2026:PHHC:008987

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-37613-2025 (O&M)
Date of decision: 22.01.2026

Suraj Parkash AEE (Retired)

....Petitioner

Versus

The Punjab State Power Corporation Limited and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. B.D. Sharma, Advocate
for the petitioner.

Mr. Ankit Gaur, Advocate
for the respondents/PSPCL.

HARPREET SINGH BRAR J. (Oral)

1. Prayer in this writ petition filed under Articles 226/227 of the Constitution of India, is for issuance of a writ in the nature of mandamus, directing the respondents to release the service gratuity of the petitioner along with interest @ 18% per annum on account of delayed payment of service gratuity from the date of accrual till its actual payment to the petitioner.

2. Learned counsel for the petitioner, *inter alia*, contends that the petitioner joined the erstwhile Punjab State Electricity Board on 13.08.1987 as Lineman and, after rendering long, unblemished and continuous service, he earned successive promotions to the posts of AAE, AE and ultimately retired as AEE on 31.05.2024 from the office of SDO/DS Chogawan as discernible from Annexure P-1, and thereafter all the retiral dues except service gratuity, amounting to Rs.20.00 lacs

(approx.), have been released. The petitioner made repeated representations for release of the gratuity but no action was taken by the respondents. Consequently, the petitioner was constrained to serve a legal notice dated 24.09.2025 (Annexure P-3) upon the respondents. The respondents replied on 17.11.2025 stating that gratuity cannot be released unless a No Dues Certificate is issued by the office of Additional Superintending Engineer, Central Store, Verka, PSPCL, Amritsar (Annexure P-4). Learned counsel for the petitioner further submits that the said stand is arbitrary, illegal and unsustainable in the eyes of law. The petitioner has already retired and no disciplinary or judicial proceedings are pending against him. The withholding of service gratuity without any lawful justification has caused the grave financial hardship to the petitioner. He further contends that gratuity is a statutory and vested right and the same cannot be withheld indefinitely.

3. Learned counsel for the respondents/Corporation, at the outset, submits that out of the admissible retiral dues part of the same have already been released and the remaining due payment will be released to the petitioner within a period of three months from today and as such, the present petition may be disposed of having been rendered infructuous.

4. Learned counsel for the petitioner, in response, submits that the assurance given by the respondents/Corporation for release of the withheld gratuity amount within a period of three months does not absolve them of their statutory liability to pay interest on account of the

inordinate and unexplained delay in disbursement of service gratuity, which had accrued immediately upon the petitioner's retirement on 31.05.2024.

5. I have heard learned counsel for the parties and perused the record with their able assistance.

6. A gainful reference can be made to 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.* ***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 placed 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 the view of the above discussions, the present petition is disposed of. The respondents are directed to release the due amount of Rs.3,10,617/- to the petitioner along with interest @ 6% per annum, to be calculated after the expiry of two months from the date of his retirement till its actual realization. The aforesaid payment shall be made to the petitioner within a period of 03 weeks from the date of receipt of a certified copy of this order.

(HARPREET SINGH BRAR)
JUDGE

22.01.2026
yakub Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No