IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

105 **CWP-856-2025**
Date of Decision: 02.09.2025

Shashi Prabha Bansal **…Petitioner**

Versus

D.A.V. College Managing Committee and others **…Respondents**

And

CWP-857-2025

Shashi Prabha Bansal **…Petitioner**

Versus

DAV College Managing Committee and others **…Respondents**

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: - Mr. Jaskirat Singh, Advocate for the petitioner

Mr. Rajdeep S. Cheema, Advocate for respondent Nos.1 & 2

Ms. Sukhmani Patwalia, Standing Counsel
for U.T. Chandigarh-respondent No.3
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JAGMOHAN BANSAL, J. (Oral)

1. As common issues are involved in the captioned petitions, with the consent of both sides, the same are hereby disposed of by this common

order. For the sake of brevity and convenience, facts are borrowed from *CWP-856-2025*.

2. The petitioner through instant petitions under Articles 226/227 of the Constitution of India is seeking directions to respondents to pay her salary for the period from 01.10.2022 to 31.03.2023 and interest on delayed payment of retiral dues/arrears.

3. The petitioner joined respondent-M.C.M. D.A.V. College for Women, Chandigarh on 01.08.1987 as Assistant Librarian. She attained age of superannuation on 30.09.2022. Her service was governed by Rules and Regulations framed by Panjab University. As per Regulations of Panjab University, she was supposed to retire at the age of 60 years. There was communication between the college and Director, Higher Education, U.T. Chandigarh with respect to age of retirement of college teachers. Many teachers approached this Court seeking extension of 5 years. Their petitions were dismissed at one or another stage. The petitioner was allowed to work for 6 months beyond the age of superannuation. She furnished an affidavit to the effect that she will not claim salary if her extension is not approved by U.T. Administration. It is apt to mention here that the petitioner was working against grant-in-aid post. As per policy of the U.T. Administration, in case of grant-in-aid post, 95% salary is paid by U.T. Administration and 5% is paid by respective college. The U.T. Administration did not approve extension beyond 60 years, thus, petitioner finally retired on 31.03.2023. She was not paid salary for the period from October' 2022 to March' 2023. She was paid ₹24.71 Lakh towards arrears arising on account of implementation of report of 7^{th} Central Pay Commission. She was also paid ₹13.35 Lakh

towards leave encashment and gratuity. She is claiming interest of 9 months on delayed payment of arrears and of 4 months on delayed payment of leave encashment/gratuity. In *CWP No.856 of 2025*, she is claiming salary for the aforesaid period and in *CWP No.857 of 2025*, she is claiming interest on delayed payment.

4. Learned counsel for the petitioner submits that petitioner worked for 6 months beyond her age of superannuation. The college administration permitted her to work. She cannot be deprived of salary for the period she worked. There was delay in payment of arrears/retiral benefits. As per judgment of Full Bench of this Court in ***A.J. Randhawa, Supg. Engineer (Retd.) v. State of Punjab, 1997 SCC OnLine P&H 705***, the respondent is liable to pay interest.

5. *Per contra*, learned counsel for the respondents submit that petitioner furnished affidavit to the effect that she would not claim salary if not released by U.T. Administration. No employee who had worked beyond 60 years has been paid salary. Several petitions seeking extension of date of retirement have been dismissed by this Court. There was no delay on the part of college in making payment, thus, interest is not payable.

6. I have heard the arguments of learned counsel for both sides and perused the record with their able assistance.

7. The petitioner was bound to retire on 30.09.2022. She was permitted to work for next 6 months subject to approval from U.T. Administration and availability of Government grant. She furnished affidavit dated 30.09.2022 to the effect that she would not claim salary from the

Management for the continuous period beyond 60 years. Letter dated 30.09.2022 of the Management and affidavit dated 30.09.2022 of the petitioner read as: -

<u>Letter dated 30.09.2022</u>

"Mehr Chand Mahajan DAV College for Women
Sector 36-A, Chandigarh- 160036
Phone: 0172-2603355, Fax: 0172-2613047
E-mail: principal_memdavcollege@yahoo.com
Website: https://mcmdavcwchd.edu.in/

Ref. No. 3768/MCM *Date 30/09/2022*

Mrs. Shashi Prabha Bansal
Librarian
Mehr Chand Mahajan DAV College for Women
Sector 36-A, Chandigarh

I am directed to convey to you that DAV College Managing Committee has allowed you to continue in service for a period of six months on your exists terms and conditions subject to approval from DHE, U.T. and availability of Govt. Grant w.e.f. 01.10.2022 and during the period of six months you are requested to take the up the matter with the DHE U.T. to remove the anomaly and your case will be reviewed after six months.

Principal
Dr. Nisha Bhargava"

<u>Affidavit dated 30.09.2022</u>

"AFFIDAVIT

I, Ms. Shashi Prabha Bansal, D/O Sh. Sumer Chand Bansal, Resident of House No. 2236, Sector- 38 C, Chandigarh, do hereby solemnly affirm and state as under:

1. That I am a Librarian in Mehr Chand Mahajan DAV College for Women, Sector-36, Chandigarh.

2. That I was retired on September 30, 2022.

3. That our management, is in continuous correspondence with Director Higher Education, U.T, Chandigarh for extension of retirement age from 60 to 62 years their letter.

4. That with reference to the Notification issued Vide Order No. 28/17/94-11(7)-2022/5170/5171, dated 30.03.2022 duly endorsed by the Directorate of Higher Education, Chandigarh Administration vide its Endorsement No. 352-DHE-UT-AD,II- 26(9)2022 dated 13.04.2022, the Director Higher Education, U.T, Chandigarh, has intimated that the issue is under their active consideration.

5. That I will not claim any salary and allowances or remuneration from the Management for continued period beyond 60 years.

6. That I will be considered to be deemed to have retired from w.e.f. 30.09.2022 with all intents and purposes, if our approval and grant-in-aid is not received by the College Management.

Place: Chandigarh *Sd/-*
Date: 30.09.2022 *(Ms. Shashi Prabha Bansal)*
Deponent"

DECLARATION:

I, Ms. Shashi Prabha Bansal do hereby solemnly affirm and state that the above statements are true and correct to the best of my knowledge.

Place: Chandigarh *Sd/-*
Date: 30.09.2022 *(Ms. Shashi Prabha Bansal)*
Deponent"

8. From the perusal of affidavit, it is evident that petitioner, as per her free will and choice, agreed to work beyond 60 years without salary. She conceded that she would be entitled to salary if released by U.T.

Administration. She also deposed that she would be deemed to be retired w.e.f. 30.09.2022 for all intents and purposes if grant-in-aid is not received from U.T. Administration. The deposition of the petitioner makes it clear that she was conscious that U.T. Administration may or may not approve grant-in-aid and in case of non-approval of grant-in-aid, she would not be entitled to salary. If the petitioner is paid salary, it would amount to extension despite denial by U.T. Administration and dismissal of writ petitions of similarly situated employees by this Court. It would be ruse on the part of petitioner as well as Management. The Court cannot approve said practice especially when petitions of similarly situated employes seeking extension have been dismissed. The petitioner, as per her choice, took a risk and filed affidavit. She cannot turn around. She cannot be heard to claim that there would be violation of Article 21 of the Constitution of India if she is not paid salary.

9. The petitioner has raised question of interest on delayed payment of dues. It is settled proposition of law that interest is compensatory in nature. If there is delay in payment of principal amount, there is liability of interest. The petitioner retired on 30.09.2022 whereas she was paid arrears on 26.07.2024 and leave encashment/gratuity on 07.08.2024. She is claiming interest of 9 months *qua* arrears and 4 months *qua* gratuity and leave encashment.

10. A Full Bench of this Court in ***A.J. Randhawa (supra)*** has adverted to an identical issue and held that an employee normally would be paid retiral benefits within two months and in case of payment beyond two

months, he shall be entitled to interest. The relevant extracts of the said judgment read as:

> *"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 case [1985 (2) L.L.N. 18] (vide 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 per cent unless the circumstances of a particular case warrant the payment of a higher rate which may extend to even 18 per cent."*

11. In the wake of aforesaid judgment, it is quite evident that an employee is entitled to interest if payment of retiral dues is made beyond two months from the date of retirement. In view of present rate of interest granted by banks, the employee cannot be granted interest beyond 7.5% per annum.

12. In the above premise, this Court is of the considered opinion that petitioner is entitled to interest on the delayed payment of arrears and gratuity. Accordingly, respondents are directed to pay interest @ 7.5% per annum on the delayed payment of arrears and leave encashment/gratuity.

The liability of interest shall be confined to the period claimed by the petitioner. Let the needful be done within 3 months from today.

13. The petitions stand disposed of in above terms.

(JAGMOHAN BANSAL)
JUDGE

02.09.2025
Mohit Kumar

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No