IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CWP-24336-2013 (O&M)
Date of decision: 08.12.2016

Smt.Prem Lata and others

…..Petitioners

versus

State of Punjab and others

……Respondents

CORAM: Hon'ble Mr.Justice Kuldip Singh

Present: Mr.Sunil Chadha, Senior Advocate with
Ms.Swati Verma, Advocate for the petitioners
Mr.R.S.Pathania, DAG Punjab
Mr.Sameer Sachdeva, Advocate for respondent Nos.4 & 5

1. Whether Reporters of Local Newspapers may be allowed to see the judgment ?
2. To be referred to the Reporters or not ?
3. Whether the judgment should be reported in the Digest?

Kuldip Singh, J. (Oral)

Petitioners retired from D.D. Jain Memorial College for Women, Ludhiana as Lecturers and Librarian. Their date of retirement is as under:-

Petitioner No.1	17.5.2008
Petitioner No.2	9.8.2007
Petitioner No.3	1.1.2010
Petitioner No.4	19.8.2009

Prayer pressed at this stage by the petitioners is that entire gratuity of Rs.6.5 lakhs to petitioner Nos.1 and 2 has not been paid and further the arrears of revised pay scale, CPF and gratuity have been paid late. Therefore, the petitioners are entitled to payment of interest on the delayed payment of the same.

First of all, I will take up the interest part on the arrears of pay and CPF.

It also comes out from the reply of respondent Nos.4 and 5 that the grand-in-aid was received from the government in two installments of 60% and 40% and the amount of 60% out of total revised pay scale was released:-

Name of the petitioner	*Date of receipt of Grant from State*	*Date of payment by college*	*Amount paid*
Prem Lata	*16.2.2013*	*13.3.2013*	*2,83,560/-*
Sushma	*16.2.2013*	*13.3.2013*	*2,90,296/-*
Vijay Aggarwal	*16.2.2013*	*13.3.2013*	*1,73,818/-*
Baljit Kaur	*16.2.2013*	*13.3.2013*	*4,28,562/-*

Amount of 40% of arrears was released under:-

Name of the petitioner	*Date of receipt of Grant from State*	*Date of payment by college*	*Amount paid*
Prem Lata	*. 3.4.2013.*	*26.4.2013*	*1,88,288/-*
Sushma	*(paid full in first installment)*		
Vijay Aggarwal	*. 3.4.2013.*	*26.4.2013*	*75,914/-*
Baljit Kaur	*. 3.4.2013.*	*26.4.2013*	*2,10,084/-*

Regarding CPF, it is stated that these were released as under:-

Name of the petitioner	*CPF 60% amount*	*CPF 40% amount*
Prem Lata	*46,788/-*	*29,683/-*
Sushma	*48,265/-*	*Nil* *(Paid full in first installment)*
Vijay Aggarwal	*38,870/-*	*18,316/-*
Baljit Kaur	*73,143/-*	*34,871/-*

The gratuity was released as under:-

Name of the petitioner	*Date of retirement*	*Rs.3.5 lacs paid on*	*Revised Gratuity Amount*	*Paid on*
Prem Lata	*17/05/2008*	*12/06/08*	*6,30,611/-*	*10/07/13*
Sushma	*08/08/07*	*06/02/08*	*5,36,824/-*	*10/07/13*
Vijay Aggarwal	*01/01/10*	*01/01/10*	*6,50,000/-*	*10/07/13*
Baljit Kaur	*19/8/2009*	*16/09/2009*	*6,50,000/-*	*10/07/13*

It also comes out that 95% grant-in-aid was to be released by the government. It also further comes out that as there was a litigation with the

State regarding the release of the arrears of revised pay scale. The matter was settled by a Division Bench of this Court on 1.10.2012 in LPA No. 920 of 2012 and other connected LPAs by giving the following directions:-

> *(A) Within fifteen days from today, the appellants shall make the calculations of the arrears of salary payable to the private respondents and ascertain the share of the State Government. Details of these calculations shall be forwarded by the appellants to the State Government.*
>
> *(B) The State Government shall examine veracity of those calculations and ascertain its share as per Grant-in-aid Scheme and release it by making payment to the educational institutions within two months from the receipt of calculations from the appellants.*
>
> *(C) Within ten days of the receipt of grant-in-aid from the State of Punjab, the amount under this head shall be released to the private respondents.*

The order makes it clear that the amount was to be released approximately within three months from the date of passing of the judgment i.e. upto 31.12.2012. However, it also comes out that the State has issued the instructions Annexure R1/3, whereby the payment was ordered to be released in three installments of 30%, 30% and 40% during January 31, February 28 and March 31. This was never ordered by the Division Bench of this Court. Assuming that the payment was to be released on 1.1.2013, there is a delay in release of arrears of revised pay scale and CPF to the petitioners by the State Government.

So far as the management is concerned, the management as per the said judgment, was to release the arrears within ten days of the receipt of the grant-in-aid. The tabulated information supplied by the respondents in the reply shows that the payment was to be released till 26.2.2013.

However, it was released on 13.3.2013, so far as arrears of 60% of the revised pay scale are concerned, for 40% it was to be released upto 03.4.2013 and it was released on 26.4.2013. Grant-in-aid for 60% CPF was to be released on 13.3.2013 and remaining 40% was to be released on 3.4.2013 and these were released on 13.4.2013 and 26.4.2013. In this way, there is a delay of ten days on the part of respondent No.4 in releasing the same.

In these circumstances, the petitioners cannot be denied interest on the delayed payment. Therefore, starting from January 2013, till release of the grant, the State shall be liable to pay interest @ 9% per annum on arrears of revised pay scale and CPF, within two months from the date of receipt of a copy of the judgment. Regarding delay of few days by the management, the delay being negligible is ignored.

So far as gratuity is concerned, the claim is that petitioner Nos.1 and 2 were paid less gratuity. Respondent No.4 has taken a stand that the gratuity is calculated as per formula and correct gratuity was paid.

It being so, respondent no.4 is directed to place on file the formula under which the gratuity was calculated qua petitioner nos.1 and 2 to find out whether there was any deficiency with regard to gratuity or not. Admittedly, the revised gratuity was to be released on the retirement of the petitioners. Petitioners became entitled to revised gratuity w.e.f. 24.9.2010 when the revised pay scales were made applicable to the government aided privately managed colleges. Therefore, starting three months from 24.9.2010, the petitioners shall be entitled to interest on the delayed payment of revised gratuity which was released on 10.7.2013. The respondent No.4 shall pay the interest on the same within two months from the date of receipt of a copy of the order.

Now, only a short question left is regarding the quantum of gratuity released to petitioner Nos.1 and 2. For determining whether the correct amount was released or not, respondent No.4 is directed to supply calculations and the formula to the petitioners under which the gratuity was released to them. In case some deficiency is found, the same shall also be released with interest as per above noted directions. In case, the petitioners are not satisfied with the calculations of the respondents for gratuity, the petitioners will be entitled to approach this Court again by filing CM in this writ petition for reviving the same, for decision on quantum of gratuity.

Writ petition stands allowed accordingly.

08.12.2016 **(Kuldip Singh)**
gk **Judge**

Whether speaking/ reasoned: Yes
Whether Reportable: No