2025:PHHC:150896

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

240

CWP-6636-2021 (O&M)
Date of decision: 03.11.2025

Shriram Parsad

....Petitioner

Versus

State of Punjab and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Ms. Bhavya, Advocate
for Mr. D.S. Gandhi, Advocate for the petitioner.

Mr. Vikas Sonak, AAG, Punjab.

Ms. Aditi Sharma, Advocate for respondents No.2 and 3.

Mr. Vikas Chatrath, Sr. Advocate
with Mr. Ashish Singla, Advocate for respondent No.4.

HARPREET SINGH BRAR J. (Oral)

1. Prayer in this writ petition filed under Article 226 of the Constitution of India, is for issuance of a writ in the nature of mandamus, directing the respondents to pay the complete interest over the delayed payment of the G.P. Fund i.e. from the date of retirement to release of GP Fund of the petitioner to him i.e. Rs.2,83,916/-.

2. Learned counsel for the petitioner submits that the petitioner retired as Junior Engineer from the respondent/Corporation on 27.02.2017, however his GPF amount was released only on 25.09.2018, after an inordinate delay of about one year and seven months. It is submitted that despite earlier directions issued by this Court in CWP No.8431 of 2018 and the subsequent contempt proceedings, the

respondents have failed to pay complete interest for the delayed period. The amount of Rs.46,595/- paid as interest is stated to be grossly inadequate, having been wrongly calculated for a limited period, whereas as per the settled law, the petitioner is entitled to interest for the entire period of delay at a reasonable rate preferably 12% to 18% per annum, in terms of the judgments rendered by this Court in ***A.S. Randhawa vs. State of Punjab (1998) 1 SCT 343*** and the Hon'ble Supreme Court in ***S.K. Dua vs. State of Haryana (2008) 3 SCC 44***.

3. Learned Senior counsel for respondent No.4 submits that the petitioner has been paid interest on account of delay in release of his retiral benefits for a period of six months.

4. I have heard learned counsel for the parties and perused the record with their able assistance.

5. A gainful reference can be made to the judgment rendered by the Full Bench of this Court in ***A.S. Randhawa's case (supra),*** wherein it was opined that disbursement of pension and other benefits payable at retirement must be done in a timely manner. Any delay over a period of two months, qua the said disbursement would entitle the retired employee to claim interest on the amount due. Speaking through Justice N.K. Sodhi, the following was held:

> "*9. 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 retirer in proper time.* ***<u>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</u>*** *which time limit has been laid*

2025:PHHC:150896

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%."(emphasis added)

6. Reliance in this regard may also be placed on the judgments rendered by the Hon'ble Supreme Court in ***S.K. Dua's case (supra)*** and ***State of Kerala vs. M. Padmanabhan Nair (1985) 1 SCC 429***.

7. In view of the above discussions, the present petition is allowed. Respondents No.2 and 3 are directed to release the balance amount of interest due to the petitioner on account of delayed payment of his retiral benefits, to be calculated @ 6% per annum for a period of one year and one month, after adjusting the amount of interest already paid. The aforesaid payment shall be made to the petitioner within a period of three months from the date of receipt of a certified copy of this order.

(HARPREET SINGH BRAR)
JUDGE

03.11.2025
yakub

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No