



2026:PHHC:047797

HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-8200-2023 (O&M)

Decided on 25.03.2026

Nitu

... Petitioner

VS.

Punjab National Bank & Ors.

... Respondents

CORAM: HON'BLE MR.JUSTICE SANDEEP MOUDGIL

Present: Mr. Parveen Moudgil, Advocate for the petitioner

Mr. Gaurav Goel, Advocate and
Mr. Rajat Thareja, Advocate for the respondents

Sandeep Moudgil, J.

Prayer

(1). The jurisdiction of this Court has been invoked under Articles 226/227 of the Constitution of India for the issuance of a writ in the nature of certiorari for quashing the impugned order dated 28.02.2019 (Annexure P5), whereby the petitioner's claim for ex gratia payment of Rs.6,00,000/- was declined by the respondents.

Facts

(2). The petitioner, belonging to the Scheduled Caste category, is a widow with two minor children, whose husband Shri Ramniwas (since deceased) was appointed as Part-Time Sweeper (PTS)/Sub Staff with respondent Punjab National Bank in 1999 and died in harness on 02.12.2013. The Bank had framed a benevolent ex-gratia policy to provide compassionate financial assistance of Rs. 6 lakhs to dependents of deceased subordinate staff (or Rs. 5 lakhs for Sub Staff like PTS), aimed at mitigating immediate financial distress. The petitioner duly completed all requisite formalities in September



2017, made persistent representations to respondent No. 3 thereafter, however, in September 2017, respondent No.3 explicitly informed her that no benefit under the ex-gratia scheme would be granted. The petitioner served a legal notice dated 25.11.2017 (Annexure P-3) and eventually had to file CWP No.22716 of 2018 seeking grant of the ex-gratia amount of Rs. 5 lakhs (as applicable to Sub Staff), and this Court vide order dated 07.09.2018 (Annexure P-4) directed the respondents to decide the legal notice (Annexure P-3) within three months and it is in purported compliance thereof that the respondents rejected the claim vide impugned order dated 28.02.2019 (Annexure P-6) on the ground that the petitioner's family monthly income from all sources exceeded 60% of the deceased husband's last drawn notional gross salary

(3). Upon receiving the impugned rejection, the petitioner on 06.06.2019 (Annexure P-7) sought information under the RTI Act, 2005 regarding the exact last pay salary slip of her deceased husband, however, since no response within the stipulated time, was received, she filed first appeal on 12.09.2019 (Annexure P-8) before the Appellate Authority, which too defaulted followed by second appeal preferred by her on 23.12.2019, before the Central Information Commission, New Delhi (Annexure P-9), which is still pending.

Respondents' Response

(4). Notice of motion was issued on 20.04.2023 and in response thereto, the respondent-Bank has filed its reply dated 21.07.2025 wherein it has been averred that all scheduled commercial Banks including the respondent adopt and follow the policy/schemes issued by the Govt. of India, Reserve Bank of India and Indian Banks Association in relation to all payments including ex gratia. It is submitted that the impugned order dated 28.02.2019 is



in conformity with the "Scheme for consideration of extending financial assistance as ex gratia (lumps sum) amount or employment on compassionate grounds in exceptional cases to family of employees who expire while in harness" circulated on 03.11.2007 and subsequently modified on 06.12.2008, which were in force at the time of death of petitioner's husband late Sh. Ram Niwas, and that ex-gratia is a limited welfare measure, not a matter of right, meant only for families left in indigent circumstances and made expressly subject to a financial eligibility test based on "total monthly income of the family" vis-à-vis 60% of the last drawn notional gross salary.

(5). It is further contended that in terms of paragraph 8 of the said circular, the Bank has assessed the family's monthly income by taking the net terminal dues of Rs. 1,15,032/-, deducting outstanding loans, computing monthly interest of Rs. 815/- thereon at the maximum term deposit rate, and adding the family pension of Rs. 2,096/-, arriving at a total monthly income of Rs. 2,911/-, which is higher than 60% of the notional gross salary, namely Rs. 2,747/-, and therefore, as per the explicit terms of the scheme, the petitioner is not entitled to ex-gratia assistance.

(6). It is then argued that inclusion of family pension is fully justified because paragraph 8 requires consideration of "any other amount paid under a scheme of the Bank", a wide expression meant to cover all structured financial benefits, and pension being a recurring payment under the Bank's pension scheme necessarily falls within this phrase and as such, to avoid duplication of benefits, the Bank must take a holistic view of all financial support already provided or being provided.

**Petitioner's assertion**

(7). However, the petitioner, while disputing the above contentions, submits that the Bank's interpretation and application of the ex-gratia scheme is ex facie contrary to binding judicial precedent, including the decisions in *Smt. Santosh Devi v. Oriental Bank of Commerce & Anr.* 2009(3) SCT 416 and *Oriental Bank of Commerce & Anr. v. Santosh Devi*, 2014(2) Law Herald 1743, wherein it has been categorically held that "family pension" is not to be included as part of terminal benefits or family income for the purpose of determining eligibility under similar ex-gratia schemes. He submits that the deliberate exclusion of family pension from the list of components in the revised schemes has been judicially recognised as reflecting the policy-maker's intention that pension should not be factored into such calculations.

(8). It is thus the petitioner's counter-submission that by adding family pension to the monthly income and then denying ex-gratia, the respondents have acted illegally, arbitrarily and contrary to the scheme's object, and that the reliance on the words "any other amount paid under a scheme of the Bank" cannot override or dilute the clear ratio of the aforesaid judgments, which squarely prohibit the very mode of computation adopted in the impugned order.

(9). Heard learned counsel for the parties.

Analysis

(10). It seems that the respondent-Bank has founded its impugned decision entirely on a mechanical application of the "60% of last drawn notional gross salary" formula by including both family pension and notional interest on terminal dues as components of the petitioner's "monthly income",



without examining whether these sources actually secure a dignified and sustainable livelihood for the widow and her two minor children. The petitioner's status as a Scheduled Caste widow, with no independent earning and dependent solely on family pension and hypothetical interest on a modest corpus, establishes that she continues to be in a vulnerable and financially fragile condition, which is precisely the kind of hardship that the ex gratia scheme is intended to alleviate. When the scheme is properly construed as a welfare measure, the focus must be on the real capacity of such income to meet basic needs i.e. food, education, healthcare and shelter rather than on a formalistic percentage test applied in isolation from ground realities.

(11). In this context, the Court also takes note of the settled legal position that under analogous ex gratia schemes, "family pension" has been consciously excluded as a component for calculating monthly income/terminal benefits, the policy-maker's intent being that pension should not be treated as a substitute for ex gratia relief to a bereaved family.

(12). It is trite that inclusion of family pension and notional interest on terminal benefits, without actual accrual and without considering the subsisting financial distress of the dependents, is arbitrary, unreasonable and contrary to the very object of such schemes. Applying the same logic, the Bank's reliance on the phrase "any other amount paid under a scheme of the Bank" to rope in family pension is misplaced, as it would defeat the compassionate purpose of the scheme and convert a benevolent provision into a rigid exclusionary device. On a holistic appraisal, the Court finds that the petitioner in fact relies solely on family pension and the notional interest on a limited corpus for sustenance, and such income, in the socio-economic context of a young widow with minor



children, cannot be regarded as adequate to secure even a modest standard of living. In view of these circumstances, and in consonance with the principles of equity, justice and the welfare orientation underlying the ex gratia policy, the petitioner is held entitled to the ex gratia payment of Rs. 6,00,000/- as claimed.

(13). Accordingly, the impugned order dated 28.02.2019 (Annexure P-5), whereby the claim for ex gratia payment was rejected, is hereby quashed. The respondents are directed to release the said ex gratia amount of Rs.6 lakh to the petitioner forthwith along with interest @6% p.a. within a period of one month from the date of receipt of certified copy of this order.

(14). Pending application(s), if any, stands disposed of.

25.03.2026

V.Vishal

**(Sandeep Moudgil)
Judge**

1. *Whether speaking/reasoned?* :
2. *Whether reportable?* :

Yes/No
Yes/No