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

CWP-29781-2024

Date of decision: 23.02.2026

SANT RAM**....Petitioner**

Versus

PUNJAB STATE POWER CORPORATION Ltd. AND ORS**....Respondents****CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

Present: Mr. Kulbir Singh Saini, Advocate
for the petitioner.

Mr. Hridyavans S. Randhawa, Advocate for
Mr. R.P.S. Bara, Advocate for the respondents.

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 the impugned letter/Memo No.140 SCE/D-3 dated 14.06.2024 (Annexure P-4) and order dated 20.08.2024 (Annexure P-5) passed by respondents, whereby recovery of Rs.2,52,974/- was ordered from the gratuity amount of the petitioner vide Annexures P-4 and P-5. A further prayer has been made for *Mandamus* directing the respondents to release the due gratuity amount of the petitioner forthwith along with interest @9% per annum from the due date till the date of payment.

2. Learned counsel for the petitioners *inter alia* contends that the petitioner was initially appointed as an unskilled worker and was later on selected as a skilled worker by direct appointment on 18.02.1994. The petitioner retired on 31.07.2023, but his gratuity was withheld. An amount



of Rs.2,52,947/- was also recovered from his retiral dues; however the said amount has since been released during the pendency of the present petition. The aforesaid amount was withheld and recovered on the pretext that an increment had been wrongly granted to the petitioner in the year 1994, to which the petitioner was not entitled.

3. Learned counsel for the petitioner further submits that the case of the petitioner is squarely covered by the judgment rendered by the Hon'ble Apex Court in ***State of Punjab vs Rafiq Masih, 2015(1) SCT 195*** wherein recovery from retired employees after a long lapse of time was held to be impermissible. It is further contended that no disciplinary, criminal or judicial proceedings were pending against the petitioner at the time of his retirement. There is no denial of the fact that the gratuity was withheld despite there being no such pending proceedings. Moreover the recovery was effected beyond a period of five years, as stipulated in ***Rafiq Masih*** case (*supra*).

4. *Per contra*, learned counsel for the respondent-Corporation submits that the respondent-Department reviewed the matter and refunded the amount of Rs.2,52,947/- earlier recovered from the petitioner on 11.10.2025. Aforesaid amount has since been credited and transferred to the bank account of the petitioner in month 11/2025.

5. 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. The Full Bench in **A.S. Randhawa's** case (*supra*), speaking through Justice N.K. Sodhi, observed as under:-

2. “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)

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, the present petition is **disposed of** and the respondent-Corporation is directed to release the amount of interest @6% per annum on delayed payment of retiral dues in favour of the petitioner, to be calculated from 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 a certified copy of this order.



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

(HARPREET SINGH BRAR)
JUDGE

23.02.2026

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	2. Whether reportable :	Yes /No