225 (2 cases)

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

Date of decision: 19.02.2026

1. CWP-21596-2022

Tarvinder Singh ....Petitioner

Versus

**The Punjab State Power Corporation Ltd. and others
....Respondents**

2. CWP-14149-2022

Tarvinder Singh ....Petitioner

Versus

**The Punjab State Power Corporation Ltd. and others
....Respondents**

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Pankaj Sharma, Advocate
for the petitioner in both cases.

Ms. Isha Aggarwal, Advocate for
Mr. Simrandeep S. Sandhu, Advocate
for respondents No.1 to 4 in both cases.

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HARPREET SINGH BRAR, J (Oral):

1. This judgment shall dispose of both the abovementioned petitions as they arise from a similar factual background. For the sake of brevity, the facts are being taken from CWP No.21596-2022.

2. The present petition(s) have been filed under Articles 226/227 of the Constitution of India. In CWP No.21596-2022, a prayer has been made for issuance of a writ in the nature of *Mandamus* directing the

respondents to pay interest @18% per annum on account of delayed disbursement of retiral benefits to the petitioner. In CWP-14149-2022, a prayer has been made for issuance of a writ in the nature of *Certiorari* seeking quashing of order dated 10.01.2022 passed by respondent No.2 whereby an amount of Rs.6,36,420/ has been ordered to be recovered from the gratuity of the petitioner.

3. Learned counsel for the petitioner *inter alia* contends that the petitioner was appointed by the respondent-Corporation as a Lineman in the year 1985 and was subsequently promoted to Junior Engineer in 2009. On attaining the age of superannuation, he retired from service on 31.10.2018 as a Junior Engineer. On the eve of his retirement, no disciplinary, judicial, or criminal proceedings were pending against the petitioner. As such, there was no embargo on releasing the retiral dues of the petitioner. However, the retiral dues, in its entirety, were paid to the petitioner after a delay of more than three years. Therefore, the petitioner is entitled to interest on account of the delayed release of the retiral benefits, in terms of the judgment rendered by the Full Bench Court in ***A.S. Randhawa Supdg. Engineer (Retd.) vs. State of Punjab 1998 (1) SCT 343***.

4. Learned counsel for the petitioner further submits that, while deciding the legal notice/ representation of the petitioner, a speaking order dated 10.01.2022 (Annexure P-4) was passed, wherein an attempt was made to justify the delay on the ground that the material issued in the name of the petitioner was not handed over by him at the time of retirement. However, no charge sheet was ever served upon the petitioner in this

regard. Learned counsel further submits that an amount of Rs.6,36,420/ has been ordered to be recovered from the gratuity on account of shortage of material issued in the name of the petitioner. The concerned officer has failed to see the relevant record which clearly states that the material has been handed over/refunded by the petitioner. After receiving the same from the petitioner, a document (Annexure P-7 in CWP-14149-2022) was issued to him, which has also been countersigned by one Rajesh Kumar and Lekhraj, SDO. Moreover, memo dated 15.09.2021 (Annexure P-8 in CWP-14149-2022) issued by the Additional Superintending Engineer, East Division, Amritsar to the Assistant Executive Engineer states that the same has been handed over to Rajesh Kumar and a list has also been appended with respect to return of surplus material. In the absence of any inquiry confirming the alleged misconduct of the petitioner, there is no cause to order recovery of any kind from his gratuity.

5. *Per contra,* learned counsel appearing for the respondents-Corporation submits that the petitioner had not followed the procedure/drill prescribed by the respondent-Corporation regarding the utilization of the material. As such, his misconduct is duly approved. However, she could not controvert the fact that no charge sheet was ever issued to the petitioner for the alleged misconduct.

6. I have heard learned counsel for the parties and perused the record with their able assistance. It transpires that the petitioner retired on 31.10.2018 and his retiral dues were paid after a delay of more than three years. The particulars of release of the payment have been given at page no.7 of paper book which reads as under:

Particulars	***Amounts***	***Date of Payment***	***Retirement date***	***Time gap***
Arrears of Revised Pension	*374811/-*	*02.03.2022*	*31.10.2018*	*3 Y 5 M*
Leave Encashment	*729780/-*	*25.01.2022*	*31.10.2018*	*3 Y 2 M 25 days*
Gratuity	*363580/-*	*20.01.2022*	*31.10.2018*	*3 Y 2 M 20 Days*

7. The retiral dues of the petitioner were withheld without any reasonable justification for same. Further, no statutory provisions permitting such conduct have been indicated by learned counsel for the respondents. The judgment rendered by a Full Bench of this Court in ***A.S. Randhawa (supra)***, makes it clear that disbursement of pension and other benefits payable at retirement must be done in a timely manner and any delay beyond a period of two months in this regard would entitle the retired employee to 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 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.***

9. Further, it is trite law that gratuity can only be withheld for the for the exhaustive reasons stipulated in the Payment of Gratuity Act, 1972. If the respondents seeks to make a recovery for a reason not mentioned in the said Act, they ought to file a civil suit. Since the justification provided by the respondents for withholding gratuity and ordering recovery from the same does not find mention in the said Act, this statutory benefit cannot be withheld from the petitioner. Reliance in this regard may be placed on the judgment rendered by this Court passed in CWP-13625-2021 titled as ***Narian Singh vs. State of Punjab and others.***

11. In view of the above, both the present petitions are disposed of and the speaking order dated 10.01.2022 (Annexure P-4 in CWP-14149-2022) is quashed and set aside. The respondent-Corporation is directed to refund the amount recovered from his gratuity to the petitioner. Further, the respondent-Corporation shall grant interest on delayed payment of retiral dues in favour of the petitioner @6% per annum, to be calculated after two months of the date of the petitioner's retirement till its actual

realization. Needful be done within a period of three months from the date of receipt of a certified copy of this order.

12. Pending miscellaneous application(s), if any, also stand disposed of.

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

(HARPREET SINGH BRAR)
JUDGE

19.02.2026
monika

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