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

Sr. No.226

**CWP-6828-2020 (O&M)  
Date of decision: 19.08.2025**

Ranbir Singh and others

..... Petitioners

VERSUS

State of Haryana and others

..... Respondents

**CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

Present: Mr. S.K. Nehra, Advocate, for the petitioners.

Mr. Piyush Khanna, Addl. AG, Haryana.

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**HARPREET SINGH BRAR, J. (ORAL)**

1 Learned counsel for the petitioners restricting his claim only qua the prayer with regard to the interest towards the delayed payment of leave encashment and gratuity.

2. Learned counsel for the petitioners submits that the date of joining and the date of retirement of the petitioners are as under:-

Sr. No.	Petitioner Nos.	Date of joining	Date of retirement
i	Petitioner No.1 (Ranbir Singh)	24.10.1978	28.02.2009
ii	Petitioner No.2 (Surinder Kumar Ranjan)	24.10.1978	31.12.2008
iii	Petitioner No.3 (Anil Gupta)	15.07.1982	31.03.2014
iv	Petitioner No.4 (Harinder Pal Singh)	07.10.1981	31.07.2014
v	Petitioner No.5 (Om Parkash Kharbash)	04.05.1979	29.02.2008

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3. Learned counsel for the petitioners submits that the retirement due of the petitioners i.e leave encashment and gratuity, were released only on 20.06.2017. As such, the petitioners are entitled to the interest on account of delay in releasing the gratuity and leave encashment. He also submits that the petitioners in earlier round of litigation had sought entitlement to the dearness allowance in basic pay, house rent allowance along with ACP scheme as admissible to the employees of the Haryana Government. The petitioners at the time of the filing of the CWP-6097-2007 (Annexure P1), which was decided on 03.04.2008, were in service. As such, the delay in releasing the leave encashment and gratuity cannot be attributed to the petitioners. Reliance has been placed upon 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.***

4. On the other hand, learned State counsel refers to the written statement filed on behalf of respondent No.2 and submits that in the earlier writ petition filed bearing No. Civil Writ Petition No.6097 of 2007, no prayer with regard to leave encashment and gratuity was made. As such, the petitioners are not entitled to any interest.

5. Having heard the learned counsel for the parties and after perusal of the record, it transpires that CWP-6097-2007 was disposed of on 03.04.2008 and the judgment rendered by Divisions Bench of this Court indicates that relief sought in the writ petition was with regard to the benefit of ACP scheme and further, the entitlement of the petitioners

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towards dearness allowance in basic pay and house rent allowance etc. as admissible to the Haryana Government. A Division Bench of this Court has decided the CWP-6097-2007 on 03.04.2008 and all the petitioners were in service at that time except petitioner No.5, who retired on 29.02.2008. Undisputedly, the retiral dues were released only on 20.6.2017.

6. In view of the admitted facts, the claim of the petitioners with regard to the entitlement towards the interest merit acceptance.

7. In that vein, 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 retiree 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*

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*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. In the view of the discussion above, the present petition is allowed. The respondents are directed to make the requisite payment of interest @ 7.5% per annum towards delay in releasing gratuity and leave encashment from the date of their entitlement till the actual payment on 20.06.2017 and pay the calculated amount, to the petitioners, within a period of 04 weeks of receiving a certified copy of this order.

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

**(HARPREET SINGH BRAR)**  
**JUDGE**

**19.08.2025**  
Ramandeep Singh

Whether speaking / reasoned Yes / No

Whether Reportable Yes/ No