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

\+ LPA 654/2025 & CM APPL. 66993/2025

PUNJAB AND SIND BANK .....Appellant

Through: Mr. Sandeep Chaturvedi, Adv.

versus

GURDEEP SINGH CHADHA (SINCE DECEASED) THROUGH LR & ORS. .....Respondents

Through: Mr. Shivansh Bhardwaj, Adv.

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE TEJAS KARIA

O R D E R

% **25.04.2026**

The matter is taken up today as 03.03.2026 was declared a holiday *vide* Notification No. 64/G-4/Genl.-I/DHC dated 27.02.2026.

1. Heard learned counsel representing the parties.

2. Under challenge in this intra-court appeal is an order dated 28.08.2025 passed by the learned Single Judge in W.P.(C)16793/2006 filed by the husband of the respondent no.1 and father of respondent nos. 2 and 3, whereby the petition has been disposed of with the observation that the respondent shall be entitled to family pension in terms of the relevant provisions of Punjab and Sind Bank (Employees) Pension Regulations, 1995 (hereinafter referred to as 'Pension Regulations' 1995).

3. Before adverting to the respective submissions of the learned counsel for the parties, we may note certain facts, which are relevant for the purposes of appropriately deciding the issue engaging attention of the Court in this appeal.

4. The predecessor in the interest of the respondent nos.1 to 3, late Gurdeep Singh Chadha was employed with the appellant/Bank. While working in the post of Cashier Incharge, in the year 1990, departmental proceedings were instituted against him and he was placed under suspension. The departmental proceedings were continued against late Gurdeep Singh Chadha, which culminated in the punishment order dated 02.05.1997, whereby he was compulsory retired as a measure of punishment.

5. The statutory appeal filed by late Gurdeep Singh Chadha against the order of punishment dated 02.05.1997 was also dismissed by the Appellate Authority. Challenging the order of punishment dated 02.05.1997 and the appellate order, W.P.(C)16793/2006 was filed, which has been decided by the impugned order dated 28.08.2025. During the course of the pendency of the writ petition before the learned Single Judge, a statement was made that so far as challenge to order of punishment of compulsory retirement is concerned, the petitioner in the writ petition did not press the writ petition, however the claim of payment of pension under the Pension Regulations, 1995 was asserted.

6. Learned Single Judge after noticing the relevant provisions of the said Regulations, namely Regulation 22 and 33 has held the respondent nos.1 to 3 to be entitled to the family pension along with arrear of pension which would have been made available to late Gurdeep Singh Chadha before his

demise.

7. Learned counsel for the appellant has urged only one ground to challenge the impugned order passed by the learned Single Judge. He has stated that Pension Regulations, 1995 are applicable only to those employees who had exercised an option in writing within 120 days from the notified date to become the members of the pension fund in terms of Clause 3(3)(c) of the Pension Regulations, 1995 and since late Gurdeep Singh Chadha never exercised that option; rather he was an optee of the provident fund scheme. He was not entitled for payment of pension in terms of the provision of Pension Regulations, 1995, arrear of pension and family pension are not available to the respondents.

8. Refuting the aforesaid submissions, it has been argued by learned counsel representing respondent nos. 1 to 3 that as matter of fact, the Pension Regulations, 1995 were notified on 29.09.2025 and at the relevant point of time, late Gurdeep Singh Chadha was under suspension and facing departmental enquiry and therefore, for him there was no occasion to exercise the said option. He has further argued that in fact expecting an employee facing departmental proceedings to exercise the option as for the requirement of Regulation 3(3) (c) of the Pension Regulations, 1995 is unwarranted, especially when he is under suspension.

9. Learned counsel for the appellant, however states that in view of categorical admission on the part of the respondent nos.1 to 3 that late Gurdeep Singh Chadha never gave his option in terms of the requirement of Regulation 3(3)(c) of the Pension of the Regulations, 1995, he was not entitled for the pension for the reason that the Clause 3 of the said Regulation clearly prescribes as to which class of employees the said

Regulations will be applicable. The submissions that in absence of the option having been exercised by late Gurdeep Singh Chadha, the respondent nos.1 to 3 are neither entitled to family pension nor to the arrears of pension.

10. We have considered the submissions made by learned counsel for the respective parties. Regulation 3(3)(c) of the Pension of the Regulations, 1995, is extracted herein below:-

> *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*

11. Regulation 3 of the Pension Regulations, 1995 clearly lays down as to which class of employee the Regulations shall be applicable. According to Clause 3(3)(a), the Pension Regulations, 1995 are applicable in case of employees who were in service of the Bank before the notified date and continued to be in service of the Bank on or after the notified date. So far as the requirement of the Clause 3(3)(a) of the Regulations, 1995 is concerned, it is not in dispute that on the date of notification, the Pension Regulations, 1995, the predecessor in interest of respondent nos.1 to 3, late Gurdeep Singh Chadha was in employment of the Bank.

12. Clause 3(3)(b) of the Regulations, 1995 further provides that the Regulations, 1995 will be applicable to an employee who on fulfillment of requirement of Clause 3(3)(a) exercised his option in writing within 120

days from the notified date to become the member of the fund.

13. Admittedly, the predecessor in interest of respondent nos.1 to 3, late Gurdeep Singh Chadha did not; rather could not; exercise his option of becoming the member of the pension fund in terms of the Pension Regulations, 1995. Having observed that late Gurdeep Singh Chadha could not exercise his option as per the requirement of Regulation 3(3)(b) of the Pension Regulations, 1995, we may also consider that at the relevant point of time, i.e. on and after notification of the Pension Regulations, 1995, the predecessor in interest of the respondent nos.1 to 3 was facing departmental proceedings. He was placed under suspension in the year 1995 and after long continuance of departmental proceedings, the same culminated in the punishment order compulsory retiring him by means of order dated 02.05.1997.

14. In our opinion, it is extremely harsh and iniquitous to expect from an employee to exercise such an option, in a situation where he is faced with departmental proceedings and is under suspension. Otherwise, there is no reason why the employee would not exercise his option in case the exercise of such option would result in some benefit more than the benefits available to the employee concerned under the existing provident fund scheme. For the aforesaid reasons, we find it difficult to agree with the submissions of the learned counsel for the appellant.

15. If we peruse the order impugned before us passed by the learned Single Judge, what we find is that learned Single Judge has directed to him payment of arrears of pension and family pension to the respondent nos.1 to 3 on fulfillment of requirement of provisions of Regulation 3(3)(c) of the Pension Regulations, 1995. Clause 3(3)(c) of the Pension Regulations, 1995

provides that the pension shall be applicable to the employee concerned, if such an employee authorizes the trust of the provident fund of the Bank to transfer the entire contribution of the Bank and the interest accrued thereon to the credit of the fund constituted for the purposes under Regulation 5 of the Pension Regulations, 1995. It has categorically been asserted by the learned counsel for the respondents that employees contribution was made by late Gurdeep Singh Chadha to the provident fund and accordingly, once the respondent nos.1 to 3 have been held to be entitled to arrears of pension as would have accrued to late Gurdeep Singh Chadha and also the family pension, we do not see any reason why such benefits be disallowed to the respondent nos.1 to 3. Accordingly, we do not find any good ground to interfere in the impugned order passed by the learned Single Judge.

16. Resultantly the appeal alongwith pending applications stand dismissed.

17. We, however, direct that the payment of family pension including the arrears of pension shall commence to be paid to the respondent nos. 1 to 3 within 2 months from today. For the said purpose, the conditions as laid down in Regulation 3(3)(c) of the Pension Regulations, 1995 shall also be fulfilled. We also direct that if any amount is required to be deposited by the respondent nos. 1 to 3 in terms of the requirement Regulation 3(3)(c) of the Pension Regulations, 1995, the same shall be intimated to them by the appellant/Bank within 03 weeks from today and on receipt of such intimation, the requisite amount shall be immediately deposited by the respondent nos.1 to 3. On such deposit being made, the pension shall immediately commence to be paid to respondent nos.1 to 3 alongwith the arrears.

18. There will be no order as to costs.

DEVENDRA KUMAR UPADHYAYA, CJ

TEJAS KARIA, J

APRIL 25, 2026/j