



CWP-19603-2022

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

CWP-19603-2022

Date of decision: 19.02.2026

Rakesh Vats**....Petitioner****Versus****Haryana Seeds Development Corporation Ltd.Respondent****CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

Present: Mr. Jai Bhagwan, Advocate
for the petitioner.

None for the respondent.

HARPREET SINGH BRAR, J (Oral):

1. The present petition has been filed under Article 226/227 of the Constitution of India, praying for the issuance of a writ in the nature of *Certiorari* for quashing of order/reply to the legal notice dated 12.07.2022 (Annexure P-1) to the extent of denying the interest on delayed payment of retiral dues, i.e., Gratuity, Leave Encashment, and GIS amount of Rs.18,29,726/-, out of which Rs.15,43,480/- was released on 18.01.2020 and Rs.2,26,246/- on 08.09.2021 and further to issue a writ in the nature of *Mandamus*, directing the respondents to make payment of interest on the delayed payment of the gratuity amount of Rs.17,69,726/- @ 18% per annum, for the period from the date it became due until the date of actual payment.

2. Learned counsel for the petitioner *inter alia* contends that the petitioner joined the respondent-Corporation as Clerk on 22.10.1984 and he was promoted to different posts and on attaining the age of superannuation,



he retired on 31.01.2021 from the post of Assistant Secretary. On the eve of his retirement, there was no pending disciplinary or judicial proceedings against the petitioner. However, after seven months of his retirement, a show cause notice was issued to him on 31.08.2021 (Annexure R-2) proposing recovery of excess payment of Rs.15,43,480/- along with interest @ 10% per annum. The recovery order was confirmed by the order dated 06.09.2021 (Annexure P-8).

3. Learned counsel for the petitioner refers to paragraph Nos.2 and 3 of the reply filed on behalf of the respondents and submits that in compliance with the order of the appellate authority, retiral dues of the petitioner i.e. Rs.19,64,770/- were released on 29.12.2021, after illegally retaining an amount of Rs.60,000/- on the ground that disciplinary proceedings were pending on account of wrong promotion of one Tejpal from Chowkidar to the post of Driver.

4 There is no representation on behalf of the respondent. On the last two dates of hearing, learned counsel for the respondent sought time.

5. A perusal of the reply indicates that the stand taken by the petitioner in the legal notice has been controverted. However, it is not disputed that on the eve of retirement of the petitioner, there were no disciplinary or judicial proceedings pending against him. A show cause notice was issued on 31.08.2021 (Annexure R-2), much after the date of retirement of the petitioner i.e. 31.01.2021. Further, the retiral dues were received by the petitioner on 18.01.2022 in terms of the order passed by the appellate authority.

6. The respondent was obligated to release all retiral dues within two months of the retirement. As such, the case of the petitioner is squarely



covered by 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 beyond a period of two months qua the said disbursement would entitle the retired employee to claim interest on the amount due. In *A.S. Randhawa's* case (*supra*), speaking through Justice N.K. Sodhi, the following was held:

3. "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)

7. 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*.

8. In view of the above, the present petition is allowed and the respondent-Corporation is directed to release the amount of 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 his retirement till the date of



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

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

(HARPREET SINGH BRAR)
JUDGE

19.02.2026
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| 1. Whether speaking/ reasoned : | Yes /No |
| 2. Whether reportable : | Yes /No |