2025:PHHC:163274

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

104 **CWP-17837-2020**
DECIDED ON:18.11.2025

LOK INDRA AND ANOTHER
...PETITIONERS

VERSUS

BANK OF INDIA AND OTHERS
....RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SANDEEP MOUDGIL.

Present: Mr. Shashank Shekhar Sharma, Advocate
for the petitioners.

Mr. A.K. Yadav, Advocate for
Mr. R.N. Lohan, Advocate
for the respondents.

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SANDEEP MOUDGIL, J

1. Prayer

The jurisdiction of this Court under Articles 226/227 of the Constitution of India has been invoked seeking issuance of a writ in the nature of *Certiorari* quashing the letter/order dated 11.07.2019 (Annexure P-1) vide which *Ex-gratia* lump sum amount in lieu of compassionate appointment has been rejected with further prayer for quashing the letter/order dated 25.02.2015 (Annexure P-2) rejecting the request of the petitioners for compassionate appointment and also to quash the Clause 6(VII)(i) & 6 (VII)(v) of the scheme for payment of *Ex-gratia* in lieu of compassionate appointment dated 15.01.2015 being benefits received on the untimely death of the deceased.

2. ***Brief Facts***

The husband of Petitioner No.1 (hereinafter referred to as “the deceased”) was appointed as Subordinate Staff in the Respondent Bank on 01.08.1981 and had rendered approximately 33 years of unblemished service. He suddenly passed away on 25.06.2014, at the age of 51 years, while still in service. After his demise, Petitioner No.2, the son of the deceased, submitted an application dated 21.08.2014 seeking compassionate appointment, followed by another request dated 21.02.2015 by Petitioner No.1 seeking appointment on compassionate grounds. However, the Respondent Bank rejected the request vide letter dated 25.02.2015 on the ground that the scheme for compassionate appointment was not in force on the date of death, and that only an ex-gratia scheme was applicable. The Petitioners state that no officer ever approached them for ex-gratia formalities and that the assertion of refusal on their part is false. Despite severe financial hardship, the Petitioners later applied for ex-gratia vide letter dated 07.07.2017. The Bank rejected the claim on 11.07.2019 citing delay beyond six months and alleging that the family’s monthly income exceeded 60% of the deceased’s last drawn salary figures which the Petitioners assert are fabricated and contrary to the record. The Petitioners contend that the Bank acted arbitrarily in denying both compassionate appointment under the scheme operative at the time of consideration and ex-gratia under the scheme in force at the time of death, thereby defeating the very purpose of such welfare schemes.

3. ***Contentions***

On behalf of Petitioners

At the outset, learned counsel for the petitioners submits that the impugned orders dated 25.02.2015 (Annexure P-2) and 11.07.2019 (Annexure

P-1) are arbitrary, illegal and defeat the very object of compassionate appointment and ex-gratia schemes. The Respondent Bank has acted mechanically, ignoring that the deceased sole breadwinner of the family died suddenly on 25.06.2014, leaving the petitioners in severe financial distress.

Further submission is that the rejection on the ground that no compassionate appointment scheme was in force on the date of death is wholly untenable. He relies upon the judgment of the Apex Court rendered in the case of "***State Bank of India v. Raj Kumar", (2010) 11 SCC 661***, stating that the scheme in force on the date of consideration of the application must apply. Thus, once 2014 scheme came into effect on 05.08.2014, the application dated 21.08.2014 submitted by the petitioners ought to have been considered under the new scheme, making the Bank's contrary stand unsustainable.

The second ground that the petitioners did not apply for ex-gratia within six month, is equally misconceived, as firstly the application was filed on 21.08.2014 i.e. within two months of the death. The mere fact that it sought compassionate appointment cannot bar ex-gratia relief, particularly when the dependents were unaware of technical distinctions and the Bank had a duty to inform them. The allegation that the petitioners refused to sign ex-gratia papers is unsubstantiated and contrary to the consistent follow-up made by the petitioners, including again in 2017.

The third ground that the family income exceeded 60% of the last drawn salary of the deceased is arbitrary and contrary to the scheme. The Bank inflated the income by including interest on Provident Fund, Gratuity and Leave Encashment, which are one-time terminal benefits and cannot legally be treated as monthly income. Such an approach defeats the very purpose of financial-hardship evaluation.

On behalf of Respondents

Learned counsel for the respondents submits that the impugned orders dated 25.02.2015 (P-2) and 11.07.2019 (P-1) rejecting the petitioners' claims are legal, valid, and fully in accordance with the applicable ex-gratia scheme. It is contended that the petitioners were not solely dependent on family pension, as they had already received terminal benefits amounting to Rs. 11,57,686/-, the notional monthly interest on which comes to approximately Rs. 8,200/-, in addition to a family pension of Rs. 11,458.67/-. The total monthly income of Rs. 20,458/- exceeds 60% of the deceased employee's last drawn salary, thereby rendering the petitioners ineligible for ex-gratia relief under the scheme.

Reliance is placed on the judgment of the Hon'ble Supreme Court in the case of "***Umesh Kumar Nagpal v. State of Haryana",*** wherein it has been held that compassionate employment cannot be granted after the lapse of a reasonable period, as it is not a vested right to be exercised at any future time; its purpose is only to assist the family in overcoming the financial crisis immediately following the death of the sole breadwinner. The respondents further rely upon ***"Punjab National Bank v. Ashwini Kumar Taneja" [(2004) 7 SCC 265], "General Manager (D&PB) v. Kunti Tiwary" [(2004) 7 SCC 271], and "State Bank of India v. Jaspal Kaur" [(2007) 9 SCC 571],*** wherein the Apex Court upheld the consideration of notional interest on terminal benefits as part of the family's monthly income. Clause 5(b)(6)(i) of the relevant circular also mandates such inclusion. In light of these settled principles, the judgment dated 31.01.2020, relied upon by the petitioners, is liable to be set aside.

It is further argued that Petitioner No. 2, being 33 years of age and educated (10+2 with a computer course), cannot be presumed to be unemployed. The petitioners also failed to apply for ex-gratia within the required period of six months from the date of death, or even within six months of the communication dated 25.02.2015; their first such request was received only on 14.06.2018. The letter dated 07.07.2017 was neither addressed nor endorsed to the respondent. Despite repeated attempts by the Bank to obtain signatures for processing the ex-gratia claim, the petitioners did not cooperate. Clause 6 of the scheme is neither arbitrary nor discriminatory, and the scheme applicable at the time of death governs the claim. As the petitioners have no enforceable right and no substantial question of law arises, the writ petition is wholly misconceived and deserves to be dismissed with costs.

4 Analysis

Having heard learned counsel for the parties and upon perusal of the material on record, this Court is of the considered view that the impugned orders dated 25.02.2015 (Annexure P-2) and 11.07.2019 (Annexure P-1) are legally unsustainable. It is not in dispute that the deceased employee died in harness on 25.06.2014, leaving the petitioners in severe financial distress. The first request made by the petitioners on 21.08.2014 within two months of the death was required to be examined under the compassionate appointment scheme of 2014, which had already come into operation on 05.08.2014. As held by the Supreme Court in ***Raj Kumar*** **(supra)**, the governing scheme is the one in force on the date the application is considered, and not the one prevailing on the date of death. The Bank's rejection solely on the ground that no compassionate appointment scheme existed on the date of death is therefore arbitrary and contrary to the settled legal position.

The decisions relied upon by the respondents, including ***Nagpal and Ashwani Kumar Taneja***, are distinguishable, as those cases concerned belated or stale claims where the financial crisis had abated. In contrast, the petitioners here approached the Bank promptly. The further contention that the petitioners failed to apply for ex-gratia within six months is also untenable. The application dated 21.08.2014 cannot be discarded merely because it sought compassionate appointment instead of ex-gratia, particularly when the Bank was under an obligation to guide the petitioners regarding the available remedies. No material has been produced to substantiate the allegation that the petitioners refused to sign any documents for processing ex-gratia.

The reliance placed by the Bank on notional interest accrued on terminal benefits for assessing monthly income is equally misconceived. Terminal benefits such as provident fund, gratuity and leave encashment are one-time corpus payments and cannot lawfully be converted into recurring monthly income for determining financial hardship. Such an approach defeats the very object of compassionate appointment and ex-gratia assistance.

Viewed cumulatively, the respondent-Bank proceeded in a mechanical manner, misapplied the governing scheme, treated non-recurring corpus amounts as monthly income, and failed to follow binding precedent. The impugned orders therefore suffer from arbitrariness, non-application of mind and cannot withstand judicial scrutiny.

7. Conclusion

For the reasons recorded above, the impugned orders dated 25.02.2015 (Annexure P-2) and 11.07.2019 (Annexure P-1) are hereby set aside.

The respondent-Bank is directed to:

1. *Consider the petitioners' claim for compassionate appointment afresh under the 2014 scheme, which came into force on 05.08.2014; or, in the alternative,*
2. *Grant ex-gratia assistance under the scheme applicable at the time of*

death, without treating notional interest on terminal benefits as monthly income.

The above exercise shall be completed within **eight weeks** from the date of receipt of this judgment.

The writ petition is **allowed** in the above terms.

No order as to costs.

(SANDEEP MOUDGIL)
JUDGE

18.11.2025
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Whether speaking/reasoned *:Yes/No*
Whether reportable *:Yes/No*