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

+ **W.P.(C) 5387/2025**

MANMOOD SHANKAR

.....Petitioner

Through: Mr. Abhinav Bhardwaj, Mr. Pankaj
G., Mr. Utkarsh Singh & Mr. Kartik
Mishra, Advs.

versus

LIFE INSURANCE CORPORATION OF INDIARespondent

Through: Mr. Ankur Goel, Adv.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

% **07.01.2026**

1. This petition, *inter alia*, seeks a direction to the Respondent to release the Petitioner's retiral benefits, including pension, leave encashment, gratuity and compassionate allowance. However, during hearing the controversy has narrowed. The Petitioner does not seek any arrears of salary for the period he remained out of service pursuant to the dismissal order dated 23rd July, 2016. The challenge is confined to the manner in which the Respondent has computed "qualifying service" for pensionary benefits, by excluding the intervening period between dismissal and reinstatement and thereby treating the Petitioner as having only 28 years of qualifying service, as against the Petitioner's case that the qualifying service ought to be reckoned as 31 years and 9 months.

2. The background relevant to contextualise the Petitioner's grievance is



as follows: the Petitioner joined LIC as an Assistant on 25th September, 1989. In the year 2015, a chargesheet was issued to the Petitioner on the allegation of non-compliance with a transfer order from Branch 11M, Shahdara to Branch 11L, Narela. A departmental enquiry followed, culminating in an order dated 23rd July, 2016, imposing the penalty of dismissal, with allegations of habitual unauthorised absence, insubordination and non-performance.

3. The Petitioner challenged the award before the Central Government Industrial Tribunal-cum-Labour Court.¹ By award dated 11th February, 2019, the CGIT set aside the penalty of dismissal and directed reinstatement. At the same time, it denied the Petitioner “pecuniary or monetary benefits” for the interregnum from the date of removal till the date of publication of the award.

4. Both parties challenged the said award by filing writ petitions, being W.P.(C) No. 6310/2019 at the instance of the Petitioner and W.P.(C) No. 6241/2019 at the instance of LIC. These petitions were decided by a common judgment dated 29th June, 2020, whereby the award of the CGIT was upheld. The operative portion of the said judgment reads as under:

“26. All the allegations raised against the Workman were duly communicated to him and there is no violation of the principles of natural justice in this case. The Workman has selectively chosen to participate in the proceedings, but has on most occasions refused to participate, while fully being aware of the proceedings. A workman cannot claim back wages as a matter of right as held in Rajasthan State Road Transport Corporation (supra). While the long tenure of the workman has resulted in his reinstatement, owing to his past conduct, the labour court has rightly held that he would not be entitled to back wages. Under such circumstances, the Labour Court’s order which directs reinstatement on such terms and conditions as it thinks fit, as has been done in the present case, is fully justified and does not warrant any

¹ “CGIT”



interference.

27. Both petitions are dismissed with no orders as to costs. All monetary benefits to the Workman in terms of the Labour Court's order be released within a period of six weeks."

5. The Petitioner's further challenge before the Supreme Court by way of SLP(C) No. 11401/2020, was dismissed as withdrawn. Thereafter, the Petitioner also preferred Letters Patent Appeals against the judgment dated 29th June, 2020 before this Court, one of which was dismissed on merits and the other dismissed as withdrawn.

6. The issue of back wages has attained finality and is no longer in dispute. The limited grievance raised herein pertains to the alleged miscalculation of "qualifying service" for pensionary purposes, which according to the Petitioner, has been wrongly reckoned as 28 years. The Petitioner contends that such computation is erroneous, arbitrary, and unjust, inasmuch as it fails to account for the full length of service rendered, including the period between termination and reinstatement. In this background, the Petitioner had approached this Court seeking the following reliefs:

- a) direct the respondent to re-compute the petitioner's pensionary and superannuation benefits, including gratuity, commuted pension, and monthly pension, based on the correct last drawn salary with all increments that would have accrued during the full-service tenure;*
- b) declare the petitioner entitled to full retirement benefits as per the actual qualifying service of 31 years and 9 months, without any deductions or exclusions arising from the previously unlawful service discontinuation;*
- c) quash any orders, calculations, or decision made by the respondent that are based on an outdated or incorrect salary scale;*
- d) grant interest on the delayed payment of dues at a rate deemed just and proper by this Hon'ble Authority;*
- e) pass any other appropriate order/direction which this Hon'ble Court deem fit and proper in the favour of Petitioners and against the Respondents.*



7. Counsel for the Petitioner, on instructions, specifically clarifies that prayer (a) is not being pressed. He confines the Petitioner's claim to a limited direction that his qualifying service be reckoned as 31 years and 9 months, instead of 28 years. It is argued that notwithstanding the order of reinstatement, LIC has excluded the period between the date of the Petitioner's termination and the date of reinstatement for the purposes of computation of pensionary benefits. Once dismissal stood set aside and reinstatement was ordered, the legal consequence is deemed continuity of service, unless continuity is expressly denied. The denial of back wages, it is argued, operates in a different field and cannot be converted into a denial of qualifying service for pension.

8. On the other hand, counsel for LIC opposes the petition and submits that the award of the CGIT categorically denies the Petitioner any monetary benefit, including continuity for the purposes of qualifying service. The award has attained finality and upheld up to the Supreme Court. The Petitioner cannot now seek inclusion of the intervening period for computation of pensionary benefits. The Petitioner remained on *dies non*, applying the principle of "no work, no pay", for the period from 23rd July, 2016 to 11th February, 2019, *i.e.*, for 2 years, 6 months, and 18 days, in addition to availing 217 days of extraordinary leave. This petition is an attempt to reopen issues that already stand conclusively adjudicated and is, therefore, liable to be dismissed.

9. The Court has considered the facts of the case and the contentions advanced by the parties. The limited issue is whether, after reinstatement pursuant to an award upheld up to the Supreme Court stage, the intervening period between dismissal and reinstatement can be excluded from qualifying



service for pensionary benefits, in the absence of an express adjudicatory or statutory determination that such period shall not count.

10. Pension under the LIC (Employees) Pension Rules, 1995 rests on “qualifying service”. Rule 14 makes minimum ten years of service the threshold for pension. Rule 15 provides that qualifying service commences from the date the employee first takes charge of a post on regular basis; Rule 17 deals with counting of leave as qualifying service, with a limited carve-out for certain extraordinary leave.

11. The Rules also recognise that breaks and interruptions cannot be dealt with by impressionistic labels. Rule 28 provides for condonation of interruption in service. It states that, in the absence of a specific indication to the contrary in the service records, an interruption between two spells of service shall be treated as automatically condoned and pre-interruption service treated as qualifying service. It then carves out interruptions caused by resignation, dismissal, removal, compulsory retirement or termination, and provides that such interruption shall not count as qualifying service.

12. In the present case, the dismissal order dated 23rd July, 2016 did not survive judicial scrutiny. The CGIT, by award dated 11th February, 2019, set it aside and directed reinstatement, a direction upheld by this Court on 29th June, 2020. Once that reinstatement stands, the statutory consequence of “forfeiture of past service” that would otherwise attach to dismissal cannot continue to operate, because forfeiture is predicated on dismissal remaining effective.

13. The CGIT, while directing reinstatement, expressly denied the Petitioner any pecuniary or monetary benefits for the intervening period. However, no specific finding was rendered as to whether the service during



the interregnum period would or would not be counted for the purposes of pension or other retiral benefits.

14. The Supreme Court has, in terms, drawn the doctrinal line between denial of arrears and denial of continuity. In ***Gurpreet Singh v. State of Punjab & Ors.***,² the Court set aside the direction denying continuity of service, while maintaining the denial of salary arrears for the period the employee had not served. The principle is straightforward: reinstatement is not a fresh appointment, and continuity of service is the normal incident of reinstatement unless expressly curtailed. This distinction has direct bearing on pensionary computation. A Division Bench of this Court, in ***Smt. Premwati v. Union of India***,³ while dealing with family pension, has held that denial of back wages on the “no work, no pay” principle does not, by itself, defeat deemed continuity flowing from reinstatement, and does not disentitle the employee from having the relevant period counted for the limited purpose of qualifying service.

15. LIC’s reliance on the expression “no pecuniary or monetary benefits” in the award, therefore, does not carry the argument far enough. The award certainly forecloses wages for the interregnum. It does not, without more, record an adjudicatory determination that the Petitioner shall be treated as having suffered a break in service for all purposes, including pension. If an employer proposes to deny the counting of the interregnum for pension, the denial must rest on a clear legal basis and a specific, reasoned determination referable to the governing rules. A blanket exclusion, premised solely on denial of back wages, collapses two distinct legal consequences into one.

16. Furthermore, the Supreme Court has consistently emphasized that

² 2002 SCC OnLine SC 95.



where a punishment imposed upon an employee is modified or substituted by a lesser penalty, such modification ordinarily relates back to the date on which the original order of punishment was passed.⁴ In the present case, the penalty of removal from service, having been found to be disproportionate, was set aside and substituted by an order of reinstatement, *albeit* without grant of any pecuniary or monetary benefits for the intervening period. Such denial of monetary benefits, however, cannot be construed as a denial of continuity of service for all purposes, particularly for determining qualifying service for pensionary benefits.

17. In this regard, FR-54 of the Fundamental Rules, *inter alia*, provides that where a Government servant, who has been dismissed/removed, is reinstated, the competent authority is required to pass a specific order (a) regarding the pay and allowances to be paid to him for the period of his absence from duty including the period of suspension preceding his dismissal/removal; and (b) whether or not the said period shall be treated as a period spent on duty. In the present case, while a reasoned decision was taken to deny the Petitioner pay and allowances for the intervening period, there is no explicit order declaring that such period shall not be treated as duty for the purposes of qualifying service. In the absence of a specific determination under clause (b) of FR-54, it cannot be presumed that the intervening period stands excluded from the computation of qualifying service, particularly when the order of dismissal itself has been set aside.

18. The Court is also not persuaded by the invocation of “*dies non*” as a complete answer. That concept is ordinarily used to address pay and the immediate financial consequences of non-working. Here, the employer

³ W.P.(C) 11868/2023, decided on 29th October, 2025.



seeks to translate it into a permanent erosion of qualifying service, even after reinstatement, without demonstrating a rule-based, reasoned decision that the interregnum shall not count for pension. The jurisprudence does not permit such a result by default.

19. For the reasons recorded above, the Respondent cannot exclude the entire period between 23rd July, 2016 and 11th February, 2019 from the computation of qualifying service. The Respondent is directed to re-compute the Petitioner's qualifying service and the consequent pensionary benefits by treating the Petitioner as in continuous service for pensionary purposes upon reinstatement, while keeping the award's denial of back wages intact. The re-computation shall be completed within eight weeks from today and the differential amounts, if any, shall be released within two weeks thereafter.

20. The petition stands allowed in the above terms, with pending applications also disposed of.

SANJEEV NARULA, J

JANUARY 7, 2026/ng

⁴ NTR University of Health Services v. Prakasam Reddy, (2016) 16 SCC 645.