

CWP-23651-2024 & FOUR CONNECTED CASES

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IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

232(5 cases)

Date of decision:12.03.2026

1. CWP-23651-2024

Surinder Singh and others
.....Petitioners

VERSUS

State of Punjab and others
.....Respondents

2. CWP-25207-2024

Mool Chand and others
.....Petitioners

VERSUS

State of Punjab and others
.....Respondents

3. CWP-25204-2024

Boor Chand and others
.....Petitioners

VERSUS

State of Punjab and others
.....Respondents

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4. CWP-25423-2024

Tara Chand and others
.....Petitioners

VERSUS

State of Punjab and others
.....Respondents

5. CWP-1176-2025

Raghvir Singh and others
.....Petitioners

VERSUS

State of Punjab and others
.....Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present : Mr. Sunny Singla with Mr. Riti Aggarwal, Advocates for the petitioners in CWP Nos.23651, 25207, 25423 of 2024.

Mr. P.K. Goklaney with Mr. Ashish Goklaney, Advocates for the petitioners in CWP-25204-2024.

Mr. A.S. Walia, Advocate for the petitioners in CWP-1176-2025.

Mr. Vikas Chatrath, Sr. Advocate with Ms. Sheena Verma and Mr. Tanya Bhuri, Advocates for respondent No.3-Mandi Board in CWP-25207-2024.

Ms. Monika Sharma, Advocate for respondent No.3 in CWP-1176-2025.

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Mr. Ashish Gupta, Advocate for Mr. PIP Singh, Advocate for respondents No.2 to 4 in CWP-23651-2024.

Mr. Vikas Sonak, AAG Punjab-State.

HARPREET SINGH BRAR, J. (Oral)

1. All of the abovementioned writ petitions are being considered on the basis of the facts taken from **CWP No.23651 of 2024** for the sake of brevity, as the petitions raise a common question of law and involve identical issues.

2. The petitioners in CWP No. 23651 of 2024 are pensioners who retired from the Punjab State Power Corporation Limited (hereinafter referred to as “PSPCL”), whereas the petitioners in the remaining writ petitions have retired from different Boards and Corporations of the State.

The petitioners have sought the following reliefs:

(i) *release of arrears of revised pension w.e.f. 01.01.2016 to 30.06.2021; and*

(ii) *release of arrears of revised Dearness Allowance (DA) w.e.f. 01.07.2015 at par with the Central Government pattern as recommended by the 6th Pay Commission.*

Further, interest on the delayed payment has also been sought in terms of Punjab Government Notification dated 29.10.2021 (Annexure P-4), read in conjunction with the Punjab Civil Services (Revised Pay) Rules, 2021 (hereinafter referred to as “the 2021 Rules”).

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CONTENTIONS

3. Learned counsel for the petitioners, *inter alia*, submits that the petitioners are pensioners in their sunset years and that more than 35,000 pensioners have died since 01.01.2016 while awaiting the release of arrears of revised pension w.e.f. 01.01.2016.

4. It is further submitted that this Court in ***Mohinder Singh vs. State of Punjab, CWP No. 12980 of 2015*** decided on 25.07.2016, had considered the issue relating to release of revised pension and directed that retirees above the age of 80 years, including the petitioner therein, be paid 100% of the arrears of DA in lump sum along with interest @ 6% per annum from the due date within a period of one month. Costs of Rs.10,000 were also imposed.

4.1 Thereafter, the State Government notified the constitution of the 6th Pay Commission on 24.12.2016 to examine revision of salaries and pension, keeping in view the cost of living and other relevant factors. The Commission submitted its report on 30.05.2021. Consequently, the State Government notified the 2021 Rules on 05.07.2021 (Annexure P-2). Rule 9 thereof provides for payment of arrears w.e.f. 01.01.2016 to 30.06.2021. The said Rules were thereafter amended vide notification dated 20.09.2021 (Annexure P-3).

4.2 Learned counsel further submits that the petitioners are entitled not only to the release of arrears of revised pension but also to the arrears of DA w.e.f. 01.01.2016 to 30.06.2021, since the State Government has already

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accepted and implemented the enhanced DA w.e.f. 01.01.2016. It is submitted that the petitioners have been compelled to pursue prolonged litigation to obtain their legitimate dues. With advancing age, the financial responsibilities of the petitioners, particularly medical expenses, have significantly increased, and in the absence of revision of pension and DA, their purchasing power has drastically eroded due to rising prices.

4.3 Learned counsel further submits that paras 7.7 to 7.11 of the report of the 6th Pay Commission mandate payment of DA to all State Government employees as well as pensioners. The petitioners are also entitled to interest on the arrears of admissible dues in view of the law laid down by this Court in *Surinder Kumar Mehta v. State of Haryana, 1995 (1) RSJ 268* and *Parshotam Dass v. State of Punjab, 2016 (2) SCT 207*. It is contended that the respondents, despite amending statutory rules and adopting the revised pension and DA, cannot indefinitely defer the payment without any plausible justification.

4.4 Reliance has further been placed upon the orders passed by this Court in *Boota Singh and others v. State of Punjab and others, CWP No. 20537 of 2023*; *Sukhmander Singh and others v. State of Punjab and others, CWP No. 16597 of 2023*; and *Prem Singh and others v. State of Punjab and others, CWP No. 14022 of 2023*, wherein directions were issued to release arrears of revised pension along with DA and interest in light of the 2021 Rules.

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4.5 Learned counsel has further emphasised that despite the approval of the recommendations of the Cabinet Sub-Committee by the Council of Ministers on 13.02.2025, two State Budgets have been passed thereafter, yet no budgetary allocation or payment has been released to the petitioners. It is submitted that during the last decade prices of essential commodities have increased manifold and approximately 35,000 pensioners have died while awaiting implementation of the revised benefits.

5. Per contra, learned counsel for the respondent Corporation has placed on record the Written Statement dated 26.08.2025, which is taken on record. A copy thereof has been supplied to learned counsel for the petitioners.

5.1 It is submitted that instructions dated 29.10.2021 were issued providing that payment of arrears of pension would be made in due course. A Cabinet Sub-Committee comprising three Cabinet Ministers, headed by the Finance Minister of the State was constituted to examine the issue. The Sub-Committee examined the matter and submitted its report to the State Government, which was approved by the Council of Ministers in its meeting held on 13.02.2025. A schedule of payment in installments was accordingly framed for pensioners as well as serving employees. The same was adopted by the Power Corporation vide Finance Circular dated 03.04.2025 (Annexure R-1).

5.2 Learned counsel for the petitioners, in rebuttal, submits that the pensioners are not being paid the revised admissible benefits in terms of the

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schedule of payment approved by the Council of Ministers on 13.02.2025. It is contended that the respondents are in continuous default, which is not only contrary to the decision of the Council of Ministers but also against the ratio of law laid down in *Surinder Kumar (supra)* and *Parshotam Dass (supra)*. As such, it stands duly established that the respondents have abdicated their obligation to pay the revised dues and have effectively abandoned the pensioners who had rendered long, unblemished and dedicated service in the twilight of their lives.

OBSERVATION & ANALYSIS

6. Having heard learned counsel for the parties and perused the record with their able assistance, the primary grievance raised by the petitioners is the withholding of the financial benefits despite the revision having been accepted pursuant to the recommendations of the Pay Commission. Admittedly it emerges that the petitioners in all the writ petitions are retired employees drawing pension from Boards and Corporations of the State. The petitioners in CWP No. 23651 of 2024 have retired from the respondent PSPCL.

7. A perusal of the reply dated 07.07.2025 filed on behalf of the Under Secretary, Power Corporation, as well as the reply dated 26.08.2025 filed by the respondent Corporation, does not dispute the entitlement of the petitioners to revised pension along with arrears of revised DA. Further, in terms of the order passed by this Court in *Mohinder Singh (supra)*, a circular was issued on 15.12.2016 (Annexure R-2).

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“I am directed to refer to this Department's Letter No. 3/2/97-1FP1/354 dated 27.06.2016 and to convey that in compliance with the orders dated 25.07.2016 of Hon'ble Punjab and Haryana High Court, Chandigarh vide CWP No. 12980 of 2015 titled as Mohinder Singh V/s State of Punjab and Others, the Governor of Punjab is pleased to release the arrears of Dearness Relief w.e.f. 01.07.2014 to 28.02.2015 @ 7% and 01.01.2014 to 30.09.2014 @ 10% to the Punjab Government Pensioners in cash as under:-

i) 100% arrears of the above relief to the pensioners above 80 years by 31.12.2016.

ii) 100% arrear of the above relief to the pensioners above 75 years by 31.01.2017.

Rest of the instructions issued vide letter dated 3/2/97-1FP1/354 dated 27.06.2016 remain unchanged.”

8. A similar circular was also issued on 03.04.2017 (Annexure R-3). Further, a Sub-Committee was constituted on 19.08.2024 to deliberate upon the issue regarding pension and DA. The recommendations of the said Committee were approved by the Council of Ministers on 13.02.2025, which are reproduced as under:

“(1) For the State Pensioners/Family Pensioners

a. Pensioners / Family Pensioners age 85 years and above (as on 01.10.2024) and deceased family pensioners- *During the Financial Year 2024-25 payment of arrear of Revised Pension/Family Pension (including DR arrear) (as per 6th PPC) will be made in two equal monthly installments (Feb.,*

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2025 and March, 2025) to the pensioners/ Family Pensioners having age of 85 years and above and deceased family pensioners (to their legal heirs).

b. Pensioners/Family pensioners age 75 years but below 85 years (as on 01.10.2024) and deceased pensioners During the Financial Year 2025-26 payment of arrear of Revised Pension/Family Pension (including DR arrear) (as per 6th PPC) will be made in 12 equal monthly installments (April, 2025 to March, 2026) to the pensioners age 75 years but below 85 years and deceased pensioners (to the family pensioner / legal heirs).

c. Pensioners/Family Pensioners age below 75 years- Payment of arrear of Revised Pension/Family Pension (including DR arrear) will be made in 42 monthly installments to the pensioners below age of 75 years as below:-

Sr. No	Year to which the arrears relates	No. of equally Monthly Installments	Period for payment
1	For the years 2016 and 2017	15	Instalment will start from the month of April, 2025
2	For the years 2018 and 2019	18	Instalment will start from the month of July, 2025

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3	For the years 2020 and 2021 (upto 30.06.2021)	09	Instalment will start from the month of January, 2028
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d. Arrears of revised Leave Encashment- Payment of arrear of revised Leave Encashment of the Government employees retired between 01.01.2016 to 30.06.2021 will be made in 04 equal six monthly installments (i.e. April, 2025, October, 2025, April, 2026 and October, 2026)

(2) For Government Employees

e. Arrear of revised pay- The payment of arrear of revised pay (including DA arrear) to the employees will be paid in 36 monthly installments as below:-

Sr.No	Year to which the arrears relates	No. of equal Monthly Installments	Period for payment
1	For the year 2016	12	Installment will Start from the month of April, 2026
2	For the years 2017, 2018, 2019, 2020 and 2021 (up to 30.06.2021)	24	Installment will Start from the month of April, 2027

f. After liquidation of the arrears of 6th Punjab Pay Commission any arrear on account of enhanced DA/DR from 01.07.2021 to 31.03.2024 will be considered for payment in

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installments. However the Government may also consider for early payment keeping in view the financial resources of the State.”

9. More than one year has elapsed since the approval of the schedule of payments by the Cabinet and more than four years have passed since the notification of the 2021 Rules. In the above backdrop, the controversy before this Court does not relate to the existence of the right itself, for the entitlement of the petitioners to revised pension and arrears of Dearness Allowance is not disputed by the respondents. The limited question that arises for consideration is whether the respondents can indefinitely defer the implementation of statutory and policy decisions, despite the acceptance of the recommendations of the Pay Commission and the approval of the payment schedule by the Council of Ministers. The issue, therefore, concerns not merely the financial claims of the petitioners but the obligation of the State and its instrumentalities to faithfully implement decisions taken in accordance with the governing statutory framework.

10. The procedural framework governing Cabinet decisions is firmly established under the Rules of Business. Once the Council of Ministers approves a decision, a copy thereof, along with the essential points recorded during discussions, is required to be forwarded by the Chief Secretary to the Secretary of the concerned Department for action in terms of Rule 30. Upon receipt, the Department is statutorily obliged to acknowledge the decision and take prompt and effective steps for its

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implementation. The Secretary of the sponsoring Department bears the responsibility to consult or inform any other connected Department to ensure coordinated and complete execution of the Cabinet's mandate.

10.1 Keeping a Cabinet decision in a state of suspended animation for an inordinately long period is not merely a procedural irregularity; it is fundamentally opposed to public interest and violative of the statutory scheme embodied in the Rules of Business. If decisions taken by the highest executive body are allowed to languish without implementation, the entire exercise of collective deliberation stands reduced to an empty formality. The essence of governance lies not merely in the act of taking decisions but in translating them into concrete outcomes that benefit stakeholders. Any undue or unexplained delay in implementation not only defeats the collective will of the Cabinet but also erodes public confidence in the executive process and the rule of law.

11. Dearness Allowance (DA) constitutes an integral component of the remuneration structure of government employees as well as pensioners and is intended to offset the adverse effects of inflation on the real value of wages. It operates as a cost-of-living adjustment whereby a portion of salary or pension is periodically revised in accordance with movements in the Consumer Price Index (CPI). The underlying principle is that while nominal wages may remain fixed, inflation steadily erodes purchasing power. DA therefore functions as a compensatory mechanism to preserve the real income of employees and pensioners and to enable them to meet essential

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living expenses such as food, housing, healthcare, and education. By linking wage adjustments to the price index, the system of DA seeks to ensure that employees and pensioners are not subjected to financial hardship arising from market-driven price escalation and that their standard of living remains reasonably protected.

12. The importance of timely disbursement of DA and revised admissible benefits assumes considerable significance, for any delay in its release effectively defeats its very purpose. DA is intended to compensate employees and pensioners at the time when prices rise and not retrospectively after long intervals. Prompt release of DA safeguards the financial stability of employees and their families, enables them to cope with immediate inflationary pressures, sustains morale and efficiency in public service, and prevents erosion of real wages and pensions caused by rising costs. Conversely, delayed disbursement undermines the protective function of DA and places employees and pensioners under unnecessary economic stress, particularly those who are dependent upon pension for their sustenance in advanced years.

13. The constitutional philosophy underlying the grant of DA finds support in the Preamble's commitment to social and economic justice and is reinforced by Article 14 of the Constitution, which mandates fairness and non-arbitrariness in State action, Article 21 which guarantees the right to live with dignity, and Article 43 of the Directive Principles of State Policy which enjoins the State to secure a living wage and a decent standard of life

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for workers. DA, therefore, cannot be viewed merely as a financial concession or discretionary benefit but must be understood as a protective instrument intended to shield employees and pensioners from the adverse effects of inflation and to ensure that salaries and pensions remain responsive to changing economic conditions in a manner consistent with the constitutional mandate of social and economic justice.

14. A Two-Judge Bench of the Hon'ble Supreme Court in *State of West Bengal v. Confederation of State Government Employees, West Bengal, 2026 INSC 123*, while speaking through Justice Sanjay Karol, observed as under:

“22. What flows from the above, and other judgments of this Court is that the concept of DA is a distinctly Indian response to the problem of inflation and its impact on wages, developed to safeguard employees against the steady erosion of their real income caused by rising prices. Different from the position in other countries where the wages and salaries themselves undergo a periodic adjustment, India introduced a DA as a compensatory measure to address rises or jumps in the cost of living. While originally conceived as a short-term arrangement, it acquired a sense of permanence, given that it was almost within the realms of certainty that the prices would not return to their original state. When this expectation proved unrealistic and inflation appeared to be a continuing feature of the economy, a portion of the DA was absorbed into basic wages. Even after such wage revisions, however, the need for DA persisted, as prices continued to rise and purchasing power continued to decline.”

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23. At its core, DA is not intended to provide complete neutralisation of price rise for all employees, except in the case of the lowest paid categories. **Its purpose is to offer partial compensation for increased living costs through a variable and flexible mechanism, usually linked to a cost-of-living index.** This explains why DA is commonly structured on a sliding scale, rising alongside prices.

48. **In the instant facts, the effect that flows from the above discussion is that once the High Court in the 'Judgment in Round One' had declared the receipt of DA to be a legally enforceable right and a review sought against this judgment stood dismissed with no appeal to this Court being filed, the findings arrived at therein, would attain finality and thereby bind the parties to that proceeding.** Once a legally enforceable right has been established, the defence of the appellant - State so as to its financial ability or rather inability has to be kept at bay. The only question that remains thereafter is, how such a right has to be enforced, and considering the nature of the right, at what rate. The answer to this question, as we have already discussed in the preceding paragraphs of this judgment is that the right has to be enforced in accordance with AICPI.

59.2 **To receive dearness allowance is a legally enforceable right that has accrued in favour of the respondents-employees of the State of West Bengal.**”

(emphasis added)

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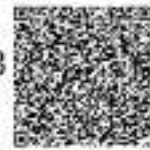


15. The case of the petitioners is squarely covered by the aforesaid judgment rendered by the Hon'ble Supreme Court. The Hon'ble Apex Court has unequivocally held that DA is a legally enforceable and statutorily recognised right, and not a discretionary bounty. Once the governing rules provide for its payment, the State is under a corresponding obligation to release the same. The plea of financial constraints was expressly rejected by the Court, observing that constitutional obligations cannot be defeated on the ground of paucity of funds. The Court further clarified that DA is inherently dynamic and must necessarily be linked to the All India Consumer Price Index (AICPI). While each State may assess its fiscal position, it cannot deviate from the statutory mechanism governing the calculation and payment of DA. The judgment also emphasised the need for structured implementation so that the rights of employees and pensioners, including those who have retired during the pendency of litigation, are duly protected without causing fiscal dislocation.

CONCLUSION

16. In the present case, the entitlement of the petitioners to revised pension and arrears of DA is not in dispute. Even as per the stand taken by the respondents, a payment schedule was approved by the Council of Ministers in its meeting dated 13.02.2025. However, despite the passage of considerable time thereafter, the benefits have not been released in accordance with the said schedule. Such delay, particularly in matters

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relating to pensionary benefits of retired employees, cannot be countenanced.

17. In view of the above, all the five writ petitions are allowed. Consequently, all up-to-date instalments in terms of the payment plan approved by the Council of Ministers on 13.02.2025 which had fallen due till 28.02.2025 shall be released to all pensioners on or before 30.04.2026, together with interest @ 6% per annum on delayed payment, along with arrears of leave encashment payable till April 2026.

18. It is further directed that all pensioners of the State of Punjab including the petitioners, shall be paid the admissible revised dues strictly in accordance with the schedule approved by the Council of Ministers in its meeting dated 13.02.2025. Any default or deviation from the said schedule shall entail payment of interest @ 9% per annum on the delayed amount till its actual realization.

19. It must be clarified that the present judgment shall operate as a judgment *in rem*, intended to extend the benefit to all similarly situated persons irrespective of whether they have approached this Court or not. Reference in this regard may be made to the judgment rendered by a Two-Judge Bench of the Hon'ble Supreme Court in ***State of Uttar Pradesh v. Arvind Kumar Srivastava, 2014(4) SCT 648***, wherein the Court observed as under:

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“23. The legal principles which emerge from the reading of the aforesaid judgments, cited both by the appellants as well as the respondents, can be summed up as under:

(1) Normal rule is that when a particular set of employees is given relief by the Court, all other identically situated persons need to be treated alike by extending that benefit. Not doing so would amount to discrimination and would be violative of Article 14 of the Constitution of India. This principle needs to be applied in service matters more emphatically as the service jurisprudence evolved by this Court from time to time postulates that all similarly situated persons should be treated similarly. Therefore, the normal rule would be that merely because other similarly situated persons did not approach the Court earlier, they are not to be treated differently.

(2) However, this principle is subject to well recognised exceptions in the form of laches and delays as well as acquiescence. Those persons who did not challenge the wrongful action in their cases and acquiesced into the same and woke up after long delay only because of the reason that their counterparts who had approached the Court earlier in time succeeded in their efforts, then such employees cannot claim that the benefit of the judgment rendered in the case of similarly situated persons be extended to them. They would be treated as fence-sitters and laches and delays, and/or the acquiescence, would be a valid ground to dismiss their claim.

(3) However, this exception may not apply in those cases where the judgment pronounced by the Court was judgment in rem with intention to give benefit to all similarly situated persons, whether they approached the Court or not. With such a pronouncement the obligation is cast upon the authorities to itself extend the benefit thereof to all similarly situated person. Such a situation can occur when the subject matter of the decision touches upon the policy

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*matters, like scheme of regularisation and the like (see **K.C. Sharma & Ors. v. Union of India** (supra)). On the other hand, if the judgment of the Court was in personam holding that benefit of the said judgment shall accrue to the parties before the Court and such an intention is stated expressly in the judgment or it can be impliedly found out from the tenor and language of the judgment, those who want to get the benefit of the said judgment extended to them shall have to satisfy that their petition does not suffer from either laches and delays or acquiescence.”*

(emphasis added)

20. Keeping in view the fact that pensioners across the State of Punjab are facing hardship on account of non-payment of arrears of revised pension, leave encashment, and DA, and further considering that this Court is repeatedly confronted with petitions seeking identical relief, a direction is issued to the Chief Secretary, State of Punjab, to ensure that all admissible benefits in terms of the directions issued herein are released to all eligible pensioners of the State Government, Boards, Corporations, and other statutory bodies, irrespective of whether they have approached this Court or not.

21. The Chief Secretary shall file a compliance report by way of an affidavit of a responsible officer within a period of three months from the date of receipt of a certified copy of this order. Needless to say, any deviation from the directions issued herein would entitle the pensioners including the petitioners to approach this court under Article 215 of the Constitution of India for initiating contempt proceedings.

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22. Pending miscellaneous application(s), if any, shall also stands disposed of.

23. Photocopy of this order be placed on the file of connected cases.

(HARPREET SINGH BRAR)
JUDGE

March 12, 2026
P.C

Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No