



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

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CWP-20488-2021 (O&M)
Date of decision: 22.12.2025

Darshan Singh

....Petitioner

Versus

State of Punjab and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Sonu Bhatia, Advocate
for Mr. Surmukh Singh, Advocate
for the petitioner.

Mr. Vikas Sonak, AAG, Punjab.

None for respondent No.2.

HARPREET SINGH BRAR J. (Oral)

1. Prayer in this writ petition filed under Articles 226/227 of the Constitution of India, is for issuance of a writ in the nature of *certiorari*, for setting-aside the order/decision dated 04.03.2020 (Annexure P-11) whereby the claim of the petitioner for grant of interest on delayed payment of gratuity and leave encashment has been rejected.
2. Learned counsel for the petitioner, *inter alia*, contends that the petitioner retired from service on attaining the age of superannuation on 31.03.2018. On the eve of his retirement, there was no pending disciplinary or judicial proceedings. The retiral dues of the petitioner were released except gratuity which was released on 06.12.2019, as such, the delay in releasing the amount of gratuity entitles the petitioner to interest in terms of the Full Bench judgment of this Court in **A.S.**



Randhawa Supp. Engineer (Retd.) vs. State of Punjab 1998 (1) SCT

343. He further contends that in the absence of any pending disciplinary proceedings, there was no justification to withhold the gratuity of the petitioner for a period of 01 year and 09 months.

3. There is no representation on behalf of respondent No.2.

4. On the other hand, learned State counsel is not in a position to either confirm or controvert the submissions made by the petitioner as respondent No.2 is the contesting party.

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

6. A gainful reference can be made to the judgment rendered by a 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. **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. 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)

7. Reliance in this regard may also be placed on the judgments rendered by the Hon’ble Supreme Court in ***S.K. Dua vs. State of Haryana (2008) 3 SCC 44*** and ***State of Kerala vs. M. Padmanabhan Nair (1985) 1 SCC 429***.

8. In view of the foregoing discussions, the present petition is disposed of. Respondent No.2 is directed to pay interest to the petitioner @ 6% per annum on the gratuity of the petitioner for the period of delay, to be calculated after the expiry of two months from the date of his retirement till 06.12.2019. The aforesaid payment shall be made to the petitioner within a period of 03 weeks from the date of receipt of certified copy of this order.

(HARPREET SINGH BRAR)
JUDGE

22.12.2025

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Whether speaking/reasoned:

Yes/No

Whether reportable:

Yes/No