



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

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**CWP-10832-2022 (O&M)
Date of decision: 19.08.2025**

Nazar Singh

....Petitioner

Versus

Punjab State Power Corporation Limited and others

....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. P.S. Miglani, Advocate
for the petitioner.

Mr. S.S. Majithia, Advocate
for the respondents.

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 certiorari, for quashing the order dated 05.04.2022 (Annexure P-8), vide which interest on delayed payment of pensionary benefits has been declined to the petitioner. Further a writ of mandamus has been sought, directing the respondents to pay interest @ 18% p.a. on account of delayed payments of (i) arrears of 80% pension from 1.4.2017 to 31.3.2020 (ii) arrears of 20% of pension from 1.4.2017 to August, 2021 (iii) gratuity of Rs.10.00 lacs from 1.4.2017 to November, 2021. Another prayer has been made to direct the respondents to recompute the amount of leave encashment paid to the petitioner by including the



interim relief @ 5% per annum released by the State w.e.f. 01.01.2017 along with Dearness Allowance i.e. 113% on the said interim relief.

2. Learned counsel for the petitioner submits that the issue raised in the present petition is squarely covered by the Full Bench judgment of this Court in *A.S. Randhawa Supg. Engineer (Retd.) vs. State of Punjab 1998 (1) SCT 343* and the judgment rendered by the Hon'ble Supreme Court in *S.K. Dua vs. State of Haryana (2008) 3 SCC 44*.

3. Learned counsel for the respondents, on the other hand, could not controvert the fact that the issue with regard to entitlement of a retiree towards interest beyond a period of 02 months on account of delay in release of pensionary benefits is covered by the aforesaid judgments.

4. In that vein, a gainful reference can be made to the judgment rendered by a Full Bench of this Court in *A.S. Randhawa's case (supra)*, 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 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)*

5. Reliance in this regard may also be placed on the judgments rendered by the Hon’ble Supreme Court in *S.K. Dua’s case (supra)* and *State of Kerala vs. M. Padmanabhan Nair (1985) 1 SCC 429*.

6. In view of the above discussions, the present petition is allowed. The respondents are directed to make the requisite payment of the commuted pension to the petitioner, along with interest at the rate of 7.5% per annum. The interest shall be calculated from a period of two months after the date of the petitioner's retirement. The entire amount including interest, shall be released within a period of three months from the date of this order.

(HARPREET SINGH BRAR)
JUDGE

19.08.2025

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Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No