IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA.

CMP(M) No.980 of 2026 &
LPA No.438 of 2026
Decided on: 24.07.2026

State of H.P and others
.......Appellants
versus
Ramesh Chand and another
...Respondents

Coram

The Hon'ble Mr. Justice G.S.Sandhawalia, Chief Justice.

The Hon'ble Mr.Justice Jiya Lal Bhardwaj, Judge.

Whether approved for reporting?[1]

For the appellants: **Mr. Varun Chandel, Additional Advocate General.**

For the respondents:

G.S. Sandhawalia, Chief Justice (Oral)

CMP(M) No.980 of 2026

Keeping in view the averments made in the application duly supported by the affidavit of the official, we are of the opinion that sufficient cause has been made out to condone the delay. Accordingly, delay of 148 days, as confirmed by the office, is condoned.

Application stands disposed of.

LPA No.438 of 2026

Consideration in the present appeal sought by the State is to the judgment of learned Single Judge dated

[1] *Whether the reporters of Local Papers may be allowed to see the judgment? Yes.*

15.09.2025, whereby CWPOA No.6374 of 2020 titled as Ramesh Chand vs. State of H.P and others was allowed and the respondent-State was directed to pay the amount of interest as per the rate prescribed under the Rules to the petitioner on the amount of GPF retained by the respondents w.e.f. 01.05.2011 to 31.10.2018, after adjusting the amount of withdrawal of Rs.15,000,00/- (Rupees Fifteen Lakh) made by the petitioner on 07.03.2014. The entire process was to be implemented within six weeks and the amount of interest as found payable to the petitioner was to be released within the said period, failing which, further interest at the rate of 6% was liable to be paid to him.

2. The reason which weighed with the learned Single Judge to grant the benefit of interest on the amount which was lying with the State was that it was beyond six months after the date of retirement, by placing reliance upon the communication dated 18.09.2017 (Annexure A-4), whereby Executive Engineer had requested the employee to supply the requisite information to the office of the Accountant General (A&E) directly regarding the retention of the GPF.

3. A reference was also made to the communication dated 08.09.2017, whereby the Accountant General had

asked about the details of the incumbents whose GPF accounts had been retained. Accordingly, learned Single Judge had referred to the communication at page 66 of the paper book, whereby the employee as such had forwarded the requisite information to the Executive Engineer, Shimla Division in response to the earlier letter dated 18.09.2017 and thereafter a formal order had been passed on dated 01.10.2017 (sic. 31.10.2017), which had been issued by the Executive Engineer, permitting retention of the GPF amount beyond the period of six months.

4. In such circumstances, it has been noted that the retention was authorized and the stand taken by the State in reply that no such request had been made, was not correct and an inference should be drawn that the Government authorities were aware about the request for retaining the GPF amount, which had remained with the State for a period beyond six months after the date of retirement of the petitioner.

5. Counsel for the State has again made a reference to Rule 11 of the General Provident Fund (Central Services) Rules, 1960 to contend that a specific application had to be made by the petitioner for retention beyond the period of six

months as such, and when allowed by the State Government and, therefore, the recommendation which had been done on 31.10.2017 as such was beyond the power of the said official. Rule 11 of the General Provident Fund (Central Services) Rules, 1906 reads as under:-

> *"Provided further that where a retiree wants to retain his GPF accumulations with the Government beyond prescribed period of 6 months as prescribed under sub rule (4) of rule 11 ibid, he may be permitted to do so by the concerned Head of the Office, on receipt of a written request from him to this effect. In such cases, interest as allowed by the State Government on GPF accumulations for subscribers to the GPF from time to time, will be payable."*

6. A perusal of the written statement filed before the erstwhile H.P. State Administrative Tribunal where the case was initially filed as O.A. No.649 of 2019, would go on to show that at the time of retirement of the petitioner, an amount of Rs.24,08,922/- was lying deposited in the account of the employee as such, who retired on 30.04.2011. The stand of the State was that withdrawal of Rs.15,00,000/- had taken place from the GPF on 7.03.2014, and thereafter in 2018, the balance amount of Rs.10,48,705/- was released by the office of the Accountant General, and therefore, no interest was payable as the petitioner had not applied for retention in accordance with the Rules. The State had categorically denied the specific averment that prior to the

retirement on 30.04.2011, a letter dated 29.04.2011 had been submitted by the employee for retention of the amount on the ground that it was never received in the office of the respondent State.

7. We are of the considered opinion that the stand of the State as such is not justified, keeping in view the fact that it is not disputed that the case was being processed, as noticed by the learned Single Judge also on account of communication received from the Accountant General's office dated 08.09.2017 and thereafter, communication dated 18.09.2017 addressed to the employee by the respondent-State and he had subsequently further replied (at page 66) to the same by praying that the said application be forwarded to the concerned quarter. It is not disputed that an office order was passed on 31.10.2017 (Annexure A-7) by the Executive Engineer, Shimla Division, while exercising the powers under the Central Civil Services (Pension) Rules, 1960, in pursuance of the Notification dated 28.08.2007 Principal Secretary (Finance) to the Government of Himachal Pradesh and the necessary permission was given under sub-rule (4) of Rule 2 of the Civil Services (Pension) Rules, 1960 to retain the GPF

accumulation beyond the date of retirement for an unlimited period. The said order reads as under:-

> *"OFFICE ORDER"*
>
> *In exercise of power vested in me under Central Civil Service (Pension) rules 1960 and in pursuance of Principal Secretary (Finance) to the Government of Himachal Pradesh-2 notification No.Fin (C) A (3)-6/98-11 dated 28-08-2007 permission under sub-Rule (4) of Rule II ibid C.C.S (Pension) Rule 1960 to retain his GPF accumulation with the Government beyond the date of retirement for unlimited period in hereby granted in favour of Sh. Ramesh Chand Assistant Engineer (Retd.), A/C No. HP-06-9913 who has been retired from Govt. service on the attaining the age of superannuation on dated 30-04-2011."*

8. In such circumstances, the said order having never been withdrawn at any stage and the O.A having been filed in the year 2019, the State now cannot turn around and say that the order was passed without jurisdiction. It is also pertinent to notice that as admitted in the written statement, out of Rs.24,08,922/-, Rs.15,000,00/- was withdrawn in the year 2014 and at that stage, the State had never put the employee to notice that the amount was being retained without any formal permission. Therefore, it now does not now lie in the mouth of the State to say that no application had been filed as has now been contended by the employee by attaching the same and apparently, the State had also passed a validation order on it on 30.10.2017 and had never withdrawn the same.

9. In such circumstances, the view taken by the learned Single Judge does not require to be interfered with, with the reference to the Rule as such by the State Counsel that the application had not been filed, in the facts and circumstances of the case.

10. Accordingly, we find no merit in the appeal and the same is dismissed, so also the pending applications, if any.

(**G.S. Sandhawalia**)
Chief Justice

(**Jiya Lal Bhardwaj**)
Judge

July 24, 2026
(naveen)