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

\+ W.P.(C) 16793/2006, CM APPL. 36263/2023

GURDEEP SINGH CHADHA .....Petitioner

Through: Mr. Shivanshu Bhardwaj along with Mr. Archit Mudgal, Mr. Himanshu Bhardwaj and Mr. Shashank Mittal, Advocates.

versus

PUNJAB & SIND BANK .....Respondent

Through: Mr. Rajat Arora, Mr. Niraj Kumar and Mr. Sourabh Mahla, Advocates.

CORAM:
HON'BLE MR. JUSTICE ANUP JAIRAM BHAMBHANI

ORDER

% **28.08.2025**

CM APPL. 21426/2025

Pursuant to order dated 15.04.2025, reply to this application has been filed on behalf of the respondent/Punjab & Sind Bank under cover of Index dated 30.07.2025.

2. The court has heard Mr. Shivanshu Bhardwaj, learned counsel appearing for the petitioner; as well as Mr. Rajat Arora, learned counsel appearing for the respondent, on this application.

3. Mr. Bhardwaj submits that *vide* order dated 24.02.1997 read with order dated 02.05.1997, the petitioner (since deceased and now represented by his legal representatives) was awarded the punishment of compulsory retirement, which punishment is subject matter of the present proceedings.

4. Mr. Bhardwaj argues, that regardless of the fate of the challenge to the punishment so awarded, Regulation 33 of the Punjab & Sind Bank (‘Employees’) Pension Regulations, 1995 [‘Pension Regulations’]

mandates that where *compulsory retirement is awarded as a penalty* to an employee, such employee is nevertheless entitled to be granted pension at a rate *not less than two-thirds of the full pension*; and therefore the petitioner, and now his legal representatives, are entitled to grant of such pension from 02.05.1997 onwards.

5. Attention in this behalf is drawn to Regulation 33 of Pension Regulations, which reads as under:

> ***33. Compulsory Retirement Pension***
>
> *(1) An employee compulsorily retired from service as a penalty on or after 1st day of November, 1993 in terms of Punjab & Sind Bank Officer Employees' (Discipline And Appeal) Regulations, 1981 or awards/settlements **may** be grated by the authority higher than the authority competent to impose such penalty, pension at a rate **not less than two-thirds and not more than full pension** admissible to him on the date of his compulsory retirement if otherwise he was entitled to such pension on superannuation on that date.*
>
> *(2) Whenever in the case of a bank employee the Competent Authority passes an order (whether original, appellate or in exercise of power of review) awarding a pension less than the full compensation pension admissible under these regulations, the Board of Directors shall be consulted before such order is passed.*
>
> *(3) A pension granted or awarded under sub-regulation (1), or, as the case may be, under sub-regulation (2), shall not be less than the amount of rupees three hundred and seventy five per mensem.*

(emphasis supplied)

6. On the other hand, Mr. Arora, learned counsel for the Bank argues that Regulation 33 must be read in conjunction with Regulation 22 of the aforesaid regulations, which is extracted in their reply and reads as follows:

> ***22. FORFEITURE OF SERVICE—***
>
> *(1) Resignation or dismissal or removal or termination of an employee from the service of the Bank shall entail forfeiture*

of his entire past service and consequently shall not qualify for pensionary benefits;

(emphasis supplied)

7. Furthermore, Mr. Arora also submits that even if the prayer in the application is to be allowed, it must in any case, be subject to Regulation 3(3)(c) of the said regulations, which reads as follows:

3. Application

These regulations shall apply to employees who

(1) * * * * *

(2) * * * * *

(3) (a) are in the service of the bank before the notified date and continue to be in the service of the Bank on or after the notified date; and

(b) exercise an option in writing within one hundred and twenty days from the notified date to become member of the Fund; and

(c) authorize the trust of the Provident Fund of the Bank to transfer the entire contribution of the Bank alongwith the interest accrued thereon to the credit of the Fund constituted for the purpose under Regulations 5; or

(emphasis supplied)

8. Mr. Arora argues, that where compulsory retirement is awarded by way of penalty, the position of an employee would be the same as one who has been terminated from service; and that therefore, in light of Regulation 22, the entire past service would stand forfeited; and such employee would consequently not qualify for any pensionary benefits at all.

9. Mr. Bhardwaj, learned counsel appearing for the petitioner submits, that a perusal of orders dated 24.02.1997 and 02.05.1997 would show that what was imposed upon the petitioner was punishment of

‘compulsory retirement’ which is different and distinct from a punishment of ‘termination’ as contemplated in Regulation 22; and that therefore, the said regulation has no application to the petitioner’s case.

10. Upon a conspectus to the submissions made, as well as the record before this court; and upon a meaningful reading of Regulation 33, Regulation 22 as well as Regulation 3(3)(c) of the Pension Regulations, this court is of the view, that since *admittedly* the petitioner was never *dismissed* or *removed* or *terminated* from service, and the *only* punishment awarded to him was that of *compulsory retirement* by way of penalty, the petitioner (and now his LRs) are entitled to be granted pension in terms of Regulation 33 of the Pension Regulations.

11. Furthermore, from a plain reading of Regulation 33(1) in the context of Regulation 33(2) and (3), it is also clear that the word ‘may’ appearing in Regulation 33(1) applies only in relation to the *proportion of pension* that is to be granted to an employee, that is to say, the competent authority has the discretion to grant pension of *“not less than two-thirds and not more than full pension”* (the latter option in any case being an anomaly), but the competent authority has no discretion to *not* award any pension at all.

12. This is the clear inference that can be drawn from the fact that Regulation 33(2) also mandates that where the competent authority awards pension that is *less* than the full pension permissible under the regulations, the competent authority must consult the Board of Directors *before* such order is passed.

13. Clearly therefore, a combined reading of Regulations 33(1), (2), and (3) shows that the mandates is that pension *must be awarded* to an employee who is compulsorily retired from service by way of penalty; and the regulation only grants discretion to the competent authority to award pension that is *not less than two-thirds* and *not more than the full pension*, with a further caveat that where the competent authority proposes to award less than full pension, it must first consult the Board of Directors.

14. As for the respondent's contention that the punishment of compulsory retirement by way of penalty amounts to termination of the employee, this court is unable to agree with that submission on the basic premise that in service law, 'termination' and 'compulsory retirement' by way of penalty are two different and distinct concepts and the two cannot be equated.

15. However, insofar the Regulation 3(3)(c) is concerned, as canvassed on behalf of the respondent/Bank, this court would only observe that the petitioner shall be entitled to receive pension in terms of Regulation 33 *subject to* the conditions and requirements contained in Regulation 3(3)(c).

16. Since the petitioner is stated to have passed away on 25.10.2013, it is further clarified that the arrears of 'pension' that were due to the petitioner shall be paid to his widow, Smt. Rajinder Kaur, for the period 02.05.1997 to 24.10.2013; and subsequently the 'family pension' as due shall be paid to Smt. Rajinder Kaur for the period from 25.10.2013 onwards.

17. The present application is disposed-of in the above terms, directing that pension in the above terms shall be paid by the respondent to the Smt. Rajinder Kaur within 04 weeks.

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18. As recorded in para 2 of order dated 15.04.2025, in view of the decision on the aforesaid application and considering the age of Smt. Rajinder Kaur, learned counsel for the petitioners submits, that the petitioners do not wish to press the present writ petition on merits any further.

19. The writ petition is accordingly disposed-of as not pressed.

20. Pending applications, if any, stand disposed-of.

ANUP JAIRAM BHAMBHANI, J

AUGUST 28, 2025/ss