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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 17th August, 2026

CNR No. DLHC010214922021

+ **W.P.(C) 6803/2021**

SHOBHA BAJAJ

.....Petitioner

Through: **Ms. Puja Jakhar and Mr. Harshit
Prakash, Advocates.**

versus

ASSISTANT MANAGER, SBP & ANR.

.....Respondents

Through: **Mr. Rajiv Kapur, SC with Mr. Akshit
Kapur, AOR and Ms. Riya Sood,
Advocates for SBI.**

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

SANJEEV NARULA, J. (Oral)

1. The petition was initially founded principally on *Assistant General Manager, State Bank of India v. Radhey Shyam Pandey*.¹ The record, however, brings into focus a narrower controversy. Under the Bipartite Settlement dated 27^t April, 2010, employees who had retired under a special voluntary retirement scheme after rendering a minimum of fifteen years of service were made eligible to exercise an option to join the pension scheme. Thereafter, on 17th November, 2015, the State Bank of Patiala itself extended a second pension option to employees who had retired under SBPVRS 2001 after completing a minimum of fifteen years of service, including provident fund optees.

¹ (2020) 6 SCC 438.



2. The question, therefore, is not merely whether the decision in *Radhey Shyam Pandey* can be applied to employees of SBP. The more immediate issue is whether the Bank can rely upon the expiry of the second option on 16th December, 2015, when the Circular itself contemplated steps for disseminating and publicising the pension option, including through the concerned branches and retired employees' bodies, and there is no material on record to show that any such step was taken qua Shobha Bajaj.

Facts

3. Shobha Bajaj joined the State Bank of Patiala ("SBP") as a Clerk on 16th April, 1982. She opted for voluntary retirement under the State Bank of Patiala Voluntary Retirement Scheme, 2001 ("SBPVRS 2001") and was relieved from service on 31st March, 2001. The Bank records her qualifying service as 18 years, 11 months and 15 days. During the course of hearing, Mr. Rajiv Kapur clarified that Shobha Bajaj was a provident fund optee, The matter is accordingly considered on that basis.

4. The Bipartite Settlement dated 27th April, 2010 extended another option for joining the pension scheme to specified categories of employees who had not opted for pension earlier. The benefit was also extended to employees who had taken voluntary retirement under a special voluntary retirement scheme after rendering a minimum of fifteen years of service, subject to compliance with the conditions applicable to retirees.

5. On 17th November, 2015, SBP issued Circular No. PER/PER/31/15-16 granting a second option for pension to retired employees and officers. The Circular expressly included employees who had retired under SBPVRS 2001 after completing at least fifteen years of service, whether they were provident fund optees or pension optees. The option opened on 17th



November, 2015 and applications were required to be received by 16th December, 2015. The Circular also contemplated steps by the PPG Department and the concerned Branch/Department Heads for identifying eligible retirees, issuing option letters and giving publicity to the scheme.

6. SBP subsequently merged with the State Bank of India with effect from 1st April, 2017.

7. Following the decision of the Supreme Court in **Radhey Shyam Pandey**, Shobha Bajaj approached the Bank seeking grant of pension. By communication dated 20th June, 2020, in response to her letter dated 9th June, 2020, the Bank rejected her request in the following terms:

“With reference to your letter dated 09.06.2020, we advise that at the time of taking VRS you had availed VRS under VRS 2001 Scheme of State Bank of Patiala (now e-SBP).

The case referred by you is applicable to the employees of State Bank of India. Hence, your request for sanction of pension is not tenable.”

8. The rejection did not refer to either the Bipartite Settlement dated 27th April, 2010 or the Circular dated 17th November, 2015. Reliance on these documents was subsequently placed by the Respondents in opposition to the writ petition.

9. Shobha Bajaj died on 27th July, 2023 during the pendency of these proceedings. Her legal representatives were thereafter brought on record. What survives for consideration is her claim to pension during her lifetime and, subject to the governing rules, the claim to family pension thereafter.

Submissions

10. Ms. Puja Jakhar, counsel for the Petitioner contends that Shobha Bajaj had rendered more than fifteen years of service and could not have been denied pension merely because she had not completed twenty years.



Reliance is placed on ***Radhey Shyam Pandey*** and other decisions concerning pensionary entitlement of employees retiring under special voluntary retirement schemes. In the alternative, Regulation 14 of the State Bank of Patiala (Employees') Pension Regulations, 1995 is also invoked. As regards the pension options subsequently extended by the Bank, it is submitted that neither the settlement dated 27th April, 2010 nor the Circular dated 17th November, 2015 was ever communicated to Shobha Bajaj. Particular emphasis is placed on the mechanism contemplated under the 2015 Circular for bringing the option to the notice of eligible retirees, and it is submitted that there is no material to show that any such exercise was undertaken in her case. The plea of delay is resisted on the ground that non-payment of pension gives rise to a continuing cause of action. Ms. Jakhar further states that the legal representatives of Shobha Bajaj are ready and willing to restore the provident fund benefit and comply with the financial conditions applicable under the pension option.

11. Mr. Rajiv Kapur, SC for the Respondents, disputes the claim. It is submitted that eligibility to retire under SBPVRS 2001 cannot be equated with entitlement to pension and that, under Regulation 29 of the Pension Regulations, twenty years of qualifying service were necessary. Shobha Bajaj, being a provident fund optee, was subsequently afforded opportunities to join the pension scheme under the settlement dated 27th April, 2010 and again under the Circular dated 17th November, 2015, but exercised neither option nor refunded the Bank's contribution to provident fund with the stipulated amounts. Having accepted the provident fund and ex gratia benefits under VRS, she cannot, it is urged, seek to enter the pension regime nearly two decades later. Mr. Kapur also rely upon delay and laches and



contend that reopening such claims would entail substantial financial implications for the pension fund.

Analysis

12. The starting point is SBPVRS 2001 itself. Clause 3 made the scheme available to permanent employees who had put in fifteen years of service or had completed forty years of age as on 31st December, 2000. Clause 7 dealt separately with the benefits which followed retirement and, in material part, provided:

“7. Other benefits.—

...

(iii) Pension or Bank’s contribution to Provident Fund as the case may be as per rules applicable on the relevant date on the basis of actual years of service rendered.”

13. There is a distinction between eligibility to retire under the VRS and entitlement to pension. Completion of fifteen years under Clause 3, by itself, cannot be treated as an automatic exercise of a pension option by an employee who remained under the provident fund regime. Equally, Regulation 29 cannot be read as though every retirement under a specially framed VRS was an ordinary voluntary retirement under that Regulation.

14. ***Bank of Baroda v. Ganpat Singh Deora***,² drew precisely this distinction. The Supreme Court held that Regulation 29 dealt with an employee retiring voluntarily *dehors* a special VRS and did not govern retirement under the special scheme in the same manner. The pension entitlement of a VRS retiree had to be found in the scheme read with the applicable pension regulations. ***Regional Manager, Punjab National Bank***

² (2009) 3 SCC 217.



v. Dharam Pal Singh,³ thereafter reiterated, in the context of a similar VRS, the requirement of fifteen years of qualifying service.

15. *State Bank of Patiala v. Krishna Aneja*,⁴ is closer home. It concerned SBPVRS 2001 itself. Upon remand by the Supreme Court, the Division Bench examined the VRS with the SBP Pension Regulations and rejected the claim because the employee had rendered less than fifteen years of service. That impediment does not arise in the present case. Shobha Bajaj had admittedly rendered 18 years, 11 months and 15 days of qualifying service and, therefore, comfortably satisfied the fifteen-year threshold which the employee in *Krishna Aneja* had failed to meet.

16. The Court need not, however, decide whether SBPVRS 2001, by itself, conferred pensionary entitlement on every employee retiring after fifteen years of service. The subsequent measures adopted by SBP make it unnecessary to answer that question in the present case.

17. On 27th April, 2010, a Bipartite Settlement extended another opportunity to join the pension scheme. Clause 4 specifically dealt with employees of the Associate Banks of State Bank of India who had ceased to be in service on or after 26th March, 1996 on account of voluntary retirement under a special scheme. An employee who had rendered a minimum of fifteen years was declared eligible to exercise the option, subject to the conditions prescribed for retired employees.

18. Those conditions were financial as well as procedural. A retired employee had to exercise the option in writing within sixty days from the offer and refund the Bank's contribution to provident fund together with the

³ (2014) 13 SCC 484.

⁴ 2016 SCC OnLine P&H 4873.



interest received thereon. The settlement also required an additional contribution, quantified at 56% of the Bank's provident fund contribution together with the interest received at retirement. Pension or family pension for a retiree opting under this arrangement was made payable with effect from 27th November, 2009, where retirement had occurred earlier.

19. The implementation instructions are relevant. The Indian Bank's Association ("IBA") advised the participating Banks to communicate to retirees at their last known addresses the amount of the Bank's provident fund contribution with interest, the additional 56% contribution and the commutation amount. It also contemplated publicity through newspapers and permitted the commuted value of pension to be set off against the amount required for joining the pension scheme.

20. SBP reopened the matter once more on 17th November, 2015. Circular No. PER/PER/31/15-16 was captioned "2nd Option for Pension to Retired Employees/Officers". In respect of VRS 2001 retirees it stated:

"VRS 2001 OPTees: To extend the 2nd option of the pension to all the retirees (PF optees or Pension optees) who retired after completing 15 years of minimum service under VRS 2001."

21. For a PF optee, the circular incorporated the financial terms of the settlement dated 27th April, 2010. The opening date was 17th November, 2015 and applications were to be received by 16th December, 2015.

22. This document answers one part of the controversy without difficulty. Whatever may have been the Bank's understanding of Regulation 29 in 2001, by November 2015 it had itself placed VRS 2001 retirees with fifteen years or more of service within the class entitled to exercise the pension option. Indeed, the counter affidavit states in terms that the Petitioner,



having retired under VRS 2001, “was entitled for 2nd option of pension” and that the option extended to PF and pension optees who had completed fifteen years. The contention that she was altogether ineligible because she had not completed twenty years cannot survive that position.

23. That does not mean that pension followed automatically. Shobha Bajaj was a PF optee. To enter the pension regime she had to exercise the option and accept the financial conditions attached to it. On this limited point, the Bank is right. Eligibility for an option and exercise of that option are different things.

24. The difficulty for the Bank lies elsewhere. The Circular dated 17th November, 2015 did not merely announce a deadline and leave retirees to discover the scheme for themselves. It created a machinery for taking the option to them. PPFG was required to scrutinise applications, issue option letters and advise eligible retirees of the amount payable. If the address of a retiree was unavailable with PPFG, the branch or office where the employee had last served was to be contacted and that branch or office was required to ensure that the option forms, together with a copy of the circular, were sent to or received by the retired employee or the family of a deceased employee within the stipulated dates. The circular also directed the Bank to enlist retired employees’ associations and branches for publicity.

25. The Petitioner describes the circular as an “internal circular”. That description is not quite accurate in its legal effect. It was an implementing instruction addressed internally because the branches and the PPFG Department were the agencies through which the offer was to reach retired employees. Its internal circulation did not dispense with that outward exercise. It required it.



26. The significance of these provisions must be considered in light of the terms of the particular scheme. In *Pepsu Road Transport Corporation, Patiala v. Mangal Singh*,⁵ the Supreme Court held that individual notice of the pension option was not necessary since the governing Regulations contained no requirement of individual service. It further held that knowledge of the option could be inferred from the conduct of the employee and the surrounding circumstances. In doing so, the Court distinguished *Dakshin Haryana Bijli Vitran Nigam v. Bachan Singh*,⁶ where the governing instructions expressly required the instructions to be noted by all employees and receipt thereof to be acknowledged.

27. The converse principle is equally settled. In *Calcutta Port Trust v. Anadi Kumar Das*,⁷ the Supreme Court held that where a pension option is extended to retired employees, the employer must adopt a suitable mechanism for bringing the option to their notice. Mere display of the circular on the notice board of the Head Office was held insufficient for this purpose. The Court contemplated, amongst other modes, publication in a newspaper, communication of the circular to the retirees, or its circulation through employees' or officers' associations. The absence of material showing that reasonable steps were taken to disseminate the option is therefore relevant when a retiree asserts that the option never came to his knowledge. At the same time, personal communication is not indispensable: the employer may establish, by other evidence, that the concerned retiree was in fact aware of the option. Whether sufficient communication or knowledge is established must consequently be determined on the pleadings

⁵ (2011) 11 SCC 702.

⁶ (2009) 14 SCC 793.



and evidence in each case.

28. A close factual parallel is found in the decision of the Bombay High Court in *K.K. Balasubramaniam v. Union Bank of India*.⁸ There too, the employees had retired under a special VRS after completing the requisite fifteen years of service, and the subsequent pension circular contemplated sending option forms to their last known addresses. Although the Bank relied upon general publicity, there was no material to show that the option forms had been sent to the Petitioners or that they were otherwise aware of the option. The Bombay High Court therefore permitted them to exercise the option belatedly, subject to compliance with the financial conditions of the scheme.

29. Tested on these principles, the Bank has placed no material to show that the 2015 option was brought to Shobha Bajaj's notice. It is true that, under the Circular, the issuance of an option letter ordinarily followed receipt and scrutiny of an application. The absence of an option letter addressed to her is, therefore, not by itself determinative. What is material is that the Circular also contemplated affirmative steps for dissemination of the scheme amongst eligible retirees, including collection of their particulars through the branches and offices from which they had retired and publicity through retired employees' associations and the Bank's branch network. There is no material to show that any of these steps were undertaken in that regard or that the option otherwise came to the knowledge of Ms. Shobha before 16th December, 2015.

30. Mere circulation of the Circular amongst the Bank's branches does

⁷ (2014) 3 SCC 617.

⁸ In W.P.(C) 242/2015 & other connected matters, decided on 19th March, 2019.



not answer this deficiency. Shobha Bajaj had retired in 2001 and was no longer part of the working establishment from whom knowledge of an internal branch circular could ordinarily be inferred. In the absence of material showing either implementation of the dissemination measures contemplated by the Circular or her actual knowledge of the option, the Bank cannot presume such knowledge merely from issuance of the Circular.

31. There is another circumstance in the record which cannot be ignored. When Shobha Bajaj claimed pension in June 2020, the Bank did not reject her request on the ground that she had failed to avail of the pension options extended in 2010 or 2015. It rejected the request solely because **Radhey Shyam Pandey** concerned SBI, whereas she had retired from SBP. This omission is not conclusive of whether the 2015 option had been brought to her notice. It is, however, significant that the Bank's contemporaneous response made no reference to the very option, or its expiry, which is now relied upon to defeat her claim.

32. Mr. Kapur sought to explain the absence of proof by stating that records are retained for eight years as per Rule 3 of the Banking Companies (Period of preservation of Records) Rules, 1985. That explanation does not carry the matter far. The Bank filed its counter affidavit in April 2022 and invoked the 2015 circular as a defence at that stage. The counter was thus filed nearly seven years after the second option. On the Bank's own stated retention period, the relevant record ought ordinarily to have remained available when this defence was taken. Once the Petitioner specifically denied communication and proceedings were pending, routine destruction of records could not improve the evidentiary position. The Court cannot draw an inference beyond what the record permits. The simple fact remains that



the Bank has not shown compliance with the communication procedure upon which its own circular proceeded.

33. The Bank's reliance upon delay requires separate consideration. Ms. Jakhar characterises non-payment of pension as a continuing cause of action. The Court would not uphold the petition on such wide a proposition. ***Union of India v. Tarsem Singh***,⁹ recognises the recurring nature of non-payment of pension where the entitlement already exists. That principle does not, by itself, make a time-bound opportunity to enter the pension regime a continuing one. The two stand on a different footing. The consequence of this distinction assumes significance where the claimant, despite acquiring knowledge of such an option, allows the matter to remain dormant for a considerable period.

34. A recent decision of this Court in ***Savitri Devi v. Bank of Maharashtra***,¹⁰ is illustrative in this regard. Even assuming that the claimant had not been informed of the pension option before the stipulated cut-off, she admittedly knew of it by March 2011 and the matter was taken up with the Bank in 2014. No legal proceedings were thereafter initiated for more than a decade. The Court held that a one-time option to enter the pension scheme could not, in such circumstances, be treated as a continuing entitlement.

35. In the present case, however, there is no evidence that Shobha Bajaj knew of the 2015 option before it closed. When she eventually sought pension in 2020, the Bank did not tell her that an earlier option had expired. She approached this Court in 2021. The 2010 settlement and the 2015

⁹ (2008) 8 SCC 648.

¹⁰ In W.P.(C) 10777/2025, decided on 7th July, 2026.



circular emerged as substantive defences in the proceedings themselves. This is therefore not a case of a retiree who knew of an option, chose not to exercise it, and sought to reopen that choice after years of inaction.

36. ***Radhey Shyam Pandey*** can now be placed in its proper position. The Supreme Court held that employees who had completed fifteen years or more were entitled to proportionate pension under SBI VRS, to be computed under the SBI Pension Fund Rules. ***State Bank of Patiala v. Romesh Chander Kanoji***,¹¹ had earlier held, in the context of withdrawal under the voluntary retirement schemes, that SBPVRS was similar to SBIVRS, while cautioning that each scheme, for purposes of enforceability, must be read as a whole. As noted above, it is unnecessary in the present case to decide whether the operative direction in ***Radhey Shyam Pandey*** applied *proprio vigore* to employees of the erstwhile SBP. Shobha Bajaj's case rests independently on SBP's own Circular dated 17th November, 2015, which expressly brought her category within the pension option.

37. For the same reason, it is unnecessary to examine the Petitioner's alternative argument regarding Regulation 14. That proposition *prima facie* travels beyond what this case requires and does not sit comfortably with ***Ganpat Singh Deora, Dharam Pal Singh*** and ***Krishna Aneja***. The case can and should be decided on the narrower ground supplied by SBP's own pension arrangement.

38. Nor does acceptance of the *ex gratia* amount under VRS defeat the claim. The pension option of 2010, and again of 2015, was expressly intended for persons who had already ceased to be in service, including those who had taken retirement under special VRS schemes. Those



employees had necessarily received the terminal benefits applicable to their existing provident fund regime. The settlement dealt with that very circumstance by requiring restoration of the Bank's provident fund contribution and an additional contribution towards the funding gap. Availing the later pension option was therefore not inconsistent with retirement under the VRS or receipt of the benefits thereunder. It was a course expressly contemplated by the subsequent settlement and circular.

39. This also answers the concern of double benefit. A PF optee cannot retain the Bank's provident fund contribution and simultaneously receive pension as if she had always belonged to the pension fund. The Petitioner does not seek such an advantage. Counsel for the Petitioner has accepted the obligation to restore the amount prescribed under the second option.

40. The terms of that restoration must, however, be those which the Bank itself prescribed. The 2015 circular required 156% of the Bank's contribution to provident fund together with the interest thereon received at retirement, the additional 56% representing the employee's share of the funding gap. It further provided that no interest would be charged for the period during which the amount remained with the retiree and, correspondingly, no interest would be payable on pension arrears. The last date originally fixed for such refund was 20th January, 2016.

41. The statement made on behalf of the Petitioner that the legal representatives are willing to refund the amount "with interest" should not place them in a position worse than an employee who exercised the option in 2015. They must bear every financial condition of the option, but no more. The additional 56% is payable. Further interest for the subsequent period is

¹¹ (2004) 2 SCC 651.



not, because the Bank expressly chose not to levy it under the circular.

42. The plea concerning financial burden also does not persuade the Court otherwise. The second pension option was not an unfunded concession. The 56% additional contribution was itself devised towards the actuarially assessed funding gap. More importantly, this Court is not reopening the pension option for an indeterminate class of former employees. The conclusion rests on the evidence concerning this Petitioner and the absence of proof that the Bank implemented its communication mechanism in her case.

43. The proper relief is therefore not to declare that Shobha Bajaj became a pensioner automatically on 1st April, 2001. That would bypass the very option on which the present conclusion rests. The appropriate course is to restore her to the position in which she would have stood had the 2015 option been duly made available to her. That entails the benefit as well as the burden of the option.

44. Shobha Bajaj unequivocally sought pension in June, 2020 and continued to assert that claim in this petition. In the peculiar circumstances of this case, that request may be treated as an election to join the pension scheme, subject to completion of the prescribed formalities and satisfaction of the financial conditions. Her death during the pendency of the petition cannot extinguish the monetary consequences of a claim which she had herself asserted and was prosecuting.

45. As regards the period for which pension is payable, the Petitioner seeks arrears from 1st April, 2001. That relief cannot follow from the route on which the petition succeeds. Clause 5 of the settlement dated 27th April, 2010 made pension or family pension payable from 27th November, 2009 to



employees who had retired before that date and subsequently opted into the pension scheme. Since the second option of 2015 adopted the 2010 arrangement for VRS 2001 PF optees, the monetary benefit must carry the same commencement. There is no basis to place the Petitioner in a better position than an employee who exercised the option when it was originally offered.

46. Accordingly, pension arrears shall carry no interest, consistently with the terms of the 2015 Circular.

47. The petition is accordingly allowed in part in the following terms:

(i) The communication dated 20th June, 2020 rejecting Shobha Bajaj's claim for pension is set aside.

(ii) The Respondents shall treat her representation dated 9th June, 2020, read with the claim pursued in this petition, as an election to avail the second pension option under Circular No. PER/PER/31/15-16 dated 17th November, 2015.

(iii) Within four weeks, the Respondents shall furnish to the legal representatives a statement showing the amount required to be restored under the settlement dated 27th April, 2010 read with the Circular dated 17th November, 2015. The calculation shall comprise the Bank's contribution to provident fund together with the interest thereon which was received at the time of retirement and the additional 56 per cent prescribed towards the funding gap. No further interest for the period thereafter shall be added.

(iv) Since Shobha Bajaj has died during the pendency of the petition, requiring her legal representatives first to deposit the entire amount and thereafter receive pension arrears would serve no useful purpose. The Respondents may adjust the amount due to the Bank against the pension and



family pension arrears found payable. If the amount payable to the Bank exceeds those arrears, the legal representatives shall deposit the shortfall within six weeks of its communication. If the calculation leaves a balance in favour of the Petitioner's estate, the same shall be released.

(v) Upon such adjustment or payment, as the case may be, pension shall be calculated in respect of Shobha Bajaj with effect from 27th November, 2009 until her death on 27th July, 2023. The Respondents shall thereafter determine and release family pension with effect from 28th July, 2023 to the person entitled to receive it under the applicable Pension Regulations and the settlement.

(vi) The entire exercise shall be completed within twelve weeks from today. No interest shall be payable on arrears released within that period. If the Respondents fail to release the net amount found payable within the time fixed above, the outstanding sum shall thereafter carry simple interest at 6% per annum until payment.

(vii) The prayer for pension from 1st April, 2001 and the claim of INR 1,00,000 towards compensation are declined.

48. The writ petition and pending applications, if any, stand disposed of in the above terms. There shall be no order as to costs.

SANJEEV NARULA, J

AUGUST 17, 2026/as