IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH.

124 **CWP-9315-2026.**
Date of Decision: 27.03.2026.

Dharam Pal ....Petitioner.

VERSUS

State of Punjab and others ....Respondents.

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CORAM : HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Shivam Vashisht, Advocate for the petitioner.

Mr. Vikas Sonak, Assistant Advocate General, Punjab.

Mr. Sarbuland Singh Mann, Advocate for respondent No.4

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HARPREET SINGH BRAR, J. (Oral)

Prayer in this petition filed under Articles 226 and 227 of the Constitution of India is for issuance of a writ in the nature of *mandamus* directing the respondents to release the remaining pensionary amount of gratuity and leave encashment amounting to Rs.9,72,682/- due after retirement.

2. Learned counsel for respondent No.4 at the very outset submits that partial payment towards the retiral dues has already been made to the petitioner and the remaining amount would be released to the petitioner within a period of four months.

3. Learned counsel for the petitioner submits that he is satisfied with the stand taken by learned counsel for respondent No.4. However, he submits that the petitioner is also entitled to interest on account of delay in releasing his retiral dues.

4. In view of the above, the instant writ petition is disposed of with a direction to the respondents to release the benefit of retiral dues by 31.07.2026. Needless to say that the petitioner would also be entitled to interest at the rate of 6% per annum in terms of 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.* ***<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 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)

5. The interest would be calculated after two months from the date of retirement till actual realization on account of the delay in releasing the retiral dues. The payment to be made by the respondents within two months from the date of receipt of certified copy of this order.

(HARPREET SINGH BRAR)
JUDGE

27.03.2026
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Whether speaking/ reasoned	:	Yes/ No
Whether Reportable	:	Yes/ No