



IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

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CWP-30048-2024 (O&M)
Date of decision: 10.12.2025

Surinder Kumar

....Petitioner

Versus

The Punjab State Cooperative Bank Limited and another

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Ms. Shivani Sharma, Advocate for the petitioner.

Mr. P.S. Sullar, Advocate
and Mr. Rajkaran Singh, Advocate for respondent No.1.

Ms. Parul, Advocate
for Mr. Kamaldeep Singh Sidhu, Advocate
for respondent No.2.

HARPREET SINGH BRAR J. (Oral)

CM-2257-CWP-2025

Prayer in the instant application filed under Article 226 of the Constitution of India read with Section 151 of CPC is for placing on record the documents as Annexure P-9 to P-11, respectively.

Allowed as prayed for subject to all just exceptions. The Registry is directed to tag the same at appropriate place.

CM-2258-CWP-2025

Prayer in this application filed under Article 226 of the Constitution of India read with Section 151 of CPC is for preponing the date fixed in the main petition.

Since the main petition is listed for hearing today itself, the instant application is disposed of having been rendered infructuous.

**CWP-30048-2024 (O&M)**

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 for release of remaining retiral dues of the petitioner i.e. around Rs.15.00 lacs on account of leave encashment and Rs.25,000/- security along with interest @ 12% per annum from 31.05.2024.

2. Learned counsel for the petitioner, *inter alia*, contends that the petitioner retired on 31.05.2024 and on the eve of his retirement, there was no pending disciplinary or judicial proceedings against him. After filing of the present writ petition, leave encashment of the petitioner was credited in his bank account, however, lien was created by respondent/Bank on the direction of respondent No.2 and thus, the complete retiral dues of the petitioner have not been paid. She further contends that the gratuity of the petitioner was released in the month of August, 2024 and the retiral dues of the petitioner have been withheld in violation of the Instructions dated 16.12.2019, issued by respondent No.1, which provide that the retiral dues of a retired employee of the Bank may be withheld only when the employee himself has availed a loan facility, whereas in the present case, the petitioner has merely stood as a guarantor for one Vijay.

3. Learned counsel for respondent No.1, on the other hand, submits that respondent No.1 has transferred the leave encashment to petitioner's bank account through respondent No.2. Further, respondent



No.2 has directed to release the security amount of Rs.25,000/- and no lien has been marked by respondent No.1 on any bank account of the petitioner. He further submits that the delay in releasing the retiral dues of the petitioner has occurred due to audit only and there is no *mala fide* on the part of the respondents to harass the petitioner by delaying the payment intentionally.

4. Learned counsel for respondent No.2 is not in a position to offer any explanation on the basis of which the statutory rules and regulations, the lien is created on the leave encashment of the petitioner.

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 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 retiree 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*”*

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(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 the view of the above discussions, the present petition is allowed. The respondents are directed to release the payment of interest @ 6% per annum to the petitioner on the delayed retiral dues, to be calculated after the expiry of two months from the date of his retirement till its actual realization. The aforesaid payment shall be made to the petitioner within a period of 03 weeks from the date of receipt of a certified copy of this order.

9. Pending miscellaneous application, if any, also stands disposed of.

(HARPREET SINGH BRAR)
JUDGE

10.12.2025
yakub

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