

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 25208/2013)**

THE PUNJAB STATE COOPERATIVE BANK APPELLANT(S)

VERSUS

NARINDER KUMAR SHARMA & ORS. RESPONDENT(S)

WITH

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26541/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26343/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26327/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26349/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 25225/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26888/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26121/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 26544/2013)**

**CIVIL APPEAL NO(S). _____ OF 2024
(Arising from SLP(C) No(s). 28564/2013)**

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25853/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 26072/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25886/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25912/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25903/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25768/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25901/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 25902/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 27013/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 26069/2013)

CIVIL APPEAL NO(S). OF 2024
(Arising from SLP(C) No(s). 26898/2013)

O R D E R

Delay in filing substitution application(s) is condoned.

Abatement, if any is set aside.

Application(s) for substitution is allowed.

Cause title to be amended accordingly.

Leave granted.

The present batch of appeals involve the issue, whether the employees of the Apex Cooperative Bank (The Punjab State Cooperative Bank) (hereinafter referred to as "Bank") would be entitled to receive gratuity as per the Punjab State Cooperative Financing Institutions Service (Common Cadre) Rules, 1970-71 (hereinafter referred to as "Common Cadre Rules") or as per the provisions of the Payment of Gratuity Act, 1972 (hereinafter referred to as "the Gratuity Act")

The Division Bench of the High Court, while dealing with the issue has divided the employees in two categories. First category involves those who were appointed prior to 24.08.1998 and retired before the said date and the second category involves employees who were appointed prior to 24.08.1998 and attained the age of superannuation subsequent to the amendment i.e., after 24.08.1998.

Mr. Raval, learned senior counsel appearing for the appellant(s) during the hearing has pointed out that in the present batch of appeals, Civil Appeals arising from SLP(C) Nos. 25901/2013, 25902/2013, 26069/2013, 26072/2013, 26121/2013, 26544/2013 &

26898/2013 includes those who were non-cadre employees but inducted in common cadre after 24.08.1998 and were held to be entitled to the benefit within the second category as directed by the High Court obligating the Bank to pay them gratuity in terms of Common Cadre Rules and not as per the provisions of the Gratuity Act, which may cause prejudice to the bank.

After hearing learned senior counsel/counsel appearing for the parties and on perusal of the Rule 3(11) of the Common Cadre Rules, it appears that the employees shall be entitled for gratuity as per Annexure V amended from time to time with the approval of the Registrar of Cooperative Societies, Punjab. Rule 2(c) of the Common Cadre Rules defines the pay which means the average of the salary inclusive of the remunerations drawn as salary during the last 12 months. However, as per respondent(s) the employees inducted in employment were to be governed by Common Cadre Rules and to be paid gratuity as specified therein and they cannot be put in a disadvantageous situation by virtue of any amendment brought later. In this regard, the short question arises is that when an amendment brought after induction of the employees getting remunerations, can they be put in disadvantageous situation?

In our view the employees who fall within the first category who

were inducted prior to 24.08.1998 and retired on or before the said date would be paid gratuity as per the provisions of the Common Cadre Rules. The second category of the employees inducted prior to 24.08.1998 and attained the age of superannuation thereafter will also be governed by Rule 3(11) as stood before 24.08.1998, because even after amendment, as per Section 4(5) of the Gratuity Act, an employee will be entitled to better terms of gratuity under contract of employment and such right shall not adversely affect them. Even otherwise, by virtue of the amendment brought on 24.08.1998, the common cadre employees who were benefited by the old Rules cannot be put into disadvantageous situation without giving them an option or affording a due opportunity. Therefore, in our view, the employees of the second category inducted prior to the date of amendment i.e. 24.08.1998 and attained the age of superannuation later shall also be governed by the Common Cadre Rules and entitled to get the benefit of gratuity as per Rule 3(11) of the Common Cadre Rules. So far as the other employees are concerned, who were in the non-common cadre rules and were inducted in common cadre after the amendment in the Common Cadre Rules on 24.08.1998, they would be governed as per the amended provisions of the Rules and for clarity those employees shall be paid gratuity as per the Gratuity Act.

In view of the foregoing, the orders of the High Court shall stand modified and clarified. We make it clear that the directions issued by the High Court to pay gratuity in above terms be implemented by the Bank within a period of four months from today. Failure to pay gratuity as directed above within the time period would entail interest on the difference amount as directed by the High Court.

The application(s) for impleadment/intervention filed by various persons shall be dealt with by the Bank in accordance with the directions issued hereinabove within the time so specified.

At present all the appeals shall stand disposed of in the above terms. Pending application(s), if any, shall stand disposed of. No costs.

.....**J.**
[J.K. MAHESHWARI]

.....**J.**
[SANJAY KAROL]

New Delhi;
April 30, 2024.

ITEM NO.10

COURT NO.9

SECTION IV-B

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 25208/2013

(Arising out of impugned final judgment and order dated 28-02-2013 in LPA No. 887/2010 in CWP No. 21740/2008 passed by the High Court Of Punjab & Haryana At Chandigarh)

THE PUNJAB STATE COOPERATIVE BANK

PETITIONER(S)

VERSUS

NARINDER KUMAR SHARMA & ORS.

RESPONDENT(S)

(IA No. 155746/2023 - APPLICATION FOR CONDONATION OF DELAY IN FILING THE APPLICATION FOR SETTING ASIDE THE ABATEMENT, IA No. 155738/2023 - APPLICATION FOR SUBSTITUTION & IA No. 155740/2023 - SETTING ASIDE AN ABATEMENT)

WITH

SLP(C) No. 26541/2013 (IV-B)

SLP(C) No. 26343/2013 (IV-B)

SLP(C) No. 26327/2013 (IV-B)

SLP(C) No. 26349/2013 (IV-B)
(FOR APPLICATION FOR SUBSTITUTION ON IA 4/2017
FOR CONDONATION OF DELAY IN FILING SUBSTITUTION APPLN. ON IA 5/2017
FOR EXEMPTION FROM FILING O.T. ON IA 6/2017)

SLP(C) No. 25225/2013 (IV-B)
(FOR ON IA 2/2015 (impleadment) & FOR ON IA 3/2016(impleadment))

SLP(C) No. 26888/2013 (IV-B)

SLP(C) No. 26121/2013 (IV-B)
(FOR APPLICATION FOR SUBSTITUTION ON IA 150450/2023
FOR SETTING ASIDE AN ABATEMENT ON IA 150452/2023
FOR APPLICATION FOR CONDONATION OF DELAY IN FILING THE APPLICATION
FOR SETTING ASIDE THE ABATEMENT ON IA 150453/2023)

SLP(C) No. 26544/2013 (IV-B)
(FOR APPLICATION FOR SUBSTITUTION ON IA 158585/2023, FOR SETTING
ASIDE AN ABATEMENT ON IA 158586/2023 & IA No. 158587/2023 -
APPLICATION FOR CONDONATION OF DELAY IN FILING THE APPLICATION FOR
SETTING ASIDE THE ABATEMENT)

SLP(C) No. 28564/2013 (IV-B)
 (FOR APPLICATION FOR SUBSTITUTION ON IA 145406/2023
 FOR CONDONATION OF DELAY IN FILING SUBSTITUTION APPLN. ON IA
 145407/2023)

SLP(C) No. 25853/2013 (IV-B)

SLP(C) No. 26072/2013 (IV-B)
 (FOR APPLICATION FOR SUBSTITUTION ON IA 148639/2023
 FOR SETTING ASIDE AN ABATEMENT ON IA 148641/2023
 FOR APPLICATION FOR CONDONATION OF DELAY IN FILING THE APPLICATION
 FOR SETTING ASIDE THE ABATEMENT ON IA 148642/2023)

SLP(C) No. 25886/2013 (IV-B)

SLP(C) No. 25912/2013 (IV-B)

SLP(C) No. 25903/2013 (IV-B)

SLP(C) No. 25768/2013 (IV-B)

SLP(C) No. 25901/2013 (IV-B)
 (FOR EARLY HEARING APPLICATION ON IA 7122/2021
 IA No. 163189/2023 - APPLICATION FOR CONDONATION OF DELAY IN FILING
 THE APPLICATION FOR SETTING ASIDE THE ABATEMENT, IA No. 163183/2023
 - APPLICATION FOR SUBSTITUTION & IA No. 163186/2023 - SETTING ASIDE
 AN ABATEMENT)

SLP(C) No. 25902/2013 (IV-B)
 (FOR APPLICATION FOR SUBSTITUTION ON IA 146003/2023, FOR SETTING
 ASIDE AN ABATEMENT ON IA 146007/2023 & FOR APPLICATION FOR
 CONDONATION OF DELAY IN FILING THE APPLICATION FOR SETTING ASIDE
 THE ABATEMENT ON IA 146008/2023)

SLP(C) No. 27013/2013 (IV-B)

SLP(C) No. 26069/2013 (IV-B)

SLP(C) No. 26898/2013 (IV-B)

Date : 30-04-2024 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.K. MAHESHWARI
 HON'BLE MR. JUSTICE SANJAY KAROL

For Petitioner(s) Mr. Harin P Raval, Sr. Adv.
 Mr. Sudhir Walia, Adv.
 Ms. Niharika Ahluwalia, Adv.
 Ms. Urmi H Rawal, Adv.
 Ms. Shreya Bansal, Adv.
 Mr. Shreshtha Narayan, Adv.

Mr. Arpit Sharma, Adv.
Mr. Abhishek Atrey, AOR

Mr. Gaurav Dhingra, AOR

For Respondent(s) Mr. Rajat Sharma, Adv.
Mr. Dinesh Verma, Adv.
Mr. Subhasish Bhowmick, AOR

Ms. Manju Jetley, AOR

Mr. Ravindra Keshavrao Adsure, AOR

Mr. Gaurav Dhingra, AOR
Mr. M.C. Dhingra, Adv.
Mr. Shashank Singh, Adv.
Mr. Piyush Kant Roy, Adv.
Mr. Dipanker Pokhriyal, Adv.
Mr. Surendra Gautam, Adv.
Mr. A.k. Singh, Adv.
Mr. Mr. Rishabh Malhotra, Adv.
Mr. Rishab Kumar Singh, Adv.
Mr. Mahendra Ram, Adv.

Mr. Rohit Sharma, Adv.
Mr. Nikhil Purohit, Adv.
Mr. Jatin Lalwani, Adv.
Mr. Kumar Dushyant Singh, AOR

Mr. K M Natraj, A.S.G.(NP)
Mr. Shailesh Mandiyal, Sr. Adv.(NP)
Mr. Raj Bahadur Yadav, AOR
Mrs. Gargi Khanna, Adv.
Mr. Ashok Panigrahi, Adv.
Mr. Veer Vikrant Singh, Adv.

Mr. Siddhant Sharma, AOR

Mr. Ajay Pal, AOR

Mr. Gaurav Dhingra, AOR
Mr. M.C. Dhingra, Adv.
Mr. Shashank Singh, Adv.
Mr. Piyush Kant Roy, Adv.
Mr. Dipanker Pokhriyal, Adv.
Mr. Surendra Gautam, Adv.
Mr. A.k. Singh, Adv.
Mr. Mr. Rishabh Malhotra, Adv.
Mr. Rishab Kumar Singh, Adv.
Mr. Mahendra Ram, Adv.

**UPON hearing the counsel the Court made the following
O R D E R**

The delay in filing substitution application(s) is/are condoned.

Abatement, if any is/are set aside.

Application(s) for substitution is/are allowed.

Cause title to be amended accordingly.

Leave granted.

The appeals are disposed of in terms of the signed order, which is placed on the file.

Pending application(s), if any, shall stand disposed of.

**(NIRMALA NEGI)
COURT MASTER (SH)**

**(VIRENDER SINGH)
BRANCH OFFICER**