2026:DHC:7902

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

Date of Decision: 10th September, 2026

\# **CNR No. DLHC010164802022**

\+ W.P.(C) 6791/2022 & CM APPLs. 20630/2022, 27047/2023

BINOD KUMAR SINGH .....Petitioner

Through: Mr. Arunav Patnaik, Ms. Bhabna Das, Ms. Pragya, Mr. Shailaditya Gopal Krishna and Mr. Vijay Misra, Advocates.

Versus

CENTRAL SANSKRIT UNIVERSITY, FORMERLY RASHTRIYA SANSKRIT SANSTHAN & ORS. .....Respondents

Through: Mr. Gyan Prakash, Ms. Neeraj and Mr. Vaibhav Raj, Advocates for R-1.
Mr. Amitesh Kumar, Ms. Priti Kumari and Ms. Vipasha Jain, Advocates for R-2.
Mr. Neeraj Garg, SPC with Mr. Sanjay Pal, G.P. and Mr. Soumyadeep Chakraborty and Mr. Prakhal Negi, Advocates for R-3/UOI.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

SANJEEV NARULA, J. (Oral):

1. The Petitioner seeks release of pension, gratuity and other retiral dues arising from his service with Respondent No. 1, Central Sanskrit University ["CSU"], formerly known as Rashtriya Sanskrit Sansthan. He also assails the

Office Order dated 5th March, 2020 and the subsequent communications dated 21st November, 2020, 6th October, 2021 and 15th March, 2022, insofar as they deny him pension, gratuity and the benefit of the General Provident Fund Scheme.

2. The controversy has acquired an unnecessarily long history. The material facts, however, are few. Before joining Respondent No. 1, the Petitioner was serving with Respondent No. 2, National Institute of Educational Planning and Administration ["NIEPA"], and was governed by the old GPF-cum-Pension Scheme. Upon his selection as Registrar of Respondent No. 1, his technical resignation from NIEPA was accepted and he joined Respondent No. 1 on 5th July, 2013. The appointment was for a tenure of five years or until attainment of the age of 62 years, whichever was earlier.

3. Before joining Respondent No. 1, NIEPA had, on 4th July, 2013, worked out the pensionary consequences of the two options available to the Petitioner. If he opted to take pension from NIEPA, his monthly pension was calculated at INR 31,890/-. If his past service was to be carried forward for combined pensionary benefits, the pro-rata pensionary liability transferable to Respondent No. 1 was quantified at INR 32,32,166/-, apart from INR 8,32,329/- towards gratuity. The Petitioner thereafter opted to continue under the old GPF-cum-Pension Scheme.

4. The terms upon which Respondent No. 1 accepted this arrangement were incorporated in the Service Agreement dated 11th November, 2013. Clause 7 is material and, to the extent relevant, reads:

> *"...will be allowed to continue his services under the same old GPF cum Pension Rules and his period of previous qualifying and pensionable services counted for combined pensionary benefits at Sansthan subject to receipt of*

> *payment of prorated pensionary benefits by Sansthan from his previous employer (NUEPA)....”*

5. The matter did not rest at the Service Agreement. At its 38th meeting held on 28th November, 2013, the Board of Management approved the agreement with the words “treating his case on absorption basis” being added to Clause 7. Thereafter, Respondent No. 1 itself issued a Memorandum dated 1st January, 2014 recording that:

> *“Dr. Binod Kumar Singh stands absorbed in the post of Registrar... w.e.f. 5.7.2013 (FN).”*

6. The Memorandum further stated that he was permitted to continue under the same pension scheme applicable to him at NIEPA and that his past qualifying pensionable service would be counted for combined pensionary benefits at Respondent No. 1.

7. Respondent No. 1 acted upon this arrangement. By its letter dated 12th December, 2013, it requested NIEPA to transfer the pro-rata pensionary liability and other retiral dues. NIEPA thereafter transferred INR 32,32,166/- towards pro-rata pensionary benefits and INR 7,72,977/- towards GPF. Respondent No. 1 received the amounts and issued receipts dated 24th February, 2014.

8. During his tenure with Respondent No. 1, disciplinary proceedings were initiated against the Petitioner, culminating in his removal from service on 29th June, 2017. The Petitioner challenged the action before this Court in W.P.(C) 3190/2018. By order dated 4th April, 2018, the Court held that the grounds on which the Service Agreement had been prematurely terminated could not be justified. While maintaining the premature cessation of the agreement, the Court directed:

> *3. In the considered opinion of this Court, the premature termination of petitioner's Service Agreement of 11th November, 2013 deserves to be maintained, but his removal from service on the charges is directed to be treated as a simplicitor termination of petitioner's Service Agreement of 11th November, 2013. Meaning thereby, impugned order shall be read as simplicitor termination of Service Agreement of 11th November, 2013 and it shall not carry any stigma."*

9. The same order also recorded that pension, provident fund, gratuity and other dues had earlier been transferred by NIEPA to Respondent No. 1. It was stated on behalf of Respondent No. 1 that these amounts had been remitted back to NIEPA. On that basis, the Court observed that the Petitioner would be entitled to claim the amounts so remitted from NIEPA. As regards gratuity, leave encashment and provident fund for the service rendered with Respondent No. 1, the Petitioner was granted liberty to make an application to Respondent No. 1, which was directed to consider the same under the applicable Rules and Regulations.

10. Respondent No. 1 carried the order dated 4th April, 2018 in appeal by filing LPA No. 480/2018. Notice was issued in the appeal, but Respondent No. 1 ultimately withdrew it on 13th January, 2020. So far as Respondent No. 1 was concerned, therefore, the direction that the Petitioner's removal on charges would stand converted into a termination *simpliciter* without stigma was left undisturbed.

11. After withdrawing the appeal, Respondent No. 1 considered the Petitioner's application for settlement of his dues and passed the Office Order dated 5th March, 2020. It released INR 14,77,802/- towards arrears of pay and allowances and INR 9,56,373/- towards leave encashment. It also paid INR 5,49,081/- by treating the Petitioner as covered by the CPF Scheme. Gratuity was declined on the ground that the Petitioner had served Respondent No. 1

for less than five years, and no pension on the combined service was sanctioned.

12. The dispute then reached the Ministry of Education (Respondent No. 3), the nodal Ministry for both Respondent Nos. 1 and 2. In its communication dated 5th October, 2020, the Ministry traced the movement of the Petitioner's pensionary contributions through his earlier institutions and noticed that, after his technical resignation from NIEPA and appointment with Respondent No. 1, the pension contribution relatable to his combined service had been transferred by NIEPA to Respondent No. 1 at the latter's request. It then recorded:

> *"Once the pensionary benefits of Dr. Singh stands transferred by NIEPA to Sansthan after his appointment in Sansthan, Dr. Singh severed all relationship from NIEPA and any liability arising out of the pensionary benefits has to be addressed by the Sansthan only..."*

The Ministry further noted that the subsequent remission of the pensionary liability to NIEPA was not permissible under the Rules and stated:

> *"There is no provision under the rule which allows remission of pensionary liability back to the previous employer under any circumstances. Therefore, the pension liability in this case accrues to Sansthan only."*

13. The Ministry also noticed an important factual difficulty with the premise on which the order dated 4th April, 2018 had proceeded. That order had recorded the statement made on behalf of Respondent No. 1 that the pensionary benefits earlier received from NIEPA had been remitted back. The Ministry, however, found from the record that, as on 4th April, 2018, the amount had not in fact been remitted to NIEPA; Respondent No. 1 itself later stated that the remittance was made on 7th June, 2018. The Ministry also found that the Office Order dated 5th March, 2020 did not advert to the earlier orders

under which Respondent No. 1 had accepted the pensionary contributions under the Government Rules and the Service Agreement. Having accepted the Petitioner's option for GPF and pension, the Ministry considered the subsequent treatment of his case under the CPF Rules to be arbitrary.

14. NIEPA thereafter filed LPA No. 144/2021 against the order dated 4th April, 2018. Its position was somewhat different. NIEPA had not been a party to W.P.(C) 3190/2018, although the order had observed, on the basis of the statement made on behalf of Respondent No. 1 that the amounts had been remitted back, that the Petitioner could claim those amounts from NIEPA. When the appeal was heard on 12th April, 2021, the Division Bench noted that the order dated 4th April, 2018 contained no direction against NIEPA. During the hearing, NIEPA also stated that the cheques subsequently forwarded by Respondent No. 1 towards provident fund and gratuity had not been accepted and had repeatedly been returned. NIEPA further pointed out that the Ministry of Education had already examined the matter, though its decision remained unimplemented.

15. The Division Bench did not adjudicate the liability for the Petitioner's pensionary benefits as between Respondent Nos. 1 and 2. An attempt was made during the hearing to secure payment of the amounts which both institutions admitted to be due to the Petitioner, while leaving him free to pursue his other claims in substantive proceedings against the appropriate authorities. As this did not materialise, the Court refrained from entering into the controversy and disposed of the appeal on the ground that NIEPA was neither a party to the earlier writ petition nor affected by any direction issued therein. It expressly clarified that none of the Petitioner's rights in law stood foreclosed.

16. The matter nevertheless remained unresolved. Respondent No. 1 continued to maintain that the pensionary liability did not rest with it and again attempted to send the pro-rata pensionary amount and GPF to NIEPA. NIEPA returned the cheques. The Executive Council of Respondent No. 1 thereafter considered the matter on 22nd December, 2021 and resolved that the liability towards the Petitioner's pensionary benefits "did not accrue to the Central Sanskrit University", also noting that this Court had issued no direction requiring the University to grant pension. Acting on that decision, Respondent No. 1 once again sent the revalidated cheques to NIEPA on 24th January, 2022. NIEPA did not encash them.

17. The present petition brings all the concerned authorities before the Court and seeks determination of that very dispute.

Contentions

18. Mr. Arunav Patnaik, counsel for the Petitioner, places the case principally on the documents which governed his move from NIEPA to CSU. He submits that Clause 7 of the Service Agreement expressly permitted the Petitioner to continue under the old GPF-cum-Pension Scheme and provided for his earlier qualifying service to count towards combined pensionary benefits. CSU thereafter issued the Memorandum dated 1st January, 2014 recording his absorption, itself called upon NIEPA to transfer the corresponding pensionary liability, and accepted INR 32,32,166/- towards pro-rata pensionary benefits and INR 7,72,977/- towards GPF. Having accepted both the arrangement and the funds which accompanied the previous service, CSU cannot now treat the Petitioner as a CPF employee merely because the post of Registrar carried a fixed tenure. Rule 2(g) of the CCS (Pension) Rules, 1972 is also relied upon to submit that even in the case of

contractual employment, the position is different where the contract itself provides for pension.

19. Mr. Patnaik submits that the subsequent disciplinary proceedings do not alter that position. This Court's order dated 4th April, 2018 directed the removal on charges to be treated as termination *simpliciter* without stigma, and CSU ultimately withdrew its appeal against that order. CSU, therefore, cannot now rely upon the same disciplinary allegations to deny pensionary benefits. Mr. Patnaik also relies upon the Ministry of Education's communication dated 5th October, 2020, which records that the pensionary liability, once transferred by NIEPA to CSU, had to be addressed by CSU and could not be remitted back to the previous employer. The order in LPA 144/2021 does not decide the issue against the Petitioner, since the Division Bench expressly left his rights in law open. On this basis, he seeks pension and gratuity on his combined qualifying service, payment of the GPF dues after adjustment of the amount already released towards CPF, and the consequential monetary and service-related reliefs.

20. Mr. Gyan Prakash, counsel for CSU, contests the premise itself. He submits that the Petitioner joined CSU on a contractual tenure post and never became a regular employee. Neither its Recruitment Rules nor the advertisement contemplated absorption to the post of Registrar; a tenure appointment could not be converted into one of absorption, nor could it support technical resignation, counting of past service and transfer of pro-rata pensionary liability in the manner claimed. CSU also points out that NIEPA later disclosed that the Petitioner had himself served there on a tenure post and had retained lien with V.P. Chest Institute. The Petitioner's service book was never furnished, leaving the nature and extent of his earlier qualifying

service unverified. On that basis, CSU also raises an objection of non-joinder of the Petitioner's original employer.

21. Mr. Prakash goes further and disputes the very administrative foundation on which the Petitioner relies. He submits that the reference to absorption in the Board proceedings, and the consequential documents which led to transfer of the pensionary amounts, resulted from manipulation by the Petitioner while he occupied the office of Registrar. Reliance is placed upon the disciplinary record for that purpose, and Mr. Prakash submits that the Articles of Charge were not deliberated or discussed in detail in the earlier proceedings. CSU therefore reads the order dated 4th April, 2018 narrowly: according to it, the Court merely converted the removal into termination *simpliciter* and preserved the Petitioner's right to seek gratuity, leave encashment and provident fund for the service actually rendered with CSU; it did not direct CSU to grant pension on the combined service or confer regular status upon him.

22. Mr. Prakash also relies upon the subsequent movement of the funds. He argues that CSU repeatedly tendered the pro-rata pensionary amount and the balance GPF back to NIEPA, but NIEPA declined to accept them. Relying on the order in LPA 144/2021, he contends that NIEPA's prayer to transfer these amounts to CSU was not accepted and raises a plea of *res judicata* on that basis. He finally points out that CSU has already paid INR 14,77,802/- towards arrears of pay and allowances, INR 9,56,373/- towards leave encashment and INR 5,49,081/- towards provident fund treated as CPF, and that INR 8,32,329/- towards gratuity was also passed on to the Petitioner during these proceedings. Mr. Prakash therefore maintains that no further amount is payable by CSU. As regards the ancillary claims, CSU relies upon

Clause 3(iii) to resist notice pay, disputes the additional pay and allowances claimed, and specifically submits that Transport Allowance is inadmissible for full calendar months spent under suspension even where that period is subsequently treated as duty.

23. Mr. Amitesh Kumar, counsel for NIEPA, supports the Petitioner on the issue of pension liability. He submits that NIEPA accepted the Petitioner's technical resignation and, at CSU's request, transferred his pro-rata pensionary benefits and GPF to CSU. NIEPA thereafter treated its role in relation to these benefits as having come to an end and accordingly declined CSU's attempts to return the amounts. Reliance is placed on the Ministry of Education's communication dated 5th October, 2020, which records that upon such transfer, the Petitioner's relationship with NIEPA stood severed for this purpose and the pensionary liability had to be addressed by CSU under the applicable Rules and the Service Agreement. Mr. Kumar also refers to LPA 144/2021, preferred by NIEPA against the order dated 4th April, 2018, which had proceeded on CSU's statement that the amounts had been remitted back to NIEPA. The Division Bench found that no direction had been issued against NIEPA and recorded its stand that the cheques sent by CSU had repeatedly been returned. He also points out that gratuity of INR 8,32,329/-, which had remained with NIEPA, was ultimately released to the Petitioner during these proceedings pursuant to the order dated 2nd June, 2022. Mr. Kumar further states that if, upon reconciliation, any amount is found lying with NIEPA, it will be transmitted in accordance with the directions of this Court.

Analysis

24. The controversy at this stage is narrow. The Court is not concerned with

whether the Petitioner ought to have continued as Registrar or with reopening the disciplinary proceedings culminating in the order dated 29th June, 2017. Those issues stand concluded by the order of this Court dated 4th April, 2018, which directed that his removal be treated as termination *simpliciter* without stigma. The question that remains is whether CSU can nevertheless deny the pensionary arrangement governing the Petitioner's appointment and subsequently acted upon by both institutions. In the opinion of this Court, it cannot.

25. CSU's principal objection is that the Petitioner occupied a tenure post on contract and could never have been absorbed against it. On this basis, it also questions the acceptance of his technical resignation by NIEPA, the counting of his previous service and the transfer of pro-rata pensionary liability. That objection, however, does not account for the terms which actually governed the Petitioner's appointment, particularly Clause 7 of the Service Agreement. Even if the subsequently added words "treating his case on absorption basis" are put aside, Clause 7 itself provides that the Petitioner would continue under the old GPF-cum-Pension Rules and that his previous qualifying and pensionable service would count towards combined pensionary benefits, subject to receipt of the pro-rata pensionary benefits from NIEPA.

26. The contractual character of the appointment, therefore, does not take CSU very far. Indeed, Rule 2(g) of the CCS (Pension) Rules, 1972, on which the Petitioner relies, excludes persons employed on contract "except when the contract provides otherwise." That qualification matters here, as the Petitioner does not claim the benefit of the Pension Rules merely because he served in an institution funded by the Central Government. The Petitioner's claim is

founded not merely on his employment with CSU, but on Clause 7 itself, which preserved the old GPF-cum-Pension regime and the continuity of his previous pensionable service. Significantly, the condition expressly stipulated in Clause 7 was the receipt of the pro-rata pensionary benefits from NIEPA, and that condition was fulfilled. CSU requested NIEPA to transfer the pensionary liability; NIEPA transferred INR 32,32,166/- towards pro-rata pensionary benefits and INR 7,72,977/- towards GPF; and CSU accepted the amounts and issued receipts. The condition stipulated in Clause 7 was thus fulfilled. CSU cannot rely upon the tenure of the appointment to deny a pensionary arrangement expressly incorporated into the same Service Agreement.

27. The Memorandum dated 1st January, 2014 reinforces this position. It records that the Petitioner "stands absorbed" in the post of Registrar and, independently, that he would continue under the Old Pension Scheme and that his qualifying pensionable service from 2nd November, 1998 to 4th July, 2013 would count towards combined pensionary benefits upon receipt of the pro-rata retirement benefits from NIEPA. There is nothing on record to indicate that this Memorandum was ever withdrawn or set aside.

28. CSU contends that the references to absorption and the administrative steps which followed were themselves the result of manipulation by the Petitioner while he was the Registrar. That contention cannot be examined divorced from the order dated 4th April, 2018. The said order did not adjudicate upon each article of charge or hold that every allegation against the Petitioner was factually incorrect. It nevertheless altered the legal character of his separation from service. While the premature termination of the Service Agreement was sustained, the Petitioner's removal on charges was directed

to be treated as termination *simpliciter*, without stigma. CSU challenged that order in appeal, which was subsequently withdrawn.

29. The allegations may remain as a part of the record. However, the same alleged acts are now being invoked to contend that the Petitioner's pensionable service should be treated as non-pensionable and his GPF entitlement retrospectively converted into CPF. Such an approach cannot be reconciled with the legal character of the Petitioner's separation from service as it now stands. CSU cannot, in the guise of a pension dispute, rely on them to recreate the consequences of a punitive removal which the earlier order had categorically taken away.

30. The case, therefore, need not turn on whether a tenure post could have been filled "on absorption". The Petitioner's claim does not depend upon that expression. As noted above, his entitlement to continue under the old GPF-cum-Pension Scheme and to have his previous qualifying service counted towards pensionary benefits flows independently from the terms of the Service Agreement, which were subsequently acted upon. Giving effect to those terms does not amount to recognising an otherwise impermissible absorption; it merely gives effect to the pensionary arrangement governing the Petitioner's service.

31. CSU's reliance upon the alleged non-transfer of the service book and the nature of the Petitioner's earlier tenure with NIEPA does not alter the position. Those matters may require verification of the exact length of qualifying service; they do not undo the fact that NIEPA had already certified and calculated a pensionable service period, CSU asked for the corresponding liability, and the liability was transferred and accepted. The Ministry's later examination also traces the movement of the pension contribution through the

Petitioner's earlier institutions. The absence of one of the earlier employers as a party therefore does not defeat the petition. No substantive liability is being imposed upon such employer in these proceedings. If any underlying service record requires authentication, Respondent Nos. 1 and 2 can obtain it administratively.

32. The Ministry of Education's communication dated 5th October, 2020 lends further support to this conclusion. After examining the transfer of the pensionary liability and the applicable Government framework, the Ministry concluded that, once the pensionary benefits had been transferred to CSU, the resulting liability rested with CSU and could not be remitted back to the previous employer. It also found CSU's subsequent decision to treat the Petitioner as a CPF employee inconsistent with its earlier acceptance of his option for GPF and pension. The Ministry's view is consistent with the contemporaneous record and the pensionary arrangement acted upon by the parties.

33. CSU's reliance on LPA No. 144/2021 is also misplaced. The appeal was preferred by NIEPA since it was not a party to W.P.(C) 3190/2018, although the order dated 4th April, 2018 had proceeded on CSU's statement that the pensionary amounts had been remitted to NIEPA. The Division Bench found that no direction had, in fact, been issued against NIEPA and recorded its stand that it had repeatedly declined to accept the cheques sent by CSU. The Division Bench did not adjudicate upon the Petitioner's entitlement to pension or the liability of either institution in that regard. On the contrary, it expressly left the Petitioner free to pursue his substantive claims and clarified that none of his rights in law stood foreclosed. The plea of *res judicata* is therefore without basis.

Conclusion and Reliefs

34. The Petitioner continued to be governed by the old GPF-cum-Pension Scheme during his service with CSU, and his qualifying pensionable service preceding his appointment with CSU must be carried forward for the purpose contemplated by Clause 7. The precise duration of such qualifying service is, however, a matter of record verification. The Petitioner presently calculates his combined qualifying service at 18 years, 7 months and 28 days, though an earlier representation reflected a different aggregate. The precise period shall therefore be verified from the service records of the concerned institutions. This discrepancy affects the computation and not the Petitioner's entitlement to have his qualifying past service carried forward.

35. The same conclusion follows for gratuity. CSU rejected gratuity because the Petitioner's service with it alone fell short of five years. That reasoning is circular: it first disregards the earlier service which Clause 7 required to be counted and then uses the shortened period as the reason for denying gratuity. Once the qualifying service is reckoned on the contractual footing already discussed, gratuity has to be worked out on the aggregate qualifying service under the applicable pension rules. Needless to say, the sum of INR 8,32,329/- already released to the Petitioner during the pendency of the present petition shall be adjusted against the gratuity so computed.

36. The conversion of the Petitioner's provident fund entitlement into CPF in the Office Order dated 5th March, 2020 is also difficult to sustain. NIEPA had transferred INR 7,72,977/- specifically towards GPF; CSU accepted the amount and thereafter maintained the Petitioner's GPF account, including by issuing an annual GPF statement as on 31st March, 2015. Nothing in the Service Agreement provides that premature termination would retrospectively

alter the pensionary regime applicable to the Petitioner. The Petitioner's provident fund entitlement must, therefore, be determined under the GPF Scheme rather than the CPF Rules applied in the Office Order dated 5th March, 2020. In making that computation, the amount of INR 5,49,081/- already released to the Petitioner as CPF shall be duly adjusted.

37. That takes us to the Petitioner's claim for three months' pay in lieu of notice. This claim, in our view, cannot be rejected on the reason given by CSU. CSU invokes Clause 3(iii), which dealt with termination founded on misconduct, to say that no notice was required. However, the order dated 4th April, 2018 no longer permits the cessation to operate on that footing. The Court maintained the premature termination while directing that it be read as a termination *simpliciter* without stigma. Clause 3(iv) is the contractual provision which provides for such termination by notice, or payment in lieu of the unexpired notice period. The Petitioner was admittedly not given three-month notice. He is therefore entitled to pay in lieu thereof. The precise amount payable under this head would, however, have to be verified on the basis of the pay and emoluments admissible under the Agreement, rather than adopting the Petitioner's figure of INR 5,70,024/- as such. His calculation is founded on basic pay of INR 1,82,700/- plus DA of INR 7,308/-.

38. The claim for Transport Allowance stands on a different footing. The fact that the suspension period was subsequently treated as duty does not, by itself, establish that Transport Allowance was payable for the entire period. CSU has specifically taken the position that Transport Allowance is not admissible for a full calendar month during which an employee remains under suspension, even where that period is subsequently treated as duty. The Petitioner has not placed any material on record to establish his entitlement to

Transport Allowance for such period. There is therefore no basis to allow Transport Allowance for the full calendar months during which he remained under suspension. To that extent, the claim is rejected. If, however, any part-month immediately preceding or following the period of suspension qualifies for Transport Allowance under the applicable instructions, CSU shall include the same in the final computation.

39. Personal Pay of INR 840/- per month requires a different treatment. The Petitioner relies upon his earlier Last Pay Certificate and CSU's own salary slips of November 2013 and November 2015 to contend that this component formed part of his pay but was omitted while calculating the arrears. CSU's counter does not identify any specific order by which this component was withdrawn. CSU is accordingly directed to verify its payroll records and determine whether Personal Pay of INR 840/- per month formed an admissible component of the Petitioner's pay immediately prior to his suspension. If so, the same shall be included while computing the arrears and reflected in the LPC, unless CSU identifies a specific order or rule under which the entitlement ceased.

40. The claim for a notional increment with effect from 1st July, 2017, however, cannot be accepted. The authorities relied upon by the Petitioner, including ***Gopal Singh v. Union of India***[1] and ***P. Ayyamperumal v. Central Administrative Tribunal***,[2] concerned employees who had completed the requisite service up to 30th June and superannuated immediately before the increment became formally payable. The reasoning proceeded on the employee having earned the increment by completing the entire prescribed

[1] In W.P.(C) 10509/2019, decided on 23rd January, 2020.
[2] 2017 SCC OnLine Mad 37963.

annual period. The Petitioner before us ceased to be in service on 29th June, 2017, and his cessation was premature termination, not retirement on 30th June after completion of the increment year. The factual foundation of those decisions is therefore absent. Prayer (d) is declined.

41. The question of interest on the amounts payable to the Petitioner remains to be considered. CSU paid INR 14,77,802/- towards arrears of pay and INR 9,56,373/- towards leave encashment only in March 2020. These were benefits which CSU itself ultimately found payable. The Petitioner had sought their settlement by his application dated 17th April, 2018, filed shortly after the order dated 4th April, 2018. The Court finds no justification for requiring the Petitioner to bear the financial consequences of the delay thereafter. The same consideration applies with greater force to the pensionary benefits which remained unsettled. Pension and gratuity are not matters of bounty, and unexplained delay in the payment of retiral benefits has consistently been held to warrant the award of interest. In ***D.D. Tewari v. Uttar Haryana Bijli Vitran Nigam Ltd***.,[3] the Supreme Court reiterated this principle and awarded interest on the delayed payment of pension and gratuity from the date of entitlement until actual payment.

42. The Petitioner's claim for interest at 18% per annum, however, cannot be accepted. Having regard to the nature of the dues and the circumstances in which their payment remained delayed, the Court considers it appropriate to award simple interest at 6% per annum on the delayed pension arrears, arrears of pay and leave encashment, and at 10% per annum on the delayed payment of gratuity. As regards the INR 5,49,081/- already paid as CPF, no separate

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[3] (2014) 8 SCC 894.

interest is awarded on this amount. The Petitioner's entitlement shall instead be computed under the GPF Scheme, including the interest admissible thereunder, after accounting for the amount already paid.

43. The service certificate also requires correction. In the certificate dated 11th March, 2022, CSU continued to describe the Petitioner's cessation from service as removal pursuant to disciplinary proceedings. This is inconsistent with the order dated 4th April, 2018, which directed that his removal be treated as termination *simpliciter* without stigma. CSU shall accordingly issue a fresh service certificate reflecting the position as settled by the said order. The Last Pay Certificate shall also be revised to reflect the pay components found admissible pursuant to the directions contained in this judgment. The certificates shall be issued in the applicable format of CSU; the formats proposed by the Petitioner need not be adopted.

44. The Petitioner also seeks a Vigilance Clearance and a No Penalty Certificate. CSU has not pointed to any subsisting penalty after the order dated 4th April, 2018 converted the removal into termination *simpliciter* without stigma. It shall therefore issue such certification as is ordinarily issued by it for this purpose, recording the position accurately and without treating the Petitioner as having suffered the penalty of removal or dismissal. If any standard vigilance disclosure is otherwise required by the applicable rules, this direction does not prevent CSU from making a factually accurate disclosure; it only prevents the earlier punitive termination from being shown as a subsisting penalty.

45. What remains is the implementation of the above conclusions. There is no reason to require the Petitioner to pursue another round of representations between CSU and NIEPA. His entitlement stands determined by this

judgment. The remaining exercise is confined to verification of his qualifying service, determination of the date from which pension becomes payable, and computation of the amounts due.

46. The petition is disposed of with the following directions:

i. The Office Order dated 5th March, 2020 and the communications dated 21st November, 2020, 6th October, 2021 and 15th March, 2022 are set aside to the extent that they (i) deny pension and gratuity by disregarding the Petitioner's earlier qualifying pensionable service; (ii) treat him as governed by CPF instead of the old GPF-cum-Pension Scheme; (iii) deny notice pay by treating the cessation as one under the misconduct clause; or (iv) describe the cessation as punitive removal. Payments and other benefits already released under those orders shall remain undisturbed and will be adjusted in the final account.

ii. *Pensionable status and qualifying service:* Respondent No. 1 shall treat the Petitioner as governed by the old GPF-cum-Pension Scheme in terms of Clause 7 of the Service Agreement dated 11th November, 2013. His qualifying pensionable service preceding 5th July, 2013, as verified in terms of direction (iii) below, shall be clubbed with his qualifying service under Respondent No. 1.

iii. *Authentication by NIEPA:* Within four weeks, Respondent No. 2 shall furnish directly to Respondent No. 1 and Respondent No. 3 an authenticated statement showing (a) the qualifying service credited to the Petitioner up to 4th July, 2013; (b) the institutions and periods comprised therein; (c) the basis on which INR 32,32,166/- was computed and transferred as pro-rata pensionary liability; (d) the GPF amount transferred; and (e) the gratuity liability calculated by it. If any supporting service record is required from an earlier institution, Respondent Nos. 1 and 2 shall take the necessary steps to obtain or authenticate the same administratively. The Petitioner shall not be required to commence separate proceedings for that purpose.

iv. *Pension:* Within four weeks thereafter, Respondent No. 1 shall compute and sanction pension under the old Pension Scheme on the combined qualifying service. It shall also determine the date from which pension became payable under the applicable pension rules. In doing so, it shall proceed on the binding footing that the cessation dated 29th June, 2017 is a termination *simpliciter* without stigma, and it shall not deny or postpone pension on the basis that the Petitioner was removed pursuant to disciplinary proceedings. If Respondent No. 1 considers pension to commence from a date later than that claimed by the Petitioner, the calculation sheet shall identify the precise rule which produces that result.

v. *Gratuity:* Gratuity shall be recomputed on the same authenticated aggregate qualifying service and admissible emoluments. Credit shall be given for the INR 8,32,329/- already released in June 2022. The balance, if any, shall be paid with the interest as directed.

vi. *GPF:* Respondent No. 1 shall reconstruct the Petitioner's GPF account from the date of receipt of INR 7,72,977/- from NIEPA until final settlement. The statement shall separately show the opening transfer, the Petitioner's subscriptions, applicable annual GPF interest, the withdrawal of INR 7,00,000/-, every subsequent transfer or payment proved from the record, and INR 5,49,081/- already released under the incorrect CPF treatment. All credits, subscriptions, withdrawals, transfers and payments shall be accounted for on their respective dates, and interest shall be worked out in accordance with the applicable GPF Scheme. Only the net balance after these adjustments shall be paid.

vii. *Notice pay and other pay components:* Respondent No. 1 shall pay three months' salary in lieu of notice under Clause 3(iv), calculated on the pay/emoluments admissible under the Service Agreement. Transport Allowance shall not be payable for full calendar months during which the Petitioner remained under suspension. If any part-month immediately preceding or following the period of suspension qualifies under the applicable instructions, the same shall be included in the final computation. Personal Pay of INR 840/- per month shall be included if CSU's payroll records show that it formed an admissible component of the Petitioner's pay immediately prior to his suspension, unless CSU identifies a specific order or rule under which the entitlement subsequently ceased.

viii. *Notional increment:* The claim for notional increment with effect from 1st July, 2017 is rejected.

ix. *Interest:* Pension arrears shall carry simple interest at 6% per annum from the respective dates on which they became due until payment, while gratuity shall carry simple interest at 10% per annum from the date on which it became due until payment. In respect of the INR 8,32,329/- towards gratuity already released in June 2022, interest at 10% per annum shall run only until its actual release. The INR 14,77,802/- towards arrears of pay and INR 9,56,373/- towards leave encashment, already paid on 6th March, 2020, shall carry simple interest at 6% per annum from 17th April, 2018 until payment. The Petitioner's GPF entitlement shall carry interest in accordance with the applicable GPF Scheme. No separate interest is awarded on the INR 5,49,081/- already released as CPF, which shall be accounted for in the GPF computation under direction (vi) above.

x. *Certificates:* Within four weeks, Respondent No. 1 shall issue a fresh Service Certificate recording the cessation of service as termination *simpliciter* without stigma. It shall also issue the appropriate Vigilance/No Penalty certification in its standard form consistently with the fact that no penalty of removal or dismissal survives the order dated 4th April, 2018. The corrected Last Pay Certificate, reflecting the admissible components of pay determined pursuant to this judgment, shall be issued along with the consolidated calculation directed in paragraph (xii) below.

xi. *Inter se accounting:* Any issue regarding where the pro-rata pensionary corpus presently stands, or any adjustment between Respondent Nos. 1 and 2, shall be resolved between those respondents, with Respondent No. 3 coordinating the exercise if required. Such accounting shall not be a condition precedent to payment to the Petitioner. Respondent No. 1 remains responsible for releasing the amounts found payable under this judgment. Any amount actually lying with Respondent No. 2 shall be transmitted by it in accordance with the statement made by its counsel and adjusted in the institutional accounts.

xii. *Single consolidated calculation:* Respondent No. 1 shall furnish the Petitioner a single head-wise calculation showing pension, gratuity, GPF, notice pay, Personal Pay, adjustments for sums already received and interest. The entire exercise, including payment, shall be completed within twelve weeks from today. If the amounts directed by this judgment are not released within that period, the unpaid amount shall thereafter carry simple interest at 9% per annum until payment.

47. This disposes of all the monetary and service-related claims pressed in the petition.

48. With the above directions, the petition is disposed of along with pending applications.

SANJEEV NARULA, J

SEPTEMBER 10, 2026/*hc*