2025:PHHC:171387

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

223+105

Date of decision: 09.12.2025

1. CWP-16677-2022 (O&M)

Ajit Singh and others

....Petitioners

Versus

Union of India and others

....Respondents

2. CWP-5774-2023 (O&M)

Ramphal Singh

....Petitioner

Versus

Union of India and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Sardavinder Goyal, Advocate
and Mr. Nishant Sindhu, Advocate for the petitioner(s).

Mr. Y.S. Thakur, Advocate
for Ms. Puneeta Sethi, Sr. Panel Counsel
for respondent – UOI in CWP-16677-2022.

Mr. Somesh Gupta, Sr. Panel Counsel
with Mr. Kuldeep Singh, Advocate
for respondent No.1 – UOI in CWP-5774-2023.

Mr. Bhushan Bhatia, Advocate for respondents No.2 to 5.

HARPREET SINGH BRAR J. (Oral)

1. Vide this common order, I intend to dispose of CWP Nos.16677 of 2022 and 5774 of 2023, as common questions of law and

facts are involved for adjudication. For the sake of convenience, facts are taken from CWP-16677-2022.

2. Prayer in the writ petition (CWP-16677-2022) filed under Articles 226/227 of the Constitution of India, is for issuance of a writ in the nature of *certiorari*, for quashing the Circular dated 02.03.2021 (Annexure P-8) and the letters dated 24.03.2022 and 19.03.2022 (Annexures P-10 to P-13, respectively) whereby the respondents have withheld the encashment of privileged leave to the petitioners who were allowed voluntary retirement from service on 30.03.2021, 21.11.2020, 21.12.2020 and 06.02.2021. Further a writ of *mandamus* has been sought, directing the respondents to release the due amount of privileged leave encashment to the petitioners with interest @ 18% per annum from the date the same become due till the date of actual payment.

3. Learned counsel for the petitioner(s), *inter alia,* contends that the petitioner(s) have provided the particulars and complete details of the identical circumstanced co-employees who have sought voluntary retirement and they have been granted admissible benefits which have been denied to the petitioner(s) without any justifiable cause.

4. On 13.12.2024, the following order was passed by this Court:-

> *Learned counsel for respondents No.2 to 5 has joined the proceedings through video conferencing and submitted that one of the petitioners has been granted the*

benefit and rest of them are remaining and rather the respondents No.2 to 5-Bank is also considering granting of benefit to other similarly situated persons who are even non-petitioners. He further submitted that the needful will be done within a period of 2-3 weeks from today. He also submitted that he will seek instructions as to whether any interest will be paid along with that amount or not.

On his request, adjourned to 07.02.2025.

A photocopy of this order be placed on the file of other connected case.

5. In purported compliance, learned counsel for respondents No.2 to 5 submits that the admissible dues have been released in favour of the petitioner(s) in terms of the Notification dated 30.08.2024, however, there is no denial to the fact that admissible dues were released to the petitioner(s) without interest.

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

7. A gainful reference can be made to the judgment rendered by a Full Bench of this Court in ***A.S. Randhawa Supg. Engineer (Retd.) vs. State of Punjab 1998 (1) SCT 343*** 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)*

8. 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***.

9. In the view of the above discussions, the petitioner(s) are held entitled to interest. Accordingly, both the present petitions are allowed. The respondents are directed to release the payment of interest @ 6% per annum to the petitioner(s), to be calculated after the expiry of two months from the date of their voluntary retirement till its actual

realization. The aforesaid payment shall be made to the petitioner(s) within a period of 03 weeks from the date of receipt of a certified copy of this order.

10. Pending miscellaneous applications, if any, also stands disposed of.

11. A photocopy of this order be placed on the file of other connected case.

(HARPREET SINGH BRAR)
JUDGE

09.12.2025
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Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No