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**(2018) 12 P&H CK 0227**

**In the Punjab And Haryana At Chandigarh**

**Case No :** Civil Writ Petition No. 5881, 4862 Of 2002, 7084, 12173 Of 2005

Ghansham Dass Gupta

APPELLANT

Vs

State Of Punjab And Others

RESPONDENT

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**Date of Decision :** 11-12-2018

**Acts Referred:**

Reorganization Act, 1966 — Section 29(4), 79(4)  
Punjab Civil Services Rules, 1970 — 2(44)(a), 6(19)(iv)

**Citation :** (2018) 12 P&H CK 0227

**Hon'ble Judges :** Harsimran Singh Sethi, J

**Bench :** Single Bench

**Advocate :** S.S. Rana, Sarvesh Kumar Gupta, R.D. Sharma, Mehardeep Singh, Arun Nehra, Sant Kashyap, Sumit Gupta, Sachin Mittal

**Final Decision :** Allowed

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**Judgement**

Harsimran Singh Sethi, J

By this order, the above mentioned four writ petitions involving the same questions of law are being disposed of. The facts are being extracted from CWP No.5881 of 2002. The question of law which is to be decided in the present writ petition is as to whether the petitioner is to be paid the pensionary benefits by taking into account the actual last pay drawn by him while working in Bhakra Beas Managing Board (hereinafter referred to as 'BBMB') or the emoluments which the petitioner would have drawn, had he not been working with the BBMB but with the State of Punjab/Haryana.

The petitioner was duly selected and appointed as an SDO on 18.12.1965. After the reorganization of the State of Punjab under the Punjab Reorganization Act, 1966, the staff which was working at Bhakra Nangal and Beas Project under the State of Punjab, was statutorily transferred to BBMB by virtue of the provisions of Section 79(4) of the Reorganization Act, 1966. There is no permanent staff of the BBMB and the employees from the State of Punjab and Haryana were to be posted there in the ratio of 60 : 40.

After the petitioner returned from Algeria, he worked at the Mukerian Hydel Project, Talwara, District Hoshiarpur from 13.01.1984 till 23.08.1988 and, thereafter, once again was posted at BBMB from where he retired as a Chief Engineer on 28.02.2002. It is further submitted that at the time of retirement of the petitioner, the petitioner was drawing basic salary of ` 20,600/- from BBMB.

After the retirement, the pensionary benefits of the petitioner were fixed by the State of Punjab by presuming that the petitioner retired from the State of Punjab and had he continued with the State of Punjab, he would have only drawn the basic pay of ` 18,600/- and, therefore, all his pensionary benefits were calculated by the State of Punjab by presuming his basic pay as ` 18,600/- instead of ` 20,600/-, which the petitioner was actually drawing from BBMB at the time of his retirement. This action of reducing the basic pay by ` 2,000/-, on presumption that the petitioner is supposed to have worked with Punjab Government at the time of retirement is under challenge.

The respondents have defended their action on the ground that as per the provisions of the Punjab Civil Services Rules, if an employee was on foreign service, the pay which he was getting there, shall not be counted for pension and gratuity and the pay and the pension of the government employee would be fixed on the presumption that he continued working with the Government of Punjab and whatever he would have drawn with the Government of Punjab, the pension and the pensionary benefits will be fixed upon the basic pay which the State will fix and, therefore, as the petitioner would have got ` 18,600/- basic pay had he continued with the Government of Punjab, and therefore his pensionary benefits were rightly fixed up and the petitioner was not entitled for calculation of his pension and pensionary benefits on the basic pay of ` 20,600/-, which he was actually drawing at the time of his retirement from BBMB.

I have heard the counsel(s) for the parties.

This question which is to be decided in the present writ petition has been raised on an earlier occasion also and this Court decided the controversy more than once in respect of State of Punjab as well as State of Haryana. The question as to whether, the basic pay which the employee was actually drawing at the time of his retirement from BBMB is to be taken into consideration for calculation of his pension and pensionary benefits or the presumptive basic pay fixed by the respective State is to be taken. The first case decided by this Court was while deciding CWP No.4381 of 1993 titled as Charanjit Singh Kohli Vs. State of Haryana and others. In the said case, Sh. Charanjit Singh Kohli was also appointed prior to reorganization which happened on 01.11.1966. After the reorganization, Sh. Charanjit Singh Kohli was allocated State of Haryana. After the retirement, the pay of Sh. Charanjit Singh Kohli was also fixed by presuming him to be continued working with the State of Haryana and whatever last emoluments he would have got, had he not proceeded on deputation. He was also denied the fixation of pensionary benefits on the actual basic pay which he was drawing at the time of his retirement. The State of Haryana, defended the

action by relying upon Rule 6.19-c(iv) of the Punjab Civil Services Rules, Vol.-II as applicable to Haryana. As per the said Rule, the employees who were on deputation, their emoluments were to be fixed by presuming that what they would have drawn had they not proceeded on deputation. While interpreting Rule 6.19-c(iv) of the Punjab Civil Rules, Vol.-II as applicable to the State of Haryana, the Division Bench of this Court allowed the writ petition on 13.01.1994 and held that said Charanjit Singh Kohli cannot be treated on deputation with BBMB as no deputation allowance was paid to him and he was to be treated as an employee of the Government of Haryana, who has been transferred from one department to another and Rule 6.19-c(iv) is not applicable at all. The findings given by the Division Bench while allowing the case is as under:

"The employees of the successor State on their retirement are granted retirement benefits according to the terms and conditions of their own State government's Civil Service Rules. The petitioner was allocated to the State of Haryana and the pensionary benefits are admissible to him were determined under Rule 6.19-c(iv) of the Punjab Civil Service Rules Volume-II (as applicable to the State of Haryana). The same read as thus:-

"In the case of employees on deputation to any other State Government or the Central Government, the emoluments which he would have drawn had he not proceeded on deputation, will alone be taken into account."

The State of Haryana treated the petitioner as on deputation with the Bhakra Beas Management Board ( for short, the Board) and the emoluments which he would have drawn had he not proceeded on deputation, were taken into account for fixation of pension.

The only question which arises for determination is whether the petitioner could be treated as being on deputation during the period he served with the Board. The Commissioner and Secretary to Government Haryana, Finance Department, vide his communication No.2528-5FR(1)-76/14020 dated 11th May, 1977, addressed to all the Heads of Department, Commissioners, Ambala and Hissar Divisions, all Deputy Commissioners and Sub Divisional Officer (Civil) in Haryana, The Registrar of this Court and all District & Sessions Judges in Haryana clarified that the employees of Haryana Government transferred from one department to another department under the Haryana Government. Bhakra Nangal Project, Beas Project and Soil Conservation Board etc. would not be considered as on deputation and no deputation allowance would be admissible to them. The petitioner was not granted any deputation allowance. Under the aforesaid policy decision of the Haryana Government, the petitioner was not created to be on deputation with the Board. He was for all intents and purposes treated as an employee of the Haryana Government by transfer from one department in another department. Rule 6.19-c(iv) of the Punjab Civil Service Rules, Volume-II, under which the pension has been fixed by treating the petitioner as on deputation was inapplicable. The State of Haryana fixed the pension of the petitioner by applying a rule which was inapplicable. The petitioner's pension and

other retiral benefits have to be fixed treating him to be employee of the Haryana Government in terms of Rule 6.19-c(i) of the Punjab Civil Service Rules, Volume-II (as applicable to the State of Haryana) read with Rule 2.44 (a) of the Punjab Civil Service Rules, Volume-I, Part-I (as applicable to the State of Haryana) and not under Rule 6.19-c(iv) of the Punjab Civil Service Rules Volume-II as applicable to the State of Haryana.

For the reasons stated above, the writ petition succeeds and respondent No.4 is directed to re-determine the petitioner's claim in the light of the above observations within three months from the date of receipt of a copy of this order. The arrears, if any, will be released to the petitioner within three months of the redetermination of his pensionary benefits."

The said judgment has already attained finality and Charanjit Singh Kohli was granted the pensionary benefits by taking into account actual last pay drawn by him from BBMB.

The same controversy, was again brought before this Court in CWP No.6768 of 1996 titled as Nirmal Singh Vs. State of Punjab. In the said case also, Sh. Nirmal Singh was drawing basic pay of `4875/- when he retired from BBMB on 30.09.1993 but his actual pensionary benefits were calculated by treating his basic pay as `3800/-. The same was done on the same analogy by the Government of Punjab by relying upon Rule 6.19-C read with Note 3 of the Punjab Civil Services Rules, Vol.II. This Court held that the employees who were working with BBMB, do not fall under Rule 6.19-C and, therefore, the employees are entitled for the calculation of their pensionary benefits by taking into consideration the actual last drawn pay by them while working with BBMB. The relevant order passed by the Court is as under: "Petitioner was working as Sub-Divisional Officer under the Bhakra Beas Management Board (hereinafter referred to as Board). He was drawing a basic pay of Rs.4875/-when he retired from service on superannuation on 30.09.1993. While computing his pensionary benefits, he was treated to have drawn basic salary of Rs.3800/- and retiral benefits fixed accordingly. His request to have retiral benefits fixed on the last drawn pay of Rs.4875/-was not granted by the authorities. Hence, this writ petition.

Detailed written statements have been filed on behalf of respondent Nos.1,2 and 3. The stand taken in these written statements is that petitioner who was an employee of the State of Punjab is to be treated as on foreign service under the Board and as on foreign service, he was getting the allowance. The said allowance drawn by him cannot be reckoned in computing the pensionary benefits. In support of the arguments, reliance was placed on Rule 6.19-C, Chapter-VI and Note 3 of Punjab Civil Service Rules, Volume-II. For a proper understanding of the said Rule and the Note, we read the same:-

"6.19-C; (i) The term 'emoluments' when used for this purpose shall mean 'pay' as defined in Rule 2.44 of the Punjab Civil Service Rules Volume-1, Part-1

including dearness pay as determined by the orders of the Government issued from time to time, which the employee was receiving immediately before his retirement, or the date of his death."

"Note:-3": There shall be no change in the existing principle of reckoning those emoluments for pension, which are paid by government. In other words, the entire amount drawn as emoluments by a Government employee while on foreign service shall count for pension and gratuity. In such a case, the pay which the Government employee would have drawn under the government had he not been sent on foreign service, shall alone be taken into account."

The argument advanced by the learned Additional Advocate General, Punjab and the counsel representing the Board is that the entire amount drawn as emoluments by the petitioner while on foreign service shall not count for pension and gratuity, thereby the petitioner should have his pension and gratuity computed on the basis of basic pay and not actual pay which takes in foreign allowance as well.

Rule 10.21 of Chapter X of Punjab Civil Services Rules, Volume-1, Part-1, deals with deputation allowance, Clause-5 of that Rule reads:-

"The deputation of an employee to the Union Territory of Chandigarh or transfer of an employee to foreign service under the Bhakra Beas Management Board or the Beas Construction Board shall be treated as service in the interest of the State of Punjab and no deputation allowance shall be admissible."

From this provision, it is beyond doubt that if an employee of the Punjab Government is sent on deputation to the Union Territory of Chandigarh or on foreign service to the Board such an officer should not be treated as on deputation or on foreign service, because the said deputation or foreign service is in the interest of State of Punjab. On combined reading of rule 6.19-C and its Note, referred to earlier and rule 10.21 (5), we come to the conclusion that employee of the Punjab Government may be sent of deputation or on foreign service to other Governments, Public Sector undertakings or Organisations, but in case deputation is to the Union Territory of Chandigarh or foreign service to Bhakra Beas Management Board or Beas Construction Board, such employee's case will not fall under rule 6.19-c. They will be holding the posts under the Union Territory of Chandigarh or Board as if they are on posts in the State of Punjab. The emoluments drawn by them from their respective employer will be their salary. No part of the salary paid by the Union Territory or Board will be allowance or foreign allowance. The said salary should be the basis for computation for pensionary benefits. In the above view, when it is admitted that last drawn pay of the petitioner was Rs.4875/-, the retiral benefits due to him should be computed on that basis. Respondents were clearly in error in computing his pensionary benefits, on the wrong understanding that his basic pay was Rs.3800/-per month.

Respondents are directed to re-compute the retiral benefits due to the petitioner,

i.e. pension, gratuity etc., on the basis of his last drawn pay of Rs.4875/- per month. The amount so calculated should be disbursed to the petitioner within two months from the date of receipt of copy of this judgment. We make it clear that amounts already paid should be given credit to.

Writ petition is ordered in the above terms. We make no order as to costs."

The State of Punjab filed SLP against the said order, which was decided on 06.11.1997. Hon'ble Supreme Court of India while relying upon the provisions of the Reorganization Act, 1966 read with the Punjab Civil Services Rules, especially Rule 2.21, Rule 10.2

(A) and Rule 8.19-C, held that erstwhile employees of the Government of Punjab, who stood transferred to the BBMB and ultimately retired from the same, will be entitled for calculation of their pension on the actual pay drawn by them at the time of retirement and the decision of the Division Bench was upheld. The order passed by the Hon'ble Supreme Court of India is as under:

"We have heard the learned counsel for the parties.

In the light of the statutory scheme of Section 29(4) of Punjab Re-organisation Act, 1966 (hereinafter referred to as 'The Act') and in the light of the Punjab Civil Service Rules (hereinafter referred to as 'the Punjab Rules') especially rule 2.21, Rule 10.2(A), Rule 8.19-C which is to be read with Rule 2.44 of the Punjab Rules it becomes clear that those erstwhile employees of the State of Punjab who had on the appointed date i.e. 1.11.1966 stood statutorily transferred to the Bhakra Beas Management Board (hereinafter referred to as 'the Board') and who ultimately retired from the Board while serving in the Board will be governed by the impugned orders of the High Court and will have to be paid pension according to the last pay drawn by them at the time of retirement from the Board. We make it clear that we confirm the decision of the High Court only to the aforesaid extent and as all the contesting respondents fall within this category of cases, the special leave petitions are dismissed.

We make it clear that the learned counsel for the petitioners have made a clear statement that on 1.11.66 all the respondents were statutorily transferred to the Board and have retired from the Board. The decision of the High Court in their favour is being confirmed on that basis. The pension of the respondents as per the scheme of the Act will have to be paid by the State of Punjab and not by the Board which is merely a disbursing agency." Despite the fact that the Hon'ble Supreme Court of India had decided the controversy once for all, still the respondents-States kept fixing the pensionary benefits of employees retiring from BBMB by taking presumption under their relevant service Rules and not given them the pensionary benefits and pension on the basis of actual last pay drawn by them from BBMB. This Court again on an occasion to decide the same controversy while deciding CWP No.19963 of 2006 and CWP No.7877 of 2007 on 03.05.2011. Again the action of the State of Punjab was challenged by which the retirees were denied the computation of their pensionary benefits on the actual

basic pay drawn by them at the time of retirement from the BBMB. This Court while interpreting Section 79(4) of the Reorganization Act, according to which, the BBMB was entitled to employ such staff as it was necessary to discharge their functions under the Act and every person who immediately before the constitution of the said Board was engaged in the constructions, maintenance or operation of the works were to be continued employed under the Board until the Central Government otherwise directs. Therefore, the Board had the power to continue with the services of the employees who were there before the Reorganization Act. By interpreting the said clause, this Court again held that the employees who retired from BBMB, will be entitled to calculate their pensionary benefits on the actual basic pay drawn by them and not on the basis of the presumptive pay fixed by the respective States.

The said judgment has also attained finality and relief has already been granted to the concerned employees by the State of Punjab.

Once again, this Court had an occasion to decide the same controversy relating to the State of Haryana while deciding CWP No.12614 of 2005 decided on 23.02.2012. In the said case, Manphool Dhiman had joined BBMB on 01.10.1965. As per the order passed by this Court, Sh. Manphool Dhiman is stated to have joined BBMB on 01.10.1965 and he retired from BBMB on 29.02.2004. From 01.03.1979 to 30.08.1982, Sh. Manphool Dhiman worked with Irrigation Department of the Government of Haryana. After Sh. Manphool Dhiman retired on 29.02.2004, his pay was fixed again on the presumptive basic pay by applying Rule 6.19-c(iv) of the Punjab Civil Services Rules as applicable to Haryana. This Court, again came to the rescue of the said employee and held that even though the employee was not continuously working with the BBMB after his appointment, still he will be entitled for fixation of his pensionary benefits on the actual basic pay drawn by him at the time of his retirement from BBMB. The order passed by this Court on 23.02.2012 is as under:-

"The petitioner seeks for revised pension on the basis of last pay drawn by him in Bhakra Beas Management Board (for short, 'BBMB'). It is not denied that the petitioner had joined BBMB on 01.10.1965 and retired with BBMB on 29.02.2004. The service continued with BBMB except for a period between 01.03.1979 to 30.08.1982 when he had worked on deputation with the Government of Haryana in the Irrigation Department. It is again not in dispute that at the time of reorganisation of the States of Punjab and Haryana, 40% of share of liability was to be borne by the State of Haryana and 60% by the State of Punjab. The petitioner had been assigned to the State of Haryana for claiming of benefits. By the fact that the petitioner had been working on deputation with the State of Haryana for a period from 1979 to 1982, the contention of the Haryana Government is that the scale of pay applicable to the post in the State of Haryana shall alone be taken as last drawn at BBMB. I cannot allow for such an interpretation when the petitioner had been an employee of BBMB at all times and his service on deputation to a State cannot be taken as a ground for

applying the State scales of pay for computation of pension.

The petitioner is entitled to draw his pension on the basis of the scales of pay applicable to him with BBMB at the time of his retirement and the last pay drawn at BBMB shall alone be the criterion for computation of pension. The calculation shall be made and the arrears shall be released to the petitioner with interest at 7.5% from the date when it fell due to the date of payment. The exercise shall be completed within a period of 8 weeks from the date of receipt of copy of this order.

The writ petition is allowed on the above terms." Against the abovesaid decision of the Single Judge dated 23.02.2012, An LPA was preferred being LPA No.47 of 2013(O&M) which came to be decided by the Division Bench on 15.01.2013. The Division Bench upheld the order passed by learned Single Judge and the order passed by the Division Bench is as under:

"It is not in dispute that the respondent herein was the permanent employee of Bhakra Beas Management Board (BBMB) where he joined services on 01.10.1965. He also retired from the said department on 29.02.2004. The respondent wanted that his pension be computed on the basis of the last salary drawn by him at the time of his retirement. For this purpose, he preferred a writ petition. The stand taken by the appellant was that in between for the period of three years i.e. From 01.03.1979 to 30.08.1982 the respondent worked on deputation with the Government of Haryana in Irrigation Department and for that reason the scale of pay applicable to the post in the State of Haryana should be taken as last pay drawn at BBMB. The contention is preposterous to say the least and has rightly been rejected by the learned Single Judge.

We failed to understand as to how the pay drawn by him while on deputation with the Irrigation Department that too for the period of three years much earlier than his retirement i.e. from 1979 to 1982 can be the basis for fixing the pension. The law is well grounded on this aspect, namely, the pension is to be fixed on the basis of last drawn pay at the time of retirement from the parent department. We thus do not find any merit in this appeal. We also do not find any justification in condoning the delay in filing the appeal as well. Accordingly, the appeal is dismissed on the ground of limitation as well as on merits."

Against the said decision, even the SLP was filed which was dismissed on 05.04.2013 and after the judgment became final, the pension and pensionary benefits of Sh. Manphool Dhiman were refixed as directed by learned Single Judge on the basis of his actual last basic pay drawn by him from the BBMB.

As per the factual matrix narrated above, including the orders passed by this Court in various writ petitions, which have attained finality upto the Hon'ble Apex Court consistently has been held that even though the Rule governing State of Punjab and Haryana states that the presumptive basic pay is to be taken into account in respect of all the States employees, who are on deputation/foreign service, still the employees who were working with the BBMB were not held to be



covered under the said clause and granted the benefit of fixation of pensionary benefits on the actual basic pay drawn by them at the time of their retirement from BBMB.

The counsel for the State of Punjab and Haryana have stated that the above said decision will not cover the case of the petitioner for the reason that they have not continuously worked in the BBMB and, therefore, once they have worked on deputation with other institutions as well, after joining the State of Punjab and Haryana as the case may be, their cases cannot be covered under the above said judgments. It is only in the case of employees, who were appointed in the BBMB prior to the Reorganization Act and continuously kept working there only in their case the benefit of actual basic pay drawn by them from BBMB, have been held to be applicable.

I am afraid, the said argument cannot be accepted. No doubt, in the case of Nirmal Singh (*supra*), in the case of Charanjit Singh Kohli (*supra*) and in the case of Tarsem Lal Sharma Vs. State of Punjab and others, 2011(4) Recent Service Judgments 0615, they continued working in BBMB without interruption but in the case of Manphool Dhiman, the said employee did not work in BBMB continuously, still writ petition filed by him was allowed by this Court vide order dated 23.02.2012 (CWP No.12614 of 2005). The LPA against the said decision has also been dismissed after noticing this argument that the employee did not continuously work with the BBMB. Even the SLP against this decision had been dismissed and the said employee had been granted the relief of calculation of his pensionary benefits on the actual basic pay which he was drawing at the time of his retirement from BBMB. Therefore, once an employee who is similarly situated (not continuously worked in BBMB) has been allowed the benefit, this argument cannot be advanced by the respondents to deny the claim of the petitioners.

The next contention which has been raised by the counsel for the State of Haryana is that the judgment of Manphool Dhiman cannot be made applicable in the present case as Manphool Dhiman was within 40% quota allocated to the State of Haryana to be sent to BBMB as per the Reorganisation Act but the petitioners herein were not within the quota prescribed. Surprisingly, the argument raised by the Government of Haryana but the same has not been supported by any data to say that the petitioners herein were not within the 40% quota as envisaged under the Reorganisation Act. Further, it is an admitted case that the petitioners were working with the BBMB on the date of reorganisation and once they were working with the BBMB under Section 79(4), they are supposed to be officers of BBMB until and unless sent back to their allocated State with the prior approval of the Government of India. No such order has been placed on record showing that the petitioner was brought back to the State of Haryana/Punjab, as the case may be, as no instructions/approval, taken from the Government of India as required under the Reorganisation Act, 1966 has been produced on record. Therefore, even if the persons had come back to their respective States, the same cannot be taken to their disadvantage at any cost

much less for fixing their pensionary benefits on the presumptive pay.

Further, argument has been raised by the counsel for the respondents that as per the order passed by the Division Bench in LPA No.47 of 2013 decided on 15.01.2013 in State of Haryana and others Vs. Manphool Dhiman. The Division Bench recorded that the law is well grounded on the aspect, namely, the pension is to be fixed on the basis of last drawn pay at the time of retirement from the parent department.

Counsel for the respondents states that in view of the said finding recorded by the Division Bench as the parent department of the petitioners is either State of Punjab/Haryana, as the case may be, therefore, the fixation of the basic pay on the presumption that the petitioners were working with the parent department of State of Punjab or Haryana, as the case may be, is covered by the findings recorded by the Division Bench.

This argument is being made in isolation without going through the full order passed by the Division Bench on 15.01.2013. In the first paragraph, it has been recorded by the Division Bench that respondent Manphool Dhiman was the permanent employee of the BBMB where he joined service on 01.10.1965 and he retired from the said department on 29.02.2004. The Division Bench treated the employees who had joined the service prior to the reorganization of the State of Punjab and were working with the BBMB as the permanent employee of the BBMB for all intents and purposes and it was under these circumstances, the findings mentioned above were recorded.

If the argument of the respondents' counsel is to be accepted, then the LPA should have been allowed by the Hon'ble Division Bench but the same was dismissed. Meaning thereby that direction given by the learned Single Judge that Sh. Manphool Dhiman is to be paid the pensionary benefits on the actual pay drawn from BBMB was upheld. Therefore, the said argument does not carry any force and is hereby rejected.

Keeping in view the above and the settled principle of law which has already attained the finality, the petitioners are to be treated as part of BBMB for all intents and purposes even though fixing their pensionary benefits by taking into consideration the actual basic pay which they were drawing at the time of their retirement. The action of the concerned State in fixing the pensionary benefits on presumptive basic pay is held to be bad in law and contrary to the law settled by this Court, which have been affirmed upto the Supreme Court of India. The State Government is directed to refix the pensionary benefits of the petitioners by taking into consideration the actual basic pay which they were drawing at the time of their retirement. In case the petitioners are found entitled for any arrears on the basis of said fixation, the same shall also be released to them. Let the order be complied with in respect of fixation of pay as well as releasing all the arrears if any within a period of four months from the date of receipt of a certified copy of this order. In case the order is not complied with as directed

above, the respective States will be liable to pay the interest @ 6% from the date it became due till it is paid.

The petition stands allowed in above terms with no order of costs.