide letter no JSS/A1(3) 17/6810 -15 dated 22.03.2017. On dated 30.03.2017 DCRG bill was prepared by DDO i.e Executive Engineer (Mechanical) Division Patiala amounting to Rs. 9,84.656/-and was sent to Treasury

Office, Patiala for payment to petitioner. On dated 31.03.2017 respondent No. 4 (Treasury Office Patiala), issue a Token No. 46019 for payment but payment was not made to the petitioner due to lapse of funds in the vend of financial year and bill was returned to office of Executive engineer, (Mechanical) Division, Patiala after a few days. DDO again generated the bill online on dated 17.04.2017 with bill no 14 and submitted the same to Respondent No. 4 on dated 20.04.2017. But after a few days, bill was returned to DDO with objection that the new sanction/approval is required from concerned authorities for financial year 2017-2018. After getting new sanction/approval,online bill was generated will bill no. 14, dated 04.09.2017 and was submitted to Respondent no. 4 on 04.09.2017. Final payment of DCRG was made to the petitioner on dated. 14.10.2017 vide Voucher No. 335.

That the petition applied on dated 03.08.2016 for leave encashment payment. As per rules, it should have been applied on. 01.07.2016 i.e the very first day after his retirement. The case was returned to Executive Engineer, Mechanical Division, Patiala due to objection raised regarding leave Encashment of petitioner by the controller (Finance and Accounts) of office of respondent No. 3 Punjab vide letter no. JSS/A(3)16 /28347 dated. 14.10.2016. After removing objections, leave encashment case was sent back to the office of Respondent no.3 for necessary action by Executive Engineer (Mechanical) Division, Patiala vide letter no. 5458 dated 21-12-2016.Thereafter vide letter no. 3562-66 dated 16.02.2017 office order for withdrawal of leave encashment amount of Rs. 7,80,520/- was passed by office of Head of Department, Water Supply and Sanitation Division, Patiala and sent to the office of Executive Engineer, *Mechanical Division, Patiala and respondent no. 4 for the necessary action. Thereafter, DDO generated bill online Vide no. 377 on dated 21.03.2017 and submitted the same to Respondent No. 4 for payment on dated. 07.03.2017. But payment was not made by Respondent No. 4 to the petitioner due to lapse of funds in the end of financial years 2016-2017. Hence bill was returned back to Executive Engineer, (Mechanical) Division, Patiala (DDO) after 31st March, 2017. Request for new sanction/approval from concerned authorities for financial year 2017-2018 payments was again made. After receiving new sanction/approval, bill was generated online vide bill No. 113 on dated 07.06.2017 and was submitted to the Respondent no. 4 on 13.06.2017. Finally, Payment of leave Encashment was made to the petitioner on dated. 16.11.2017 vide voucher No. 338.*

That the petitioner submitted Form PF -10 for G.P.F's final payment on 23.08.2016 which is the basic requirement for release of G.P.F's final payment for obtaining RA/NRA (Returnable Advances/Non-returnable Advances) was started immediately and necessary office order was passed for withdrawal of GPF amounting to Rs. 9.81.152/- vide letter no. 2635-39 dated 31.1.2017. Intimation thereof was sent to Executive Engineer (Mechanical) Division, Patiala (DDO) & respondent no. 4. Thereafter, bill was generated online by DDO on dated 06.03.2017 vide no. 402 and submitted to the respondent no. 4 for payment on dated. 08.03.2017.But payment was not made by Respondent No. 4 to the petitioner due to lapse of funds in the end of financial year 2016-2017. Again, bill was generated vide No. 17 of 24.04.2017 by DDO and submitted to Respondent No. 4 on 25.04.2017 with objection that the fresh sanction/approval was *required from the concerned authorities for making payments in financial year 2017-2018 After getting new sanction/approval,bill was generated online vide No.17 dated 22.06.2017 and submitted to Treasury office, Patiala on dated.29.6.2017. Respondent No. 4 passed the GPF bill and made payment to the petitioner on.14.11.2017 vide Voucher No. 338. Hence, there was no delay from Respondent's side.*

That the revised balance payment of GPF had also been sanctioned by the office of Head of Department, water Supply and sanitation, Mohali Punjab Vide letter no. 20539-43 dated 21.07.2017 and copy of the same was sent to Executive Engineer, (Mechanical) Division, Patiala (DDO) & Respondent No. 4 for information and necessary action. Thereafter, bill was prepared by the office of Executive Engineer, (Mechanical) Division, Patiala vide voucher no.243 on 17.082017 and submitted to Respondent no. 4 for payment on 04.09.2017. Respondent No. 4 cleared GPF bill and made payment to the petitioner on. 14.11.2017 vide Voucher No. 119.

The above detailed facts clearly shows that whatever delay was caused in payment of retiral benefits to the petitioner that was only because of the procedural delay which could not be attributed to the state or Department. Rather delay in question was caused due to delayed submission of retirement papers by the petitioner himself. He submitted the same two months after his retirement while as per Service Rules, he was required to put up the same 8 months before his retirement. Since the delay of 10 months in submitting his documents at the beginning and more of it thereafter is attributed to the petitioner, he is not entitled to the payment of interest. As such, his claim for payment of interest is liable to be rejected. Ordered accordingly."

6. A perusal of the above shows that respondents have relied upon Rule 9.4(c) of Punjab Civil Services Rules Vol. II, Form PEN 15 in the impugned order to show that the petitioner was required to submit his documents eight months before his due date of retirement so that Department could complete the formalities like obtaining of no dues certificate (NDC), vigilance clearance certificate, sanctions/approvals etc. regarding employees pension case from other departments and also within the department. And since his retirement was due on 30.06.2016, he was to submit the complete pension papers by 31.10.2015 but instead, he submitted the same on 03.08.2016 i.e. two months after his retirement. Therefore, the delay of ten months was because of lapse on the part of the petitioner.

7. The stand taken in the written statement is almost the reproduction of the impugned order dated 19.07.2019.

8. It would be apposite here to reproduce Chapter IX of Punjab Civil Services Rules, Volume II, 1953, which is reproduced as under:-

"***CHAPTER IX***

DETERMINATION AND AUTHORISATION OF THE AMOUNTS OF PENSION AND GRATUITY

> ***9.1. Preparation of list of Government employees due for retirement: –***
>
> *(1) Every Head of Department shall get a list prepared every quarter, that is, on the first of January, first of April, first of July and first of October each year, of all Government employees, who are due to retire within the next twenty-four to thirty months in the following proforma, namely–*

Sr. No.	*Name of the Government employee*	*Designation*	*Date of Birth*	*Date of Retirement*	*General Provident Fund Account Number*	*Number and date of sanction and the amount of loan, if any, taken by the Government employee, whether recovery of instalments and/or interest thereon is over or is still being made from the Government employee, on the date of statement*	*Action taken to reconcile the balance of loans taken by the Government employee*	*Remarks, if any*
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*

(2) A copy of every such list shall be supplied to the Drawing and Disbursing Officer concerned, the Accountant-General (Audit), Punjab, the Accountant-General (Accounts and Entitlement), Punjab and the Director of Pensions and Welfare of Pensioners immediately after its preparation, but not later than the thirty-first January, thirtieth April, thirty-first July and thirty-first October, as the case may be, of that year.

(3) In the case of a Government employee retiring for reasons other than by way of superannuation, the Head of Office shall promptly inform the Drawing and Disbursing Officer concerned, as soon as the fact of such retirement becomes known to him.

(4) A copy of the intimation sent by the Head of Office to the Drawing and Disbursing Officer under sub-rule (3) shall also be endorsed to the Accounts Officer (Rents) and the concerned office of the Department of Public Works, Punjab, if the concerned Government employee is an allottee of Government accommodation.

Explanation:–An allottee shall mean a Government employee, who has been allotted Government accommodation at any time during his service.

9.2. Intimation to the Accounts Officer Rents and the concerned office of the Department of Public Works, Punjab regarding issue of 'No Demand Certificate'.*–(1) The Head of Office shall write to the Accounts Officer Rents and the concerned office of the Department of Public Works at least two years before the anticipated date of retirement of the Government employee who is an allottee for the issue of a 'No Demand Certificate' in respect of the period preceding eight months of the retirement of the allottee.*

(2) On receipt of the intimation under sub-rule (1), the Accounts Officer Rents and the concerned office of the Department of Public Works shall take further action as provided in rule 9.17.

9.3. Preparation of pension papers:*–Every Head of Office shall undertake the work of preparation of pension papers in Form PEN.1 two years before the date on which a Government employee is due to retire on superannuation, or on the date on which he proceeds on leave preparatory to retirement, whichever is earlier.*

9.4. Stages for the completion of pension papers:*–(1) The Head of Office shall divide the period of preparatory work of two years referred to in rule 9.3 in the following three stages:–*

(a) First Stage–Verification of service:–

(i) The Head of Office shall go through the service book of the Government employee and satisfy himself as to whether the certificates of verification for the entire service are recorded therein.

(ii) In respect of the unverified portion or portions of service, he shall arrange to verify the portion or portions of such service, as the case may be, with reference to pay bills, acquittance rolls or other relevant records and shall record necessary certificates in the service book.

(iii) If the service for any period is not capable of being verified in the manner specified in sub-clauses (i) and (ii), that period of service having been rendered by the Government employee in another office or Department, a reference shall be made to the Head of Office in which the Government employee is shown to have served during that period for the purpose of verification.

(iv) If any portion of service rendered by a Government employee is not capable of being verified in the manner specified in sub-clauses (i) to (iii), the Government employee shall be asked to file an affidavit on a plain paper to the effect that he had actually rendered service during that period. He shall also be asked to produce all relevant documents and furnish all information which is in his power to produce or furnish in support of such declaration.

(v) The Head of Office shall after taking into consideration the facts mentioned in the affidavit and the documents produced and the information furnished in support thereof, admit the portion of service referred to in sub-clause (iv) having been rendered for the purpose of calculating the pension of the Government employee.

(b) Second stage–Making good omissions in the service book:–

(i) The Head of Office while scrutinising the certificates of verification of service, shall also identify if there are any other omissions, imperfections or deficiencies which have a direct bearing on the determination of emoluments and the service qualifying for pension.

(ii) Every effort shall be made to complete the verification of service in the manner specified in clause (a) and to make good omissions, imperfections or deficiencies referred to in sub-clause (i). Any omission, imperfection or deficiency including the portion of

service shown as unverified in the service book which it has not been possible to verify in the manner specified in clause (a) shall be ignored and service qualifying for pension shall be determined on the basis of the entries in the service book.

(iii) ***Calculation of Average emoluments.****–For the purpose of calculation of average emoluments, the Head of Office shall verify from the service book, the correctness of the emoluments drawn during the last ten months of service. In order to ensure that the emoluments during the last ten months of service have been correctly shown in the service book, the Head of Office may verify the correctness of emoluments for the period of twenty-four months preceding the date of retirement of a Government employee, and not for any period prior to that date.*

(c) ***Third Stage–Obtaining of Form Pen. 15 by the Head of Office:****–The Head of Office shall* ***obtain the necessary particulars in Form Pen. 15 from the Government employee eight months before the date of his retirement****.*

(2) Action under clauses (a), (b) and (c) of sub-rule (1) ***shall be completed eight months prior to the date of retirement of the Government employee****.*

9.5. Completion of pension papers.*–The Head of Office shall complete Part I of Form Pen.1* ***not later than six months before the date of retirement*** *of the Government employee."*

9. The respondents are themselves relying upon the above referred to provisions without appreciating the mandate in the same.

10. As per Rule 9.1, it is mandatory for Head of the Department to get a list prepared every quarter on 01/01, 01/04, 01/07 and 01/10 each year

of all Government employees, who are due to retire within the next 24 to 30 months and the proforma is also given.

11. As per Rule 9.2, the Head of Office shall write to the Accounts Officer Rents and the concerned office of the Department of Public Works at least two years before the anticipated date of retirement of the Government employee who is an allottee for the issue of a 'No Demand Certificate' in respect of the period preceding eight months of the retirement of the allottee.

12. As per Rule 9.3 every Head of Office shall undertake the work of preparation of pension papers in Form PEN two years before the date on which a Government employee is due to retire on superannuation.

13. As per Rule 9.4 the Head of Office shall divide the period of preparatory work of two years referred to in rule 9.3 in three stages i.e. First Stage is verification of service, Second stage is making good omissions in the service book and third Stage is obtaining of Form PEN. 15 by the Head of Office and as per third stage, the Head of Office shall obtain necessary particulars in form PEN from the Government employee, eight months before the date of his retirement. And as per Clause (2) of Rule 9.4 as referred to above, all the stages for completion of pension papers shall be completed eight months prior to the date of retirement of the Government employee.

14. Therefore, a bare reading of the Rules relied upon by the respondents shows that as per rules, it is mandatory upon the Head of the Office to complete the formalities as referred to above, eight months prior to the date of retirement of a Government employee since the word used in the Rules is 'Shall'. Head of Office is duty bound to obtain the necessary documents/pension papers eight months before the date of retirement.

15. A bare reading of above referred to Punjab Civil Services, Volume II shows the intention of the framers of Rules to disburse pensionary benefits immediately after the date of retirement so that the pensioners should not suffer for their livelihood. The framers of Rules have categorically given the stages as well, for completion of pension papers. And the object and reasoning behind these Rules is that no employee should suffer delayed payment of retiral benefits, that is why the exercise of preparing the list, with the intention to complete the paper work as per Rule 9.1 of Punjab Civil Services Rules, Volume II is done within 24 to 30 months before the date of retirement of every employee.

16. Normally, in such kind of cases of delay in payment of retiral benefits, the stand of the Government is that there was delay on the part of employee to submit the papers, without realising the fact that they were duty bound to start the procedure for collecting/obtaining papers from the employee almost two years prior to the date of his retirement. The mandate provided in the Rules is to avoid delayed payment of retiral benefits to the employee and to avoid the suffering caused to the employee after retirement for his pensionary/retiral benefits.

17. It is not the case of respondents that any intimation was sent by them to the petitioner as per the requirement of above referred to Rules and there was a delay on the part of the petitioner to send the same. The respondents are relying upon the provisions of the Rules, which they themselves never followed and acted contrary to the same, since no effort is made by them as per the mandate prescribed in the above referred to Rules to complete the formalities within the prescribed timeline so that retiral benefits are disbursed in time.

18. A bare reading of above referred to Chapter IX of Punjab Civil Services Rules, Volume II, 1953 shows that the Head of Office are duty bound to make a list of all the employees who are going to retire prior in time and start obtaining required documents from them. And any delay which is caused in disbursal of retiral benefits cannot be attributed to the employee unless and until it is shown by the respondents (employer) that as per the requirement of the above referred to Chapter IX of Punjab Civil Services Rules, Volume II, 1953, they called for the papers and tried to obtain the papers from the employee but the employee did not deliver the papers on time.

19. As per Punjab Civil Services Rules, Volume II, 1953, this exercise is to be started within 24 to 30 months prior to the date of retirement as per Rule 9.1 of Punjab Civil Services Rules, Volume II. And as per the provisions, papers are mandatorily to be obtained by the employer eight months prior to the date of retirement of the Government employee. Therefore, the delay in payment of retiral benefits cannot be attributed to the employee for lapse on the part of employer who is duty bound to obtain the necessary particulars in Form PEN. 15 from the Government employee eight months before the date of his retirement.

20. Now coming to the facts of the present case, the petitioner was to retire on 30.06.2016, the respondents were to complete the formalities as per mandatory Rule as referred to above, eight months before his retirement. There is nothing on record to show that respondents tried to obtain the papers from the petitioner.

21. The delay caused in payment of retiral benefits is because of lapse on the part of respondents and not because of lapse on the part of petitioner.

22. The Hon'ble Supreme Court in ***D.D. Tewari (D) through LRs Vs. Uttar Haryana Bijli Vitran Nigam Ltd. and others, 2014(8) SCC 894***, has held as under:-

> "*3. The appellant was appointed to the post of Line Superintendent on 30.08.1968 with the Uttar Haryana Bijli Vitran Nigam Ltd. In the year 1990, he was promoted to the post of Junior Engineer-I. During his service, the appellant remained in charge of number of transformers after getting issued them from the stores and deposited a number of damaged transformers in the stores. While depositing the damaged transformers in the stores, some shortage in transformers oil and breakages of the parts of damaged transformers were erroneously debited to the account of the appellant and later on it was held that for the shortages and breakages there is no negligence on the part of the appellant. On attaining the age of superannuation, he retired from service on 31.10.2006. The retiral benefits of the appellant were withheld by the respondents on the alleged ground that some amount was due to the employer. The disciplinary proceedings were not pending against the appellant on the date of his retirement. Therefore, the appellant approached the High Court seeking for issuance of a direction to the respondents regarding payment of pension and release of the gratuity amount which are retiral benefits with an interest at the rate of 18% on the delayed payments. The learned single Judge has allowed the Writ Petition vide order dated 25.08.2010, after setting aside the action of the respondents in withholding*

the amount of gratuity and directing the respondents to release the withheld amount of gratuity within three months without awarding interest as claimed by the appellant. The High Court has adverted to the judgments of this Court particularly, in the case of ***State of Kerala & Ors. v. M. Padmanabhan Nair, (1985) 1 SCC 429****, wherein this Court reiterated its earlier view holding that the pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement, but, have become, under the decisions of this Court, valuable rights and property in their hands and any culpable delay in settlement and disbursement thereof must be dealt with the penalty of payment of interest at the current market rate till actual payment to the employees. The said legal principle laid down by this* ***Court still holds*** *good in so far as awarding the interest on the delayed payments to the appellant is concerned. This aspect of the matter was adverted to in the judgment of the learned single Judge without assigning any reason for not awarding the interest as claimed by the appellant. That is why that portion of the judgment of the learned single Judge was aggrieved of by the appellant and he had filed L.P.A. before Division Bench of the High Court. The Division Bench of the High Court has passed a cryptic order which is impugned in this appeal. It has adverted to the fact that there is no order passed by the learned single Judge with regard to the payment of interest and the appellant has not raised any plea which was rejected by him, therefore, the Division Bench did not find fault with the judgment of the learned single Judge in the appeal and the Letters Patent Appeal was dismissed. The correctness of the order is under challenge in this appeal before this Court urging various legal grounds.*

4. It is an undisputed fact that the appellant retired from service on attaining the age of superannuation on 31.10.2006 and the order of the learned single Judge after adverting to the relevant facts and the legal position has given a direction to the employer-respondent to pay the erroneously withheld pensionary benefits and the gratuity amount to the legal representatives of the deceased employee without awarding interest for which the appellant is legally entitled, therefore, this Court has to exercise its appellate jurisdiction as there is a miscarriage of justice in denying the interest to be paid or payable by the employer from the date of the entitlement of the deceased employee till the date of payment as per the aforesaid legal principle laid down by this Court in the judgment referred to supra. We have to award interest at the rate of 9% per annum both on the amount of pension due and the gratuity amount which are to be paid by the respondent.

5. It is needless to mention that the respondents have erroneously withheld payment of gratuity amount for which the appellants herein are entitled in law for payment of penal amount on the delayed payment of gratuity under the provisions of the Payment of Gratuity Act, 1972. ***Having regard to the facts and circumstances of the case****, we do not propose to do that in the case in hand.*

6. For the reasons stated above, we award interest at the rate of 9% on the delayed payment of pension and gratuity amount from the date of entitlement till the date of the actual payment. If this amount is not paid within six weeks from the date of receipt of a copy of this order, the same shall carry interest at the rate of 18% per annum from the date of amount falls due to the deceased *employee. With the above directions, this appeal is allowed.*"

23. Further, the Hon'ble Supreme Court in ***Indian Telephone Industries Limited and another Vs. Ashok Kumar Shukla and another, Law Finder Doc ID #2637936***, has held as under:-

> "*5. However,* ***we cannot forget that*** *the first petitioner is a Government of India undertaking. There was no reason for the Government of India undertaking to deny the benefit of leave encashment for a long period of 4 years and 10 months. A contention is raised by the learned Single Judge was that the interest should not be ordered to be paid, as the payment of leave encashment benefit is not a statutory payment. The said contention deserves to be rejected for the simple reason that the entitlement of the first respondent to receive the benefit of leave encashment on the date of his retirement was established. There is no reason for the Government of India undertaking like the first petitioner to withhold the said amount for a long period of 4 years and 10 months.*
>
> *6. The learned senior counsel pointed out that even for payment of salary to the employees, the first petitioner has to look upon the Government of India to release the necessary amount. If that be so, the first petitioner can always request the Government of India to release the necessary amount so that the interest can be paid.*
>
> *7. The learned senior counsel relied upon a Memorandum of the year 1999 which makes it clear that no interest will be payable on the amount towards leave encashment. After the Writ Court found that there was no valid justification for not paying the leave encashment amount for a period of 4 years and 10 months, interest at*

> *the rate of 7% p.a. has been granted.* ***We find that the*** *Writ Court was well within its powers to do so.*"

24. Further, the Hon'ble Supreme Court in ***The State of Kerala and others Vs. M. Padmanabhan Nair, 1985(1) SCC 429***, has held as under:-

> "*Pension and gratuity are no longer any bounty to be distributed by the Government to its employees on their retirement but have become, under the decisions of this Court, valuable rights and property in their hands and any culpable delay in settlement and disbursement thereof must be visited with the penalty of payment of interest at the current market rate till actual payment.*
>
> *2. Usually the delay occurs by reason of non-production of the L.P.C. (Last Pay Certificate) and the N.L.C. (No Liability Certificate) from the concerned Departments but both these documents pertain to matters, records whereof would be with the concerned Government Departments. Since the date of retirement of every Government servant is very much known in advance* ***we fail to appreciate why*** *the process of collecting the requisite information and issuance of these two documents should not be completed atleast a week before the date of retirement so that the payment of gratuity amount could be made to the Government servant on the date he retires or on the following day and pension at the expiry of the following month. The necessity for prompt payment of the retirement dues to a Government servant immediately after his retirement cannot be over-emphasised and it would not be unreasonable to diriect that the liability to pay penal interest on these dues at the current market rate should commence at the expiry of two months from the date of retirement.*
>
> *3. The instant case is a glaring instance of such culpable delay in the settlement of pension and gratuity claims due*

to the respondent who retired on 19.5.1973. His pension and gratuity were ultimately paid to him on 14.8.1975, i.e., more than two years and 3 months after his retirement and hence after serving lawyer's notice he filed a suit mainly to recover interest by way of liquidated damages for delayed payment. The appellants put the blame on the respondent for delayed payment on the ground that he had not produced the requisite L.P.C. (last pay certificate) from the Treasury Office under Rule 186 of the Treasury Code. But on a plain reading of Rule 1 86, the High Court held and ***in our view rightly that*** *a duty was cast on the treasury Officer to grant to every retiring Government servant the last pay certificate which in this case had been delayed by the concerned officer for which neither any justification nor explanation had been given The claim for interest was, therefore, rightly, decreed in respondent's favour.*

4. Unfortunately such claim for interest that was allowed in respondent's favour by the District Court and confirmed by the High Court was at the rate of 6 per cent per annum though interest at 12 per cent had been claimed by the respondent in his suit. However, since the respondent acquiesced in his claim being decreed at 6 per cent by not preferring any cross objections in the High Court it could not be proper for us to enhance the rate to 12 per cent per annum which we were otherwise inclined to grant.

5. ***We are also of the view that*** *the State Government is being rightly saddled with a liability for the culpable neglect in the discharge of his duty by the District Treasury Officer who delayed the issuance of the L.P.C. but since the concerned officer had not been impleaded as a party defendant to the suit the* ***Court is unable to hold*** *him liable for the decretal amount. It will, however,* *be for the State Government to consider whether the erring official should or should not be directed to compensate the Government the loss sustained by it by his culpable lapses. Such action if taken would help generate in the officials of the State Government a sense of duty towards the Government under whom they serve as also a sense of accountability to members of the public.*"

25. Further, A Full Bench of this Court in ***A.S. Randhawa Vs. State of Punjab, 1997 SCC Online P&H 705*** has held as under:-

"*11. A similar view was taken by another Division Bench in* ***Moti Ram Gupta v. State of Haryana and another, 1993(1) RSJ 799*** *following A.K. Kapoor's case (supra). In this case, the petitioner therein was held entitled to interest @ 18% per annum, in* ***Des Raj Pahwa v. State of Punjab, Civil Writ Petition 436 of 1982 decided on Feburary 19, 1985,*** *a learned Single Judge took the view that in the exercise of equitable jurisdiction of this court, a direction could be issued to the State to pay interest on delayed payment of retiral benefits.*

12. In ***R. Kapoor v. Director of Inspection, Income Tax and another, 1994(6) SCC 589,*** *the appellant therein retired as Director General of Income Tax on 28.2.1986. The death-cum-retirement gratuity due to him on retirement was withheld because a claim for damages for unauthorised occupation of Government accommodation was pending against him. He filed a petition before the Central Administrative Tribunal which exercises powers analogous to the powers of this court under Article 226 of the Constitution, claiming that the retiral benefits could not be withheld. The claim was allowed along with interest @ 10%. Allowing the appeal as to the rate of interest, their Lordships of the Supreme Court* *allowed interest @ 18% and while so directing reliance was placed on the observations made in M. Padmanabhan Nair's case (supra).*

13. We may now examine the judgments referred to in the order of reference which have taken a different view.

*14. In **State of Punjab v. Jarnail Singh, Letters Patent Appeal 1511 of 1989** decided on November 20, 1989 the writ petitioners were working as Surveyors on ad hoc basis when their services were terminated. They challenged their order of termination in this court and the writ petitions were dismissed. The matter was taken in appeal to the Supreme Court which was allowed and the order terminating the services quashed and they were directed to be re-instated. In compliance with the directions of the Supreme Court the State Government re-instated the writ petitioners and also paid them back wages. Their claim for regularisation of their services was not favourably considered by the State which prompted them to file the writ petition out of which the letters patent appeal had arisen. They also made a prayer that they be allowed interest @ 12% on the arrears which had been paid to them. This claim was allowed by a learned Single Judge and in appeal the learned Judges constituting the Division Bench set aside that part of the order whereby interest was allowed to them on delayed payment of arrears of pay. The question that was considered by the learned Judges was whether a writ petition could be filed for claiming interest on back wages when no such interest was allowed while allowing the back wages but were paid as a consequence of the order of termination being set aside. It was observed that under those circumstances neither under the law nor in equity the petitioners therein were entitled to invoke the jurisdiction of this court under Article 226 of the*

Constitution claiming interest on the amount of back wages paid by State itself without there being any direction in this behalf by the Supreme Court. The learned Judges noticed Des Raj Pahwa's case (supra) but distinguished it on the ground that it related to non-payment of pension and salary. Similarly, other cases in which interest had been granted on account of non-payment of pension in time were distinguished by the Judges. ***In our opinion, the*** *judgment in Jarnail Singh's case (supra) is distinguishable and is no authority for the proposition that interest cannot be claimed on delayed payments of pensionary benefits in a petition filed under Article 226 of the Constitution. Moreover, in Jarnail Singh's case (supra) the claim was for interest on non-payment of salary in time which arose on account of contractual obligations. Jarnail Singh's case does not, therefore, advance the case of the respondents.*

15. Our attention was also drawn to a Full Bench judgment of this Court in ***Daulat Ram Tirlok Nath v. State of Punjab and others, 1976 PLR 708*** *to contend that a claim for money simpliciter cannot be made in a writ of mandamus and that the petitioner should be asked to make such a claim before a civil court. In that case the rate of market fee was enhanced by amending Section 23 of the Punjab Agricultural Produce Markets Act and the amendment was challenged in a spate of writ petitions filed in this court. The amending Act enhancing the rate of levy was struck down as unconstitutional. It was thereafter that the dealers of agricultural produce who had paid the enhanced market fee filed petitions in this court for the refund of unspecified sums of money which had been alleged to have been paid by them under the mistake of law or fact to the market committees. The Full Bench took the view after noticing the observations of the*

Apex Court in ***Suganmal v. State of Madhya Pradesh, AIR 1965 Supreme Court 1740*** *that a writ of mandamus was not competent for the purpose of obtaining the refund of money due from the State on account of its having made illegal exactions. The respondents in such a case may have appropriate defences available to them like that of limitation and it is not proper to adjudicate such matters in a petition under Article 226. This case has no bearing on the question before us. In the cases before us, the fact that there has been delay in the payment of retiral benefits is not disputed and,* ***in our opinion, no*** *explanation, much less a satisfactory explanation, has been furnished for the delay and since the right to claim interest on such delayed payments, as already observed earlier, is a part of the right to claim pension itself, the observations of the Full Bench in Daulat Ram Tirlok Nath's case (supra) are of no help to the respondents.*

16. In the result, we answer the question posed in the earlier part of the judgment in the affirmative and hold that a writ petition is maintainable for claiming interest only on delayed payment of pension and other retiral benefits to which a retired Government employee is entitled under the Civil Service Rules relating to pension and provident fund."

26. In view of the statutory rules, which are not followed by the respondents and law laid down by Hon'ble Supreme Court as referred to above, the delay in payment of gratuity, leave encashment and provident fund is held to be attributable to the respondents. Therefore, the petitioner is held entitled to interest at the rate of 9% per annum for delay in payment of all the retiral benefits.

27. Before parting, this Court feels at pain to observe that despite a specific chapter i.e. **Chapter IX ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Punjab Civil Services Rules Vol. II, 1953, Chapter IX ('Procedure relating to Pensions Applications for Grant of Pensions') in Punjab Civil Services Rules Vol. II, 1953 (as applicable to Haryana)** and **Chapter VIII ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Central Civil Services (Pension) Rules, 1972**, still employees are forced to file writ petition for grant of pensionary benefits/retiral benefits. There are number of cases pending before this Court, which are only for release of pensionary benefits and interest for delayed payment of pensionary benefits, despite above referred to Rules and settled law for timely release of pensionary benefits and interest on delayed payment. As referred to above, the Rules applicable to State of Punjab, State of Haryana and Centre, which are in existence from 1953 and 1972, respectively, provide for stages/procedure to be followed for timely disbursal of pensionary benefits, still there is delay in grant of pensionary benefits/retiral benefits and even delayed benefits are granted without any interest. As per the above referred to Rules, Head of Office is duty bound starting from preparing the list of employees due for retirement till the completion of paper, therefore, it is only Head of Office, who is responsible for delayed payment of retiral benefits.

28. This Court is of the opinion that for such a lapse, ignorance, lack of knowledge regarding the Rules, which are in existence since long, Head of Office should be penalised for delayed payment of pensionary benefits to the employees. The employee should not suffer for the lack of knowledge, ignorance and lethargy of the employer/Head of Office in not

following the specific chapter i.e. **Chapter IX ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Punjab Civil Services Rules Vol. II, 1953, Chapter IX ('Procedure relating to Pensions Applications for Grant of Pensions') in Punjab Civil Services Rules Vol. II, 1953 (as applicable to Haryana)** and **Chapter VIII ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Central Civil Services (Pension) Rules, 1972**, as per requirement of which Head of Office is duty bound to start preparing a list of Government employees, due for retirement within 24 to 30 months before the date of retirement.

29. A bare reading of **Chapter IX ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Punjab Civil Services Rules Vol. II, 1953, Chapter IX ('Procedure relating to Pensions Applications for Grant of Pensions') in Punjab Civil Services Rules Vol. II, 1953 (as applicable to Haryana)** and **Chapter VIII ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Central Civil Services (Pension) Rules, 1972**, would show that Chapter IX ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Punjab Civil Services Rules Vol. II, 1953, Chapter IX ('Procedure relating to Pensions Applications for Grant of Pensions') in Punjab Civil Services Rules Vol. II, 1953 (as applicable to Haryana) and Chapter VIII ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Central Civil Services (Pension) Rules, 1972, are same. Meaning thereby that if Head of Office starts following procedure laid down under this Chapter, the litigation for retiral benefits would come to an end.

30. Chief Secretary of Punjab, Haryana and Chandigarh are directed to issue circular/instructions to Head of Office and fix the responsibility upon the erring Head of Office for not following Chapter IX ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Punjab Civil Services Rules Vol. II, 1953, Chapter IX ('Procedure relating to Pensions Applications for Grant of Pensions') in Punjab Civil Services Rules Vol. II, 1953 (as applicable to Haryana) and Chapter VIII ('Determination and Authorisation of the Amounts of Pension and Gratuity') in Central Civil Services (Pension) Rules, 1972, which are in existence since long.

31. Registrar General of Punjab and Haryana High Court, Chandigarh is directed to supply a copy of this judgment to Chief Secretary of Punjab, Haryana and Chandigarh for necessary compliance.

32. With these observations, the present writ petition is ***allowed.***

33. Pending miscellaneous application(s), if any, stand disposed of.

12.08.2026 **(SUDEEPTI SHARMA)**
Ayub/Saahil **JUDGE**

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