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**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

CWP-5270-2023

Date of decision: 25.02.2026

RANDHIR GUPTA**....Petitioner****Versus****STATE OF PUNJAB AND OTHERS****....Respondentss****CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

Present: Mr. P.K. Bansal, Advocate
for the petitioner.

Mr. Vikas Arora, DAG, Punjab.

Mr. S.S. Chatrath, Advocate
for respondent No.3.

HARPREET SINGH BRAR, J (Oral):

1. The present petition has been filed under Article 226 of the Constitution of India, praying for the issuance of a writ in the nature of *Mandamus*, directing the respondents to (i) pay the revised gratuity (ii) revised leave encashment along with interest at the rate 18% from the date of Notification of Punjab Civil Services (Revised Pay) Rules, 2021 till its actual payment. A further prayer has been made for issuance of writ in the nature of *Mandamus* directing the respondents to Pay interest as per the provisions of The Punjab General Provident Fund Rules and further issuance of writ in the nature of *Mandamus* directing the respondents to pay interest on late release of Retiral Benefits of Leave Encashment, Gratuity, Provident Fund etc @ 18% per annum from the date of retirement till its actual payment to petitioner.

2. Learned counsel for the petitioner *inter alia* contends that the



petitioner joined as Clerk on 07.06.1988 under the respondents and he retired on 28.02.2019 from the post of Junior Assistant. The retiral dues of the petitioner were not paid which prompted the petitioner to file CWP-13139-2019 which was disposed of by this Court vide order dated 17.05.2019 (Annexure P-7) with a direction to the respondent, to decide the claim within period of three months. Thereafter, the petitioner filed a COCP-89-2020 during the pendency of the present petition and the retiral benefits (as admissible on the date of retirement) were released to the petitioner but with considerable delay. However, no interest was paid to the petitioner on account of delay in releasing the retiral dues which is against Principle established by a Full Bench judgment of this Court reported as ***A.S. Randhawa Supg. Engineer (Retd.) vs. State of Punjab 1998 (1) SCT 343.***

3. Learned State counsel as well as learned counsel for respondents do not controvert the fact that the retiral benefits of the petitioner were paid after considerable delay.

4. I have heard learned counsel for the parties and perused the record with their able assistance. It transpires that the petitioner joined as Clerk on 07.06.1988 and subsequently retired on 28.02.2019 from the post of Junior Assistant. It stands noticed that the retiral dues of the petitioner were not paid which prompted the petitioner to file a writ petition bearing CWP-13139-2019 which was disposed of on 17.05.2019 (Annexure P-7) with direction to respondent to decide the claim within period of three months. Thereafter, the petitioner filed a COCP-89-2020 during the pendency of the present petition and the retiral benefits (as admissible on the date of retirement) were released to the petitioner but with considerable



delay. However, no interest was paid on the delayed payment to the petitioner.

5. As such, case of the petitioner is squarely covered by the judgment rendered by a Full Bench of this Court in ***A.S. Randhawa's case (Supra)*** wherein it was held 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 (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 paid 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***.

7. In view of the above discussion, present petition is disposed of. Since the pensionary benefits were paid to the petitioner after



considerable delay from the date of his retirement, the respondent-Corporation is directed to pay interest @6% per annum on the delayed payments of;

(i) pensionary benefits, to be calculated from two months after retirement of the petitioner

(ii) enhanced leave encashment and gratuity to be calculated w.e.f. 05.07.2021 in terms of the Punjab Civil Services (Revised Pay) Rules, 2021

(iii) the loss, if any, suffered by the petitioner on account of delay in depositing the employer's contribution to the provident fund along with further interest @ 6% per annum in terms of the Punjab General Provident Fund Rules.

8. The aforesaid benefits be released in favour of the petitioner from due date till the date of its actual realization within a period of three months from the date of receipt of certified copy of this order.

9. Pending miscellaneous application(s), if any, stand disposed of accordingly.

(HARPREET SINGH BRAR)
JUDGE

25.02.2026
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1. Whether speaking/ reasoned : Yes /No
2. Whether reportable : Yes /No