IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No. 15995 of 2024
a/w CWP Nos. 8371, 8839, 8841, 8842, 8866, 8893, 8894, 8895, 8896, 8940, 9044, 10161, 10192, 10374, 10564, 10566, 10786, 10787, 10789, 10790, 10791, 10792, 10882, 10928, 11078, 11089, 11107, 11158, 11214, 11347, 11614, 11992, 12054, 12546, 12567, 13085, 13456, 14660, 14946, 15989, 15990, 15991, 15992, 15993, 15994, 15996, 16099, 16349, 16352, 16691, 16693, 16704, 16716, 16718, 16721, 16781, 16783 of 2024, CWP Nos.397, 1269, 1271, 1272, 1273, 1274, 1275, 1281, 1287, 1297, 1298, 1299, 1300, 1301, 1703, 3898, 3899, 3993, 4520, 4521, 4527, 5137, 6919, 8149, 11584 of 2025, LPA No.211 of 2025 and CWP Nos. 115, 3215 of 2026
Reserved on : 18.06.2026
Decided on : 16.09.2026
Uploaded on: 16.09.2026

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1. **CWP No.15995 of 2024**

Bal Dev.

…Petitioner.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

2. **CWP No.8371 of 2024**

Avinash Chand Gupta & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

3. CWP No.8839 of 2024

Panna Lal Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

4. CWP No.8841 of 2024

Jyoti Prakash Chaudhary.

…Petitioner.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

5. CWP No.8842 of 2024

Shambhu Dutt & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

6. CWP No.8866 of 2024

Vinod Kumar Moudgil.

…Petitioner.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

7. CWP No.8893 of 2024

Amita Bhatnagar & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

8. <u>CWP No.8894 of 2024</u>

Om Swaroop Sharma & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

9. <u>CWP No.8895 of 2024</u>

Parkash Chand & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

10. <u>CWP No.8896 of 2024</u>

Ajay Kumar & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

11. <u>CWP No.8940 of 2024</u>

Neelam Bala & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

12. <u>CWP No.9044 of 2024</u>

Prithi Raj & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

13. CWP No.10161 of 2024

Prem Lal Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

14. CWP No.10192 of 2024

Chet Ram Verma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors..

…Respondents.

15. CWP No.10374 of 2024

Virander Speiya & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

16. CWP No.10564 of 2024

Bansi Ram Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

17. CWP No.10566 of 2024

Umavati & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

18. CWP No.10786 of 2024

Om Prakash Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

19. CWP No.10787 of 2024

Karm Chand.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

20. CWP No.10789 of 2024

Daya Ram Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

21. CWP No.10790 of 2024

Ram Paul Moudgil.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

22. CWP No.10791 of 2024

Madan Gopal Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

23. CWP No.10792 of 2024

Suresh Kumar Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

24. CWP No.10882 of 2024

Hem Raj Mahajan.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

25. CWP No.10928 of 2024

Arjan Singh & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

26. CWP No.11078 of 2024

Madan Lal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

27. CWP No.11089 of 2024

Geeta Kaundal & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

28. CWP No.11107 of 2024

Kirpa Ram.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

29. CWP No.11158 of 2024

Hari Ram.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

30. CWP No.11214 of 2024

L.R. Sharma & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

31. CWP No.11347 of 2024

Jugvir Singha.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

32. CWP No.11614 of 2024

Bimla Verma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

33. CWP No.11992 of 2024

Het Ram Pal.

…Petitioner.

Versus

HPSEBL & Ors.

…Respondents.

34. CWP No.12054 of 2024

Chander Kanta & Anr..

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

35. CWP No.12546 of 2024

Ramesh Kumar Kaundal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

36. CWP No.12567 of 2024

Bali Ram Chandel.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

37. CWP No.13085 of 2024

Gaura Diwan.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

38. CWP No.13456 of 2024

Tulsi Ram.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

39. CWP No.14660 of 2024

Narinder Singh Thakyal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

40. CWP No.14946 of 2024

Narender Pal & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

41. CWP No.15989 of 2024

Tilak Raj.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

42. CWP No.15990 of 2024

Sushil Awasthi.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

43. CWP No.15991 of 2024

Raman Kumar Chopra.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

44. CWP No.15992 of 2024

Satish Kumar.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

45. CWP No.15993 of 2024

Inder Raj Gupta.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

46. CWP No.15994 of 2024

Vidya Sagar Gupta.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

47. CWP No.15996 of 2024

Brajender Sheel.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

48. CWP No.16099 of 2024

Anil Chauhan.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

49. CWP No.16349 of 2024

Jagdish Chand.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

50. CWP No.16352 of 2024

Leela Dhar Kaushal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

51. CWP No.16691 of 2024

Hem Raj.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

52. CWP No.16693 of 2024

Brij Lal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

53. CWP No.16704 of 2024

Dina Nath Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

54. CWP No.16716 of 2024

Ashwani Kumar.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

55. CWP No.16718 of 2024

Ranjeet Singh Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

56. CWP No.16721 of 2024

Jagdish Chand Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

57. CWP No.16781 of 2024

Sher Singh.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

58. CWP No.16783 of 2024

Chiranji Lal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

59. CWP No.397 of 2025

Rajinder Singh Chauhan.

…Petitioner.

Versus

State of Himachal Pradesh & Anr.

…Respondents.

60. CWP No.1269 of 2025

Ramesh Chand Chauhan.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

61. CWP No.1271 of 2025

Rakesh Kumar Chandel.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

62. CWP No.1272 of 2025

Baldev Singh Thakur.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

63. CWP No.1273 of 2025

Nawang Paldan.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

64. CWP No.1274 of 2025

Manjeet Kaur.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

65. CWP No.1275 of 2025

Roop Ram Bakshi.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

66. CWP No.1281 of 2025

Sharavan Kumar Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

67. CWP No.1287 of 2025

Vijay Kumar Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

68. **CWP No.1297 of 2025**

Nek Ram Pal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

69. **CWP No.1298 of 2025**

Krishan Kumar.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

70. **CWP No.1299 of 2025**

Mayavati Thakur.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

71. **CWP No.1300 of 2025**

Hira Singh.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

72. **CWP No.1301 of 2025**

Dila Ram Thakur.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

73. CWP No.1703 of 2025

Mast Ram & Ors..

…Petitioners.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

74. CWP No.3898 of 2025

Paras Ram.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

75. CWP No.3899 of 2025

Dev Raj.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

76. CWP No.3993 of 2025

Chitar Bhanu.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

77. CWP No.4520 of 2025

Parkash Chand Chauhan.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

78. **CWP No.4521 of 2025**

Purender Sharma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

79. **CWP No.4527 of 2025**

Bal Dev Raj Awasthi.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

80. **CWP No.5137 of 2025**

Malkiat Raj.

…Petitioner.

Versus

Additional Chief Secretary (Finance) & Ors.

…Respondents.

81. **CWP No.6919 of 2025**

Dhani Ram Verma.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

82. **CWP No.8149 of 2025**

Thandi Ram.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

83. **CWP No.11584 of 2025**

Hem Raj Chaudhary.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

84. **LPA No.211 of 2025**

Rajinder Kumar Bhardwaj.

…Appellant.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

85. **CWP No.115 of 2026**

Pawan Kumar Goyal.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

86. **CWP No.3215 of 2026**

Joginder Singh.

…Petitioner.

Versus

State of Himachal Pradesh & Ors.

…Respondents.

Coram

Hon'ble Mr. Justice Vivek Singh Thakur, Judge.

Hon'ble Mr. Justice Ranjan Sharma, Judge.

Whether approved for reporting? [1] *Yes*

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[1] *Whether the reporters of the local papers may be allowed to see the judgment?*

For the Petitioner(s).	*Mr.Onkar Jairath, Senior Advocate, with Mr. Anshul Jairath, Advocate, Mr. Naresh Sharma, Mr. Mohamed Ahamed Safee, Mr. Pranav Kumar Kaushal, Mr. Sameer Miyan, Mr.Ajay Chandel, Mr. Vinod Chauhan, Mr.Balwant Singh Ms. Aanchal Singh, Ms.Abhilasha Kaundal, Ms. Reetika Singla, Mr. Hamender Singh Chandel, Mr. Ashir Kaith, Mr. George, Sandeep Kumar Pandey, Mr. Mr. Ramesh Kumar Kaundal, Mr.Vinod Kumar Soni, Mr.Ajay Sipahiya, Mr. Tarun Mehta, Mr. Vinod Kumar Thakur, Mr. Sumesh Raj, Mr. Mohar Singh, Mr. Ravinder Singh, Ms.Pooja Thakur, Dr. Lalit Kumar Sharma, Mr. Shubham Sood, Mr.Atharv Sharma, Mr. Mandeep Chandel, Mr. Ashwani Gupta, Mr. Ashok Kumar Verma, Mr. Balwant Singh Thakur, Ms.Anchal Sharma, Ms. Shakshi Bhardwaj, Mr.Ajay Kumar Dhiman, Ms.Neha Negi, Ms.Shakshi Bhandari, Advocates, for the petitioners in respective petitions.*
	Mr. Chitranjan Kumar Sharma & Mr. Gopal Singh, Advocates, for the appellant in LPA No.211 of 2025.
For the Respondents:	*Mr. Anup Rattan, Advocate General with Mr.Ramakant Sharma, Additional Advocate General and Mr.Shalabh Thakur, Assistant Advocate General, for the respondent(s)-State.*
	Mr. Vikrant Thakur, Senior Advocate, with Ms. Shivani Priya, Advocate, for respondent No.3- HPPSC in CWP No.12546 of 2024.
	Ms. Sharadha Karol and Ms. Rupali Sharma, Advocates, for respondent No.4 in CWP No.12567 of 2024.
	Mr. Nitin Thakur, Advocate, for respondent No.4 in CWP No.11214 of 2024.
	Mr. Rajinder Thakur, Central Government Counsel, for respondent(s)-Union of India.

Mr. Rajesh Kashyap, Advocate and Mr. Ravinder Thakur, Advocate, for respondent-HPSEBL.

Ms. Shrutika Chauhan, Advocate, for respondent-HRTC in CWP No.1703 of 2025.

Mr. Rajesh Kosh, Mr. Rangil Singh, Mr. Dikken Kumar Thakur, Mr. Abhishek Sharma and Mr. Tara Chand Chauhan, Advocates, for the respondent(s)- Accountant General.

Vivek Singh Thakur, Judge

All these petitions, for involvement of common question of law and facts to be adjudicated in the matter, have been clubbed together and are being decided by this common judgment.

2. Petitioners, in all petitions, are retired employees governed by Service Rules framed and/or adopted by the State of Himachal Pradesh.

3. Petitioners, on their retirement, on various dates, had opted for commutation of pension. As a result of opting for commutation of pension, they were paid lump sum commuted pension amount based on calculations provided for that, and their pension was reduced to the extent of commutation of pension opted by the petitioners, with further condition that the full pension shall be restored after 15 years from the date of payment of commuted value of pension to the petitioners.

4. Now, petitioners have approached this Court on the ground that commuted value of pension paid to the petitioners stands recovered along with interest at the rate of 8% per annum within a lesser period, to say 10 to 12 years, and therefore, the State is not entitled to continue restriction on full payment of pension and to restore the same only on completion of 15 years after recovery of commuted value of pension along with interest.

5. Various other grounds have also been raised for objecting to the condition and for setting aside the condition provided under Rule 10-A of the Central Civil Services (Commutation of Pension) Rules, 1981 (in short "Commutation of Pension Rules"), applicable to the employees of the State of Himachal Pradesh.

6. The Himachal Pradesh Government Employees the Fundamental Rules and Supplementary Rules (FR & SR), Central Civil Services (Pension) Rules, 1972 (as applicable to Government employees appointed prior to 15.05.2003), General Provident Fund (Central Services) Rules, 1960, and Central Civil Services (Commutation of Pension) Rules, 1981, have been made applicable by the Government of Himachal Pradesh to its employees.

7. There was no specific procedure prescribed for commutation of pension in Pension Rules 1972 and specific provisions

have been provided in commutation of Pension Rules, 1981 and as of now, commutation of pension in Himachal Pradesh is governed by Commutation of Pension Rules, read with Central Civil Services (Pension) Rules, 1972.

8. Now, the CCS (Pension) Rules, 1972 have been replaced by the Central Government by framing the Central Civil Services (Pension) Rules, 2021, as evident from Rule 87 of the Pension Rules, 2021, the relevant portion whereof reads as under:-

> **"87. Repeal and Saving**
>
> (1) On the commencement of these rules, every rule [including Central Civil Services (Pension) Rules, 1972], regulation or order including Office Memorandum (hereinafter referred to in this rule as the old rule) in force immediately before such commencement shall, in so far as it provides for any of the matters contained in these rules, cease to operate."

9. Now Pension Rules, 1972 has been ceased to operate with regard to any matter contained in Pension Rules, 2021. In Pension Rule 2021, Rule 84 (2), provides as under:-

> "**84. Application of other rules**
>
> (1) …… …… …… ……
>
> (2) The Central Civil Services (Commutation of Pension) Rules, 1981 shall apply in regard to commutation of pension authorised under these rules, payment of commuted value of pension and restoration of commuted pension on expiry of the period of commutation."

10. It is apt to record that Central Civil Services (Pension) Rules, 2021 have not been adopted by Government of Himachal Pradesh as yet.

Therefore, the CCS (Pension) Rules, 1972 read with Commutation of Pension Rules, 1981 are relevant to be referred and considered for adjudication of the present petitions.

11. Following provisions of Commutation of Pension Rules, 1981 are also relevant to be referred:-

"**2. Application**

These rules shall apply to Government servants appointed on or before 31st day of December 2003 who may be entitled to or have been authorised any class of pension referred to in Chapter V of the Central Civil Services (Pension) Rules, 1972.

3. Definitions

(1) In these rules, unless the context otherwise requires : -

…… …… …… ……

j. "Pension" means any class of pension including compassionate allowance referred to in Chapter V of the Pension Rules but does not include extra pension and the amount, by whatever name called, granted by the Government to a pensioner as a compensation for higher cost of living ;

k. "Pension Rules" means the Central Civil Services (Pension) Rules, 1972 ;

CHAPTER II

General Conditions

4 …… …… …… ……

5. Limit on commutation of pension

(1) A Government servant shall be entitled to commute for a lump sum payment of an amount not exceeding forty percent of his pension.

(2) In an application for commutation in Form 1 or Form 1-A or Form 2, as the case may be, an applicant shall indicate the fraction of pension which he desires to commute and may either indicate the maximum limit of forty percent of pension or such lower limit as he may desire to commute. (3)

If percentage of pension to be commuted results in fraction of a rupee, such fraction of a rupee shall be ignored for the purpose of commutation.

6. Commutation of pension to become absolute

(1) The commutation of pension shall become absolute in the case of an applicant referred to

(i) in sub-rule (1) of Rule 13, on the date on which the application in Form 1 is received by the Head of Office ;

(i-a) in sub-rule (3) of Rule 13, on the date following the date of his retirement ;

(ii) in Chapter IV, on the date on which the medical authority signs the medical report in Part III of Form 4 ;

Provided that -

(a) in the case of an applicant who is drawing his pension from a treasury or Accounts Officer, the reduction in the amount of pension on account of commutation shall be operative from the date of receipt of the commuted value of pension or at the end of three months after issue of authority by the Accounts Officer for the payment of commuted value of pension, whichever is earlier, and

(b) in the case of an applicant who is drawing pension from a branch of a nationalized bank, the reduction in the amount of pension on account of commutation shall be operative from the date on which the commuted value of pension is credited by the bank to the applicant's account to which pension is being credited.

(c) in the case of an applicant governed by sub-rule (3) of Rule 13 in whose case the commuted value of pension becomes payable on the day following the date of his retirement, the reduction in the amount of pension on account of commutation shall be operative from its inception. Where, however, payment of commuted value of pension could not be made within the first month after the date of retirement, the difference of monthly pension for the period between the day following the date of retirement and the date preceding the date on which the commuted value of pension is deemed to have been paid in terms of Rule 49 of the Central Government Accounts (Receipts and Payments) Rules, 1983, shall be authroized by the Accounts Oficer.

(2) In the case of an applicant referred to in Rule 9 or Rule 10, the commuted value is paid in two or more stages, the reduction in the amount of pension shall be made from the respective dates of the payments as laid down in Clause (a) or Clause (b) of the proviso to sub-rule (1).

(3) The date on which the payment of the commuted value of pension was made to the applicant or the commuted value was credited to the applicant's account shall be entered in both halves of the Pension Payment Order by the disbursing authority under intimation to the Accounts Officer who authorized the payment of commuted value of pension.

…… …… …… ……

8. Calculation of commuted value of pension

The lump sum payable to an applicant shall be calculated in accordance with the Table of the values prescribed from time to time and applicable to the applicant on the date on which the commutation becomes absolute.

…… …… …… ……

10 A. Restoration of Commuted Pension

The commuted amount of pension shall be restored on completion of fifteen years from the date the reduction of pension on account of commutation becomes operative in accordance with rule 6:

Provided that when the commutation amount was paid on more than one occasion on account of upward revision of pension, the respective commuted amount of pension shall be restored on completion of fifteen years from the respective date(s)

34. Repeal and Savings -

(1) On the commencement of these rules, every rule, regulation or order including Office Memoranda (hereinafter referred to in this rule as the old rule) in force immediately before such commencement shall, in so far as it provides for any of the matters contained in these rules, cease to operate.

(2) Notwithstanding such cesser of operation -

(a) any application for commutation of pension which is pending before the commencement of these rules shall be disposed of in accordance with the provisions of old rules as if these rules had not been made ; and

(b) subject to the provisions of Clause (a), anything done or any action taken under the old rules shall be deemed to have been done or taken under the corresponding provisions of these rules.

TABLE

COMMUTATION VALUES FOR A PENSION OF ₹ 1 PER ANNUM

Effective from 1st January, 2006

[*See* Rules 3 (1) (m) 8, 26(7), 28(5), 29(1) and 29(2)]

Age next birth day	Commutation value expressed as number of year's purchase	Age next birth day	Commutation value expressed as number of year's purchase	Age next birth day	Commutation value expressed as number of year's purchase
20	9.188	41	9.075	62	8.093
21	9.187	42	9.059	63	7.982
22	9.186	43	9.040	64	7.862
23	9.185	44	9.019	65	7.731
24	9.184	45	8.996	66	7.591

Age next birth day	Commutation value expressed as number of year's purchase	Age next birth day	Commutation value expressed as number of year's purchase	Age next birth day	Commutation value expressed as number of year's purchase
25	9.183	46	8.971	67	7.431
26	9.182	47	8.943	68	7.262
27	9.180	48	8.913	69	7.083
28	9.178	49	8.881	70	6.897
29	9.176	50	8.846	71	6.703
30	9.173	51	8.808	72	6.502
31	9.169	52	8.768	73	6.296
32	9.164	53	8.724	74	6.085
33	9.159	54	8.678	75	5.872
34	9.152	55	8.627	76	5.657
35	9.145	56	8.572	77	5.443
36	9.136	57	8.512	78	5.229
37	9.126	58	8.446	79	5.018
38	9.116	59	8.371	80	4.812
39	9.103	60	8.287	81	4.611
40	9.090	61	8.194		

12. From above provisions, it is evident that on retirement, the retiring employee has a right to opt for commutation of pension up to 40% of pension payable to such employee on the date of retirement. Value of commuted pension is determined by multiplying amount of percentage of pension opted to be commuted from total pension payable on retirement with commuted value/factor as per table and 12 months. For example, in case an employee opts for commutation of 40% of pension at the age of 58 years, then commuted pension shall be 40% of pension payable on retirement multiplied by factor applicable for next date of birth from the date of retirement provided in table multiplied by 12.

13. Earlier, the option for receiving commuted pension was available on surrender of portion of pension by the retiree permanently. Portion of the pension up to one-third thereof was permissible to be opted for commuted pension, but there was no provision for restoration of full pension at any point during lifetime.

14. By considering demands of pensioners, restoration of commuted portion of pension was provided on attaining the age of 70 years with effect from 01.04.1982. Later on, the Union of India and State Governments agreed to restore the commuted portion of the pension with regard to all civilian employees, at the age of 70 years or after 15 years, whichever is later. As on date, 15-year formula is in force and full pension is restored after 15 years.

15. As per Rule 10A of CCS (Commutation of Pension) Rules, on commutation of pension, amount/percentage of pension opted to be commuted is deducted from monthly pension payable to the retiree till completion of 15 years from the date of payment of commuted value of the pension. In other words, as provided under Rule 10A of Commuted Pension Rules, the commuted amount of pension shall be restored on completion of 15 years from the date of reduction of pension on account of commutation and, therefore, the retiree who opts for commutation of pension shall receive full pension after restoration of it on completion of

15 years from the payment of commuted value of the pension, and thus for 180 months, retiree has to pay back, by way of deduction/reduction of pension, in lieu of commuted value of pension received by him.

16. Following main points have been raised on behalf of petitioners to substantiate their plea for restoration of full pension immediately after recovery of commuted value of pension along with interest thereon.

17. It has been submitted on behalf of the petitioners that earlier, factor applicable for determining the commutation value of pension at the age of 58 years, the superannuation age of the employees in Himachal Pradesh, was 10.46, but it has now been reduced to 8.371, and resultantly, the retiring employee is receiving lesser commuted value of pension in comparison to the commuted value of pension prior to 01.01.2006 and, therefore, it has been submitted that in view of the reduction in factor to be multiplied, the period of recovery of 15 years also deserves to be reduced proportionately.

18. In all petitions, examples have been given with regard to the commutation value of pension received by the petitioners in comparison to and amount of commuted value of pension along with interest at the rate of 8% to be recovered or recovered by the Government, demonstrating that the entire amount along with interest at the rate of 8%

is being recovered between 11 to 12 years' period, and therefore, it has been submitted that continuation of recovery of the amount, by not paying full pension immediately after recovery of the commuted value of pension along with interest, is amounting to unjust enrichment of the State at the cost of petitioners.

19. It has been further submitted that earlier rate of interest was 4.75%, but it has also been increased to 8% per annum, whereas in every sector, including the rate of interest which was being paid on GPF etc., has been substantially reduced and, therefore, when rate of interest 6% per annum was prevailing in the year 1971, being a welfare State, Government had subsidized the rate of interest on amount to be recovered of commuted value of pension at the rate of 4.75%. Now, when prevailing rate of interest has decreased, the rate of interest, being charged at the rate of 8%, is on higher side, which deserves to be modified.

20. It has been further submitted that prior to 1981, commutation value to be assessed was 10.46 of one-third of the pension, but without restoration. However, subsequently policy decision was taken on 08.12.1981 regarding restoration of pension at the age of 70 years or after 12 years, i.e., 144 equal monthly installments, but now the recovery

with higher rate of interest has been provided till 15 years, which is without any reasonable cause.

21. It has been submitted that continuation of recovery for 2 to 4 years, after recovery with interest of commuted value of pension paid, is not permissible for a welfare State, and therefore, impugned Rule 10-A of the Commutation of Pension Rules deserves to be quashed and set aside.

22. It has been further submitted on behalf of petitioners that, though, there is a risk involved in making payment in lump sum of commuted pension, but in view of increase of life expectancy of human being to 70.42 years, which in case of Government employees, as per WHO statistics, has been shown 77 years, there are lesser occasions of death of the retirees before recovery who have received commuted value of pension, and, therefore, reduction in the projected risk, reduction in the factor to determine the amount to be paid as a commuted value of pension, and resultantly, payment of lesser amount as a commuted pension, are definitely serious and relevant points to be considered for reduction in period of 15 years provided in Rule 10-A for recovery of the amount so paid as commuted value of pension in lump sum.

23. It has been further submitted that Central Government employees are retiring at the age of 60 years, whereas age of

superannuation of State Government employees, except that of Class-IV (Group-D) employees, is 58 years, which makes significant difference between the risk factor for recovery of commutation value of pension between Central and State Government employees, and that life expectancy of Himachal Pradesh Government employee is much higher as compared to national life expectancy of India. Therefore, it has been submitted that continuation of recovery from the surviving retiree, under the garb of amount to be spent by the Government by making full pension to the family members of retirees on their death before recovery of the commutation pension, in excess is arbitrary and irrational as the same is being confirmed without carving out an intelligible differentia between two classes, that of State Government employees retiring at the age of 58 years and Central Government employees retiring at the age of 60 years and on this count also, it has been claimed that petitions deserve to be allowed.

24. In response, it has been contended on behalf of respondent-State of Himachal Pradesh that retirement benefits of Government employees are processed and determined by the concerned Department in accordance with the provisions of CCS (Pension) Rules, 1972, as applicable at the relevant point of time, and as per CCS (Pension) Rules and CCS (Commutation of Pension) Rules, 1981, a Government

employee is entitled to commute a lump sum payment of pension not exceeding 40%, but purely on an optional basis. There is no compulsion to opt for commutation of pension.

25. It is further case of the respondent-State of Himachal Pradesh that petitioners were well aware of the provisions regarding commutation of pension and the recovery thereof for 15 years and despite that, they opted for the same, and thus, now they are not entitled to assail the provisions for which they opted voluntarily, as there was no compulsion to opt for commutation of pension, and in such eventuality, the petitioners would have received full pension from the very first day throughout their lives.

26. It has been further submitted on behalf of respondent-State of Himachal Pradesh that there is a risk factor involved in the Scheme, as a pensioner receiving a lump sum amount of commuted value of pension may die immediately after receiving the same or before the recovery of entire amount along with up-to-date interest. In such eventuality, the commuted value of pension paid to the retiree in lump sum is not recoverable from his family members or out of family pension and consequently, full family pension is paid to the eligible family members by the State without deducting any single penny against the payment made

on account of commutation of pension. Therefore, in such cases, the Government has to bear the loss of unpaid balance commuted amount.

27. It has been submitted on behalf of respondent-State that keeping in view the entire facts, including the risk factor like death of the Government employee immediately after receiving the commuted amount, the duration of 15 years for recovery of commutation value of pension along with interest, as fixed by the respondent-State of Himachal Pradesh, is fair and justified.

28. It has been further submitted on behalf of respondent-State that the petitioners had retired long ago and they were not compelled to opt for commutation of pension, but they opted the same and remained silent at that time, raised no objection to the conditions, and now after a lapse of 10 to 13 years, they are claiming quashing of the Rule under which they had opted for commutation of pension. It has been stated that if the said conditions were not acceptable to the petitioners, they would have decided not to opt for commutation of pension. Now, after such a long lapse of time, they are not entitled to agitate the issue and on this ground as well, the petitions deserve to be dismissed.

29. In response affidavit filed on behalf of the Department of Pensioners' Welfare of Union of India, it has been stated that CCS (Pension) Rules, 2021 and CCS (Commutation of Pension) Rules, 1981

are not *ipso facto* applicable to the State of Himachal Pradesh, but as opted by the State Government, the accountability and responsibility of their implementation lies entirely with the State Government, but not with the Central Government. It has been further submitted that under the Allocation of Business Rules, any amendment in Pension Rules or Commutation of Pension Rules does not fall within the purview of the Department of Pension and Pensioners' Welfare and it is outside the purview of this Department. It has been further submitted that any policy amendment, consultation with the Central Pay Commission and the Department of Expenditure, Ministry of Finance, would be required.

30. It has been further submitted on behalf of Union of India that in the judgment passed by the Apex Court in **Common Cause, A Registered Society and Others vs. Union of India,** reported in **(1987) 1 SCC 142**, the Apex Court considered relevant factors like interest rate, mortality rate, etc., and the commutation table existing in 1986, and observed that the commutation period should be fixed at 15 years.

31. A decision of the Delhi High Court in judgment dated 17.01.2019 in **W.P.(C) No. 1222/2015**, titled **Forum of Retired IPS Officers (FORIPSO) vs. Union of India & another**, has also been cited, to refer that pension and commutation of pension are policy matters,

which are examined and decided on the basis of recommendations of the Pay Commission by the Authorities.

32. It has been further submitted on behalf of Union of India that the judgment passed by the Delhi High Court in W.P.(C) No. 1222/2015 was upheld by the Apex Court vide order dated 15.04.2019 passed in **Special Leave Petition, SLP(C) No. 8852/2019**, by dismissing the SLP with observation that there was no reason to entertain the petition.

33. Union of India has also taken the stand that there is no compulsion for a pensioner to opt for commutation of pension as well as other terms and conditions including the restoration period, rather, such conditions are agreed to by the pensioner at the time of exercising such option. Further that commutation of pension is not based on a simple calculation of just recovering the amount paid to the pensioner at the time of retirement as commuted value of pension, rather the pensioner receives a lump sum amount upfront, and in case the pensioner dies prior to full recovery, the remaining amount is waived off and, therefore, the commutation table devised after considering various factors, such as rate of interest and mortality rate.

34. It has been further submitted on behalf of Union of India that the commutation table applicable at present w.e.f. 01.01.2006 was recommended by the Sixth Central Pay Commission, which was accepted

by the Central Government, and Seventh Central Pay Commission did not alter or revise the said Table and, therefore, no further revision of the commutation Table has been carried out.

35. It has been further stated on behalf of Department of Pension and Pension's Welfare of Central Government that according to information provided by the Department of Expenditure, Ministry of Finance, the methodology for calculating the commuted value of pension had been deliberated upon by the Central Pay Commissions. The Fifth Central Pay Commission had proposed a revision of the commutation table, which had last been updated in March 1971, on the basis of prevailing mortality rates at that time and an interest rate of 4.75% per annum, which was considered concessional even at that time. Subsequently, the Sixth Central Pay Commission reviewed the matter in greater detail and noted that the mortality rate among Government pensioners had not changed drastically, whereas interest rates in the economy had risen substantially. It was observed that since the commuted portion of pension is restored after 15 years, any further improvement in life expectancy beyond 15-year window will cease to affect the actuarial basis for commutation. Based on these considerations, Sixth Central Pay Commission concluded that there was no justification for reducing the restoration period to 12 years.

36. It has been submitted on behalf of Central Government that the current provisions regarding the restoration period and commutation value are based on the recommendations of Sixth Central Pay Commission and the technical study commissioned by it, and this restoration period of 15 years was also approved by the Apex Court in Common Cause's case.

37. It has been further submitted on behalf of Union of India that Seventh Central Pay Commission has also considered the issue, but did not recommend any change in the period of restoration and further that, commutation of pension is not based on a simple calculation of just recovering the amount paid to the pensioner at the time of retirement; rather, pensioner gets a lump sum amount upfront, and in case he dies prior in time, remaining amount is waived off and, therefore, the commutation table devised after considering various factors such as rate of interest, mortality rate, etc., is not liable to be interfered with.

38. Respondents have also placed reliance on the judgment dated 17.12.2024, passed in **CWP No. 11858 of 2024** by the Learned Single Judge in **Rajinder Kumar Bhardwaj vs. State of Himachal Pradesh and Ors.**, whereby after taking into consideration judgment passed by Delhi High Court in **W.P.(C) No. 1222/2015**, titled **Forum of Retired IPS Officers (FORIPSO) vs. Union of India & another**, referred

supra, judgment dated 27.11.2024, passed in **CWP No. 9426 of 2023**, titled **Shila Devi and Others vs. State of Punjab and others**, similar relief, prayed for restoration of full pension before 15 years from the date of reduction of pension on account of commutation of pension, was rejected.

39. Learned counsel for the petitioners have submitted that judgment passed by learned Single Judge in *Rajinder Kumar Bhardwaj's* case has been assailed and is pending adjudication before this Court along with this bunch bearing *LPA No. 211 of 2025*, titled *Rajinder Kumar Bhardwaj vs. State of H.P*.

40. In Common Cause's case, dealing with provisions of Commutation of Pension Rules regarding recovery of amount from pension, i.e., for restoration of full pension after 15 years of payment of commuted value of pension, the Apex Court has observed as under:-

> "9. In dealing with a matter of this nature, it is not appropriate to be guided by the example of Life Insurance; equally unjust it would be to adopt the interest basis. On the other hand, the conclusion should be evolved by relating it to the 'years of purchase' basis. An addition of two years to the period necessary for the recovery on the basis of years of purchase justifies the adoption of the 15 years rule. That is more or less the basis which appears to be equitable. It may be that this would give rise to an addi- tional burden on the exchequer but it would not be heavy and after all it would bring some relief to those who have served the cause of the Nation at great sacrifice. We are, therefore, of the view that no separate period need be fixed for the Armed Forces personnel and they

should also be entitled to restoration of the commuted portion of the pension on the expiry of 15 years as is conceded in the case of civil pensioners. And for them too the effective date should be from April 1, 1985."

41. In case **WP(C) No. 1222 of 2015** titled **Forum of Retired IPS Officers (FORIPSO) vs. Union of India & another**, Delhi High Court has observed as under:-

"16. Increase in life expectancy and its effect on commuted pension cannot be viewed in isolation. Several factors, figures and the entire pension provisions on the whole including cost to the exchequer have to be taken into consideration. Commutation table can take into consideration periodical increase in salary and better saving capacity during service period due to increase and enhanced pay scales. Courts would hesitate and not go by one formula and mathematical calculations on assumption and precept that the formula would be more fair, just and appropriate. There can be many formulas. Calculations are complex, convoluted and a tricky task. Fixation of payment of pension or commutation of pension, etc. are highly difficult and cumbersome exercise which the Court would not like to step into, undertake and even interfere unless there is complete arbitrariness and discrimination that is ex-facie apparent. Courts on perceived wisdom would not declare the table as flawed, acting and preforming the role of an actuarial. Every government, including the Central Government, has to take into consideration their available resources and funds, for any increase and enhancement in pension requires money which may well have to be diverted from other schemes or would result in reduction of funds available for poor, the marginalized and needy.

17. Pension, commutation of pension, etc. are policy matters, which are examined and decided on the basis of recommendations of the Pay Commissions by the authorities. No doubt, an executive order or policy decision is not beyond the scope of judicial review but the Courts do not go into the nitty gritty of the policy to substitute the table by making

various computations and calculations, which are possible by different formulas or by applying a particular formula. Broadly, policy decisions can be subjected to judicial review when they are unconstitutional being do hors the provisions of the Act and the Regulations, if the delegatee has acted beyond its power of delegation and if the executive policy is contrary to the statutory or larger policy in matters of price fixation, pay fixation, etc. Courts would not interfere unless formula or method adopted is per se and ex facie irrational, arbitrary or can be struck down on the four grounds mentioned above."

42. As referred supra, aforesaid judgment passed in **FORIPSO's case** has been affirmed by the Apex Court vide order dated 15.04.2019 passed in **Special Leave Petition, SLP(C) No. 8852/2019**.

43. In *Shila Devi's* case also, though the plea raised on behalf of pensioners was rejected by the Punjab and Haryana High Court, however, the specific stand of the State was recorded regarding constitution of an Expert Committee, but no direction was given to the State for constituting such Expert Committee, much less any direction fixing a time frame for such exercise to be undertaken. Relevant paragraphs are as under:

"27. It is a matter of record that all the petitioners before us are retired employees who have admittedly availed of the benefit of commutation of pension. Admittedly, pension of some of the employees also stands restored. All the petitioners were in service at the time of issuance of notification dated 21.07.1998. They never raised any objection to the stipulated period of 15 years for restoration of pension. Having availed of a benefit which is clearly voluntary in nature, it is not open to the petitioners to raise the grievances as noted above, at this stage, to seek a variation in the terms and conditions accepted by them with open eyes. They are not entitled to seek recovery of the amount so deposited by them in accordance with the accepted terms and conditions.

28. In this factual matrix, the argument that it is a continuing cause of action as it pertains to pension, is clearly unacceptable. There is no question of any direction to the State to restore pension on expiry of 11.5 years or 12 years as prayed for or to refund the amount so recovered. It is necessarily for the State to take a considered decision thereon after delving into the complex questions and underlying parameters which would be involved for assessment of the issues. Admittedly, matters related to commutation of pension are complex affairs involving vexed issues traversing diverse field which calls for application of specialized expertise. It is a settled position that in such matters the Court would venture only in case of manifest and apparent arbitrariness. Learned counsel for petitioners were unable to point out any material on record to indicate that the formula adopted is per se and ex facie irrational or arbitrary which calls for interference by this Court.

<u>29. At this stage, we take note of the specific stand of the State as projected before us that it would be ready to examine the scheme/period of commutation while taking into consideration changes, if any, in underlying parameters and that an Expert Committee would be constituted in this respect which would be assisted by Recognized Expert Agency or Institution(s) which possess requisite knowledge and competence in assessing such matters. In this process the Committee would also invite and consider submission and representations in the matter from Associations of pensioners in the State.</u>

<u>30. Keeping in view the fair stand on the part of the State, we do not find any ground for issuance of any particular direction in this regard except to observe that in terms of the stand as projected before us, it is expected that necessary steps in this regard would be taken expeditiously by the State.</u>

31. Keeping in view facts and circumstances as narrated and discussed in foregoing paras, all the 808 writ petitions are dismissed with no order as to cost. It is clarified that the State is entitled to effect

recoveries which were stayed by way of interim orders in the writ petitions. Such recovery however be made in a staggered manner to obviate any hardship to the pensioners."

44. The judgment passed by the Delhi High Court in **W.P.(C) No. 12781 of 2024** titled **Union of India and Ors. vs. Sub Trilok Chand Retd No. JC374073A and Anr** along with connected matters, relied on behalf of respondents, is also relevant to be referred, wherein after considering relevant issues like Nature and Object of Pension Commutation, Excess Recovery and Unjust Enrichment, Doctrine of Proportionality, Challenge to the validity of the Impugned Rules, Comparative State Practice and Discrimination, Violation of Supreme Court Principles Governing Commutation, Absence of Actuarial Transparency, Interim Judicial Protection and Ongoing Litigation, Changed Economic Circumstances, Statutory Framework Governing Commutation, Nature and Salient Features of the Commutation Scheme, voluntary Acceptance and Binding Nature of the Option, Actuarial and Financial Basis of the Scheme, Policy Nature of the Fifteen-Year Restoration Period, Limited Scope of Judicial Review, Absence of Any Excess Recovery or Constitutional Violation, Historical and Administrative Context as well as judgments passed by various High Court, including *Shila Devi's* case, *Forum of Retired IPS Officers (FORIPSO)'s* case *Common Cause's* case, it has been observed as under:-

"5. Notwithstanding certain factual variations relating to service conditions or forum of origin and the mathematical calculation of the amount of pension commuted being recovered by the respective employer, the underlying controversy in all matters is common, namely, whether continuation of recovery of the commuted portion of pension for a fixed period of fifteen years remains legally sustainable despite successive revisions to actuarial commutation factors, which, according to the Pensioner-Petitioners, have altered the financial assumptions underlying the original restoration framework. This contention principally arises from successive revisions in commutation tables pursuant to CPCs recommendations, which, according to the Pensioner-Petitioners, altered actuarial assumptions underlying the original fifteen-year recovery period.

…… ……. ……. …….

27. A holistic reading of the CCS Commutation Rules, executive instructions, and policy materials demonstrates that the commutation scheme possesses the following essential characteristics:

i. The scheme is conceived as a social security and welfare measure, intended to provide immediate financial liquidity at the time of retirement when employees typically face major financial obligations such as housing, medical needs, family responsibilities or debt settlement.

ii. Participation in commutation is entirely voluntary. A retiree may elect to draw full monthly pension without any commutation whatsoever.

iii. Only a limited fraction of pension is permitted to be commuted, ensuring continuity of assured monthly income and preserving post-retirement financial security. A retiree can opt for commutation of lower or lesser portion of their pension, i.e., any figure below 40% of the basic pension for Central Government employees and upto 50% for Judicial Officers.

iv. The commuted amount is paid as a lump sum, which is treated as tax exempt, while the residual monthly pension remains taxable.

v. Upon death of the pensioner, no recovery is effected from legal heirs, and family pension becomes payable independent of the commutation already received.

28. The modern framework of pension commutation traces its origin to the decision of the Supreme Court in Common Cause (supra), wherein the issue of restoration of commuted pension was examined upon consideration of expert material, actuarial inputs, and governmental policy evaluation.

29. A careful reading of the aforesaid extracts demonstrates that the Supreme Court was directly confronted with the identical contention urged before this Court, namely, that since the commuted portion of pension is ordinarily recovered within approximately twelve years, fixation of a fifteen-year restoration period was arbitrary. The Court examined the nature of commutation, the advantages accruing to the pensioner, the actuarial basis underlying the scheme and the financial implications for the State.

30. The Supreme Court recognised two inherent advantages flowing from commutation: first, the immediate availability of a lump-sum amount which otherwise would have been received gradually over the life span of the pensioner; and second, the embedded risk factor, namely, that the State assumes the risk of premature death without recovery of the commuted amount.

31. Rejecting the mathematical comparison suggested by the Pensioner-Petitioners, the Supreme Court evolved the restoration period on the "years-of-purchase" basis, holding that addition of two years beyond the recovery period constituted an equitable balance between pensioner welfare and fiscal responsibility. The Court thus consciously approved the fifteen-year rule as a nationally uniform standard, extending the same even to defence personnel.

32. The "years-of-purchase" basis referred to in Common Cause (supra) is an actuarial concept. Under this methodology, restoration is not determined by simple arithmetical recovery of the lump sum but by maintaining actuarial equilibrium within the pension system. The addition of a marginal buffer period, accepted by the Supreme Court as equitable, accounts for longevity risk, financial uncertainty and systemic sustainability. The said reasoning clearly supports the stand of the Union of India that fixation of fifteen years forms part of an integrated actuarial policy rather than a recoverable loan transaction. It may also be noted that the judgment in Common Cause (supra) has been reaffirmed by the Supreme Court in R. Gandhi (supra).

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35. The judgment in FORIPSO (supra) clearly affirms the settled legal position that the commutation of pension is purely voluntary, wherein the pensioner retains absolute discretion regarding both the quantum and the timing of such commutation. It is further observed that the formulation and periodic revision of commutation tables are tasks predicated upon complex actuarial evaluations and multifaceted economic variables. Judicial intervention in such specialized fiscal domains is warranted only in exceptional circumstances where the impugned action is found to be ex facie arbitrary, discriminatory, or in manifest violation of constitutional safeguards.

36. The Division Bench expressly relied upon the reasoning in Common Cause (supra) while rejecting the argument that recovery within twelve years invalidates the fifteen-year restoration period. It was further emphasised that pension economics involves balancing competing public interests and financial resources of the State.

37. It is also pertinent to note that the judgment in FORIPSO (supra) was carried in challenge before the Supreme Court by way of SLP (C) No.8852/2019, which came to be dismissed vide order dated 15.04.2019, thereby lending finality to the view taken by this Court.

38. The judgment in FORIPSO (supra) was subsequently relied upon by the Punjab and Haryana High Court in Shila Devi (supra) while dismissing a large batch of 808 Writ Petitions raising identical grievances regarding restoration of commuted pension.

39. From the aforesaid extracts, it becomes evident that the Punjab and Haryana High Court noticed continued acceptance of the fifteen-year period by successive CPCs and held that pensioners who voluntarily exercised the option of commutation cannot subsequently seek alteration of accepted terms. It rejected the plea of continuing cause of action and emphasised that commutation policy involves specialised economic assessment warranting limited judicial review.

40. At this stage, it becomes necessary to deal with the submission advanced on behalf of the Pensioner-Petitioners that the judgments in FORIPSO (supra) and Shila Devi (supra) did not constitute decisions on merits and were allegedly rendered on account of absence of complete factual material before the respective Courts.

41. The said contention cannot be accepted. A plain reading of both judgments demonstrates that the constitutional challenge to the fifteen-year restoration period was substantively examined in light of actuarial principles, policy considerations governing pension schemes and the binding precedent of Common Cause (supra). The observations regarding availability of data or expert material were made only in the context of emphasising judicial restraint in matters involving specialised economic evaluation. The dismissal of challenges was, therefore, not procedural or technical in nature but rested upon a conscious judicial conclusion that fixation of the restoration period forms part of a policy decision grounded in actuarial assessment and does not warrant interference under Article 226 in the absence of manifest arbitrariness.

42. Indeed, both judgments reaffirm that courts cannot substitute actuarial wisdom with isolated mathematical calculations suggested by individual pensioners. The attempt to characterise the said precedents as non-merits decisions is, therefore, misconceived.

43. Furthermore, the Andhra Pradesh High Court in Thupakula Venkateshwar Rao (supra) examined an analogous challenge to Rule 18 of the Andhra Pradesh Civil Pensions (Commutation) Rules, 1944, which prescribed an identical fifteen-year period for restoration of pension. After an exhaustive survey of precedent including Common Cause (supra) and FORIPSO (supra), the Court rejected the challenge and upheld the validity of the said rule.

44. A similar challenge was thereafter considered by the Telangana High Court in M.V.S.N. Acharyulu (supra) concerning Rule 18 of the Telangana Civil Pensions (Commutation) Rules, 1944. The Court, after detailed consideration of the nature of commutation, the fiscal implications involved and the limits of judicial review in economic policy matters, declined interference and upheld the statutory framework.

45. Recently, the Allahabad High Court in Ashok Kumar Agarwal (supra), Dan Bahadur Yadav (supra), Kaushal Kishore Mishra (supra) and Radheshyam Shukla (supra), after considering Common Cause (supra), FORIPSO (supra) and Shila Devi (supra), has reiterated the same position and upheld the fifteen-year restoration period, holding that pension commutation rules represent an integrated economic policy and cannot be invalidated merely on the basis of alternate financial calculations suggested by pensioners.

46. Similarly, the Madhya Pradesh High Court in Trilokchand Dhaneriya (supra), while examining Rule 10(1) of the Madhya Pradesh Civil Services (Commutation of Pension) Rules, 1996 (as amended), held that determination of commutation factors, rate assumptions and the period for restoration of pension fall squarely within the policy domain of the rule-making authority. Observing that such matters involve complex fiscal considerations guided by expert bodies, the Court declined judicial interference and dismissed a batch of writ petitions.

47. Further, the Pensioner-Petitioners have contended that successive CPCs had recommended reconsideration of the restoration period and that reduction thereof ought to have followed as a logical consequence of revision of pensionary benefits. The record, however,

indicates that although the 5th CPC examined the question of restoration period, the Union of India, upon actuarial evaluation, consciously declined alteration of the existing framework. Significantly, both the 6th and 7th CPCs retained the fifteen-year restoration period. Such consistent retention across multiple expert bodies over decades evidences continuity of informed governmental policy rather than arbitrary fixation.

48. The revised commutation tables introduced in the year 2008 formed part of a comprehensive restructuring of pay and pension pursuant to implementation of revised pay scales. The enhancement of salaries and pensions, revision of longevity assumptions, recalibration of interest benchmarks and updated actuarial parameters constituted an integrated fiscal exercise. The commutation tables, therefore, cannot be examined in isolation divorced from the broader pension reform framework. Additionally, recommendations or observations made in departmental consultations, including those of the Department of Pension & Pensioners' Welfare and the Supplemental Report (March 2021) of the Second National Judicial Pay Commission suggesting a shorter period, remain advisory in nature. In the absence of their acceptance by the competent rule-making authority, such proposals do not alter the binding statutory framework presently in force.

49. A central misconception underlying the challenge lies in treating pension commutation as analogous to a loan repayable through instalments. The Court is unable to accept this foundational premise. The commuted value of pension is not computed as recovery of principal advanced to an individual pensioner but is determined through actuarial tables taking into account multiple macro-economic and demographic variables, including life expectancy trends, mortality distribution across pension cohorts, discount rates, opportunity cost of public funds, long-term pension liabilities of the State, and systemic risk arising from premature death of pensioners.

50. The commutation scheme therefore does not operate as a commercial borrowing transaction or lending arrangement. Rather, it represents a statutorily structured redistribution of pension payments

across time, founded upon actuarial balancing applicable to a large pension population.

51. The aforesaid understanding of pension commutation stands authoritatively affirmed in T.R. Singla (supra), wherein the Punjab and Haryana High Court recognised that payment of the commuted portion of pension does not partake the character of a loan or recoverable advance. The commutation amount constitutes a one-time settlement based upon actuarial evaluation, under which the Government assumes substantial financial risk. In the event of death of the pensioner prior to expiry of the restoration period, no recovery is effected from dependants and family pension becomes payable notwithstanding the unrecovered commuted value. The Court expressly acknowledged that, to account for such mortality risk and systemic financial balancing, recovery during the prescribed period may exceed a simplistic mathematical equivalence with the lump-sum amount received. The judgment therefore negates the foundational premise advanced by the Pensioner-Petitioners equating commutation with repayment of a financial borrowing.

52. The fifteen-year restoration period must therefore be understood as an actuarial equilibrium designed for the pension system as a whole rather than a mathematical recovery period relatable to each individual retiree. The contention that "recovery stands completed within twelve years" proceeds on a simplified financial comparison ignoring actuarial assumptions embedded in the statutory design and already recognised in binding precedent.

…… ……. ……. …….

56. It is well settled that courts exercise institutional restraint in matters involving economic or fiscal policy framed by the State, as consistently recognised in the judicial precedents noticed hereinabove.

…… ……. ……. …….

58. The Supreme Court has repeatedly held that judicial review in matters of economic policy is confined to examination of legislative competence, violation of constitutional limitations, manifest arbitrariness, or

patent irrationality. Courts do not substitute judicially preferred economic models for those evolved by expert bodies possessing institutional competence and access to specialised data.

59. Pension commutation policy, involving actuarial projections and long-term fiscal planning affecting a vast class of retirees, squarely falls within this domain of policy deference. The revised commutation tables introduced with effect from 02.09.2008 operate prospectively within statutory authority and do not create enforceable retrospective entitlements.

60. The fifteen-year restoration rule applies uniformly to all pensioners governed by the relevant statutory framework. The Pensioner-Petitioners have not demonstrated existence of any hostile discrimination, artificial classification, or unequal treatment among similarly situated pensioners.

61. Comparisons sought to be drawn with pension regimes adopted by certain State Governments are misconceived. Separate rule-making authorities functioning under distinct fiscal conditions are constitutionally competent to adopt different pension models. Variation between Central and State schemes does not, by itself, attract Article 14 scrutiny.

62. There can be no dispute that pension constitutes a valuable statutory right and forms an important component of social security ensuring dignity in old age. However, regulation of pension through valid statutory rules framed under Article 309 cannot be characterised as deprivation of property.

63. Reduction in monthly pension during the commutation period arises solely from voluntary exercise of a statutory option enabling receipt of an immediate lump-sum benefit. The temporary reduction thus operates strictly in accordance with law and cannot be equated with unconstitutional deprivation.

…… ……. ……. …….

68. When a retiree consciously elects to commute pension and receive a substantial tax-free lump sum under clearly prescribed statutory conditions, the legal consequences attached to that choice remain operative so long as the underlying scheme is constitutionally valid. The Pensioner-Petitioners cannot seek retention of the advantage while selectively repudiating the accompanying statutory terms.

69. Fixation of commutation value and restoration period involves specialised economic judgment dependent upon actuarial science and macro-fiscal assessment. Courts have consistently recognised, including in FORIPSO (supra), that judicial alteration of pension policy may generate cascading fiscal consequences impacting millions of pensioners and destabilising long-term budgetary planning.

70. The present challenge essentially invites the Court to replace actuarial policy with individual financial calculations advanced by the Pensioner-Petitioners. Such substitution lies beyond permissible judicial review in absence of demonstrated constitutional infirmity.

…… ……. ……. …….

<u>CONCLUSION:</u>

75. For the reasons recorded in the preceding discussion, this Court finds that the challenge to Rule 10-A of the CCS Commutation Rules and analogous provisions governing other pension regimes is devoid of merit. The prescription of a uniform fifteen-year period for restoration of the commuted portion of pension represents a conscious policy determination founded upon actuarial evaluation, expert recommendations and long-standing statutory practice, and does not suffer from any constitutional infirmity warranting interference in exercise of writ jurisdiction."

45. Though it has been claimed by the petitioners that in *Shila Devi's* case, direction has been given to the State to constitute an Expert Committee to examine the scheme/period of commutation by taking into

consideration changes and underlying parameters, however, as also recorded herein-before, perusal of *Shila Devi's* judgment unambiguously depicts that the High Court of Punjab and Haryana has only recorded the specific stand of the State as projected before the Court that the State would be ready to examine the scheme/period of commutation by constituting an Expert Committee and there is no direction by the Court to the State to constitute such Expert Committee.

46. At the cost of repetition, para 30 of *Shila Deiv's* case is being reproduced here:-

> "30. Keeping in view the fair stand on the part of the State, we do not find any ground for issuance of any particular direction in this regard except to observe that in terms of the stand as projected before us, it is expected that necessary steps in this regard would be taken expeditiously by the State."

47. Our understanding in this regard is also fortified from the order dated 06.10.2025, brought to our notice, passed in **SLP Diary No. 40468 of 2025**, titled as **Ravinder Nath Sharma and Ors. v. State of Punjab and Ors**. preferred against final judgment and order dated 27.11.2024 passed in Shila Devi and other connected matters, wherein submission of counsel for the petitioner has been recorded as under:

> "3. The submission of learned counsel for the petitioners is that the State was ready to examine the period of commutation of pension through an expert committee. Therefore, he submits that a simple direction be issued to the State for constituting such a committee.

> 4. Issue notice to the respondents for the limited purpose to obtain instructions as to the timeframe within which the State is likely to constitute the said committee so as to examine the period of commutation of pension."

48. We have been informed that after the aforesaid order dated 06.10.2025, the petitions are pending and till date, no positive direction has been issued by the Apex Court to constitute a Committee as referred to in Shila Devi's case as well as in SLP Civil Diary No. 40468 of 2025.

49. In the aforesaid facts and circumstances, we are of the considered opinion that the respondent-State of Himachal Pradesh or Union of India, on its own, may constitute an Expert Committee to examine the changed in circumstances, relevant factors, and parameters relevant to be considered for any amendment in the policy of the State, and thereafter to consider the recommendations of the Expert Committee, if any.

50. With the aforesaid observations, we do not find any reason to issue any mandamus to the State, as prayed for in the petitions or otherwise requested by the petitioners.

51. For the same reason, we also do not find any reason to interfere in judgment passed by learned Single Judge of this High Court dated 17.12.2024 passed in **CWP No.11858 of 2024** titled **Rajinder Kumar Bhardwaj vs. State of Himachal Pradesh and others** which has

been assailed by filing *LPA No.211 of 2025* listed along these connected petitions.

52. Before parting we feel it necessary to observe that much water has flown after 1987 when judgment in **Common Cause, A Registered Society and Others vs. Union of India,** reported in **(1987) 1 SCC 142** was passed by the Apex Court and there are considerable changes in relevant factors and circumstances governing the field. There is reduction of factor to be multiplied for determining commuted value of pension from 10.46 to 8.371 in case of age of superannuation 58 years resulting into reduction of commuted value of pension to be paid by the Government and received by the retiree, considerable reduction in rate of return/interest, increase in life expectancy of Government employees in Himachal Pradesh upto 77 years, resultantly decreasing risk of waiving off paid commuted value of pension on account of death of retiree. Therefore, State should not act as a private Sahookar (Money Lender) but as a welfare State like Karta of the family consisting of people of the State and it must keep balance in the interest of Government as well as retirees who has to be paid the commuted value of pension and must examine the matter dispassionately and rationally in order to balance the equities, in consultation with all stakeholders including retirees, concerned Finance Department, Pay Commission and other related departments of the State

as well as Union of India. For this purpose, Expert Committee must be constituted to submit its expert report/comments to the Government along with necessary proposed changes, if any so required, in a time bound manner whereupon State must take final call as expeditiously as possible.

53. Accordingly, all petitions as well as LPA No. 211 of 2025 are disposed of in aforesaid terms.

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

(Vivek Singh Thakur),
Judge.

(Ranjan Sharma),
Judge.

16th September, 2026 *(susheel)*