



**IN THE HIGH COURT OF ANDHRA PRADESH  
AT AMARAVATI  
(Special Original Jurisdiction)**

**[3504]**

FRIDAY, THE THIRTY FIRST DAY OF OCTOBER  
TWO THOUSAND AND TWENTY FIVE

**PRESENT**

**THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM**

**WRIT PETITION NO: 8465/2016**

**Between:**

Chittiboyina Bharata Rao

**...PETITIONER**

**AND**

The Krishna District Cooperative Central Bank Ltd and  
Others

**...RESPONDENT(S)**

**Counsel for the Petitioner:**

1. PEETA RAMAN

**Counsel for the Respondent(S):**

1. A RAJENDRA BABU

**WRIT PETITION NO: 8675/2016**

**Between:**

P. Chandramouleswara Rao

**...PETITIONER**

**AND**

The Krishna District Cooperative Central Bank Ltd and  
Others

**...RESPONDENT(S)**

**Counsel for the Petitioner:**

1. PEETA RAMAN

**Counsel for the Respondent(S):**

1. A RAJENDRA BABU

**WRIT PETITION NO: 8878/2016**

**Between:**

Banda Siva Rama Krishna Prasad

...PETITIONER

**AND**

The Krishna District Cooperative Central Bank Ltd and  
Others

...RESPONDENT(S)

**Counsel for the Petitioner:**

1. PEETA RAMAN

**Counsel for the Respondent(S):**

1. A RAJENDRA BABU

**WRIT PETITION NO: 9772/2016**

**Between:**

A. Sai Babu

...PETITIONER

**AND**

The Krishna District Cooperative Central Bank and  
Others

...RESPONDENT(S)

**Counsel for the Petitioner:**

1. PEETA RAMAN

**Counsel for the Respondent(S):**

1. A RAJENDRA BABU

**The Court made the following:**

**THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM****WRIT PETITION Nos.8465, 8675, 8878 & 9772 of 2016****COMMON ORDER:**

The writ petitions are filed to declare the action of the respondents in withholding the terminal benefits of the petitioners as illegal, arbitrary, etc., and for consequential direction to pay the terminal benefits to the petitioners along with interest @ 18% per annum and also to pay costs of these proceedings to the petitioners.

2. Heard Sri Peeta Raman, learned counsel for the petitioners and Sri A.Rajendra Babu, learned counsel for respondent Nos.1 & 4.

3. The petitioners have approached this Court seeking direction to the respondents to disburse their terminal benefits. As the relief sought in all these writ petitions is identical and similar lines of arguments were advanced by the learned counsel for both sides, they were taken up together.

**Brief case of the petitioners:**

4. The petitioners were initially appointed as Cadre Secretaries i.e., Paid Secretaries, under the administrative control of the 1<sup>st</sup> respondent/Krishna District Cooperative Central Bank Ltd. (in short 'DCCB'). As per orders of the DCCB, the petitioners and other similarly situated persons were allotted to Primary Agricultural Cooperative Society (in short 'PACS'). At that point, the post of Paid Secretary got decategorized as Secretary and from then the

petitioners discharged their duties under the administrative control of concerned PACS till 01.03.2009.

5. While the things stood thus, in order to implement the NABARD guidelines on expenditure and man power norms, it was decided to take back the services of the reverted decategorized Paid Secretaries (Secretaries) of PACSs by the respective district DCCBs.

6. Subsequently, the petitioners after completing their tenure at the concerned PACS, again they joined in the service of the 1<sup>st</sup> respondent DCCB on 02.03.2009. During the course of their service, the petitioners continued to work for enrichment of the DCCB and PACSs without any remark and rendered their unblemished service till their retirement age i.e., on 30.06.2009, 30.04.2011, 30.06.2010 and 30.11.2013 respectively.

7. To the petitioners' dismay, the terminal benefits due to them on their retirement right from the year 2009 onwards, were not paid by the respondents on the ground that the share towards terminal benefits from the 3<sup>rd</sup> respondent PACS had not been released.

8. According to the petitioners, the 1<sup>st</sup> respondent in order to clear/pay the terminal benefits to the petitioners by adding its share as well as the share of the APCOB issued Circular *vide* Establishment/SCA/2013-14, dated 24.01.2014 and asked the President, Penamaluru, PACS to deposit its part share with regard to the terminal benefits of **the** petitioners, but the same was not honoured by the President, PACS, Penamaluru till today.

9. The petitioners who are senior citizens being deprived of their terminal benefits i.e., gratuity, leave encashment, etc., having left with no other efficacious remedy have approached this Court under Article 226 of the Constitution of India, by filing the instant writ petitions.

**Submissions of the respective counsels:**

10. Sri Peeta Raman, learned counsel for the petitioners referring to the averments made in the writ affidavits, has advanced arguments. He asserted that indisputably petitioners after extending their unblemished service to the respondents DCCB, had retired from their respective services without any disciplinary or criminal proceedings pending against them and in spite of the same, they have not received their terminal benefits since then.

11. The learned counsel also urged that all the petitioners are senior citizens, and non-release of the terminal benefits i.e., gratuity and leave encashment, etc, from the respondent DCCB and PACS, would cause multifarious problems and adversely affect the petitioners and their family members physically, psychologically and fiscally. He submitted that the action of the respondents in withholding the terminal benefits of the petitioners, who are senior citizens, has put their right to life in peril.

12. The learned counsel for the petitioner also submitted that as the present writ petitions were instituted way back in the year 2016 and with the efflux of time, some of the petitioners are no longer in contact with him and he apprehends that they might have passed away.

13. Conversely, Sri A. Rajendra Babu, learned counsel representing respondent Nos.1 & 4, had drawn the attention of this court to the Circular *vide* Establishment/SCA/2013-14 dated 24.01.2014 issued by the 1<sup>st</sup> respondent/Krishna District Co-operative Central DCCB to the 3<sup>rd</sup> respondent, whereunder, the 1<sup>st</sup> respondent DCCB Executive Committee on 27.03.2013 approved the Memorandum of Intent dated 11.01.2013, prescribing the scheme pertaining to the payment of terminal benefits and other benefits to the retired Special Category Assistants absorbed into the District Co-operative Central Banks in the State of Andhra Pradesh.

14. The learned counsel submitted that according to the said Memorandum of Intent, the 1<sup>st</sup> respondent DCCB directed the 3<sup>rd</sup> respondent on 24.01.2014 itself to remit their share of gratuity and leave encashment so as to enable payment to the concerned employees after adding their respective share. He further submitted that right from the issuance of the said circular to till date, the 3<sup>rd</sup> respondent by stating their financial incapacity orally, has not remitted their share of amount to the 1<sup>st</sup> respondent DCCB and as a result, the terminal benefits have not been paid to the petitioners. To that effect, the learned counsel forwarded written instructions dated 30.08.2025 before this Court received from the 1<sup>st</sup> respondent DCCB and the same is made part of record, at the time of hearing the case.

15. This Court has considered the submissions made by both the counsel and perused the material available on record.

16. It is apparent that right from the year 2016 onwards, the respondent Nos.1 to 4 have not filed their respective counters in spite of multiple opportunities given by this Court.

17. In view of the fact that all the writ petitions are identical and common arguments advanced by both the learned counsel for the parties in the respective cases, this Court ventures to pass Common Order.

**Analysis of the Court:**

18. The core issue emerged in the instant lis is that the non-payment of gratuity, leave encashment and other terminal benefits of the retired employees, without there being any legal impediment is valid or not?

19. It is undisputed that all the petitioners initially joined in the 1<sup>st</sup> respondent DCCB as Cadre Secretaries (Paid Secretaries), and discharged their duties in the 3<sup>rd</sup> respondent/PACS as per the orders of the 1<sup>st</sup> respondent DCCB. Thereafter, the petitioners' post of Paid-Secretaries got decategorized and the nomenclature of the said post was metamorphosized as Secretaries. Further, as there were administrative exigencies, the petitioners worked in the control of the 3<sup>rd</sup> respondent/PACS. Pursuant to the change in policy decision, all the petitioners again joined the 1<sup>st</sup> respondent DCCB service as Special Category Assistants on 02.03.2009 (petitioners in W.P.Nos.8465, 8675 & 8878 of 2016) and 25.10.2010 (petitioner in W.P.No..9772 of 2016). The details of the petitioners are set out in the below tabular format:-

Sl. No.	Name and father's name	Date of appointment	Date of retirement
1.	Chittiboyina Bharata Rao, S/o.Subba Rao (W.P. No.8465 of 2016)	October, 1984	30.06.2009
2.	P. Chandramouleswara Rao, S/o Satyanarayana (W.P. No.8675 of 2016)	March, 1974	30.04.2011
3.	Banda Siva Rama Krishna Prasad S/o. Syama Sundara Dattu (W.P. No.8878 of 2016)	March, 1978	30.06.2010
4.	A. Sai Babu S/o. Hanumantha Rao (W.P. No.9772 of 2016)	March, 1978	30.11.2013

20. Finally, on attaining the age of superannuation, the petitioners retired from their respective service from the 1<sup>st</sup> respondent DCCB on 30.06.2009 (petitioner in W.P. No.8465 of 2016), 30.04.2011 (petitioner in W.P.No.8675 of 2016), 30.06.2010 (petitioner in W.P.No.8878 of 2016) and 30.11.2013 (petitioner in W.P.No.9772 of 2016) without any stigma

21. It is also borne out from the record that in order to adopt a uniform procedure in the matters relating to payment of terminal benefits of Special Category Assistants absorbed in DCCBs, Memorandum of Intent dated 11.01.2013 arrived between the representatives of the A.P Co-operative Banks Association and A.P. State DCCB's Employees Union in the presence of Government Officials including Hon'ble Minister for Co-operation, Government of A.P; Special Chief Secretary, Agriculture Marketing & Cooperation, Government of A.P; Addl. Registrar of Co-operative Societies, Government of A.P; Managing Director, APCOB and Executive Director, A.P. Co-operative

Banks Association. The relevant portion of the Memorandum of Intent dated 11.01.2013 reads as under:

“ .....

### **TERMS AND CONDITIONS**

1. The payment of terminal benefits to the SCAs who were taken into the services of DCCBs as on 01-03-2009 and thereafter; rendered service up to 5 years in the DCCBs shall be as under:

**(i) Gratuity:**

A sum of Rs. 1,00,000/- shall be payable by the PACS as per its Bye-laws/Service Regulations, complying the eligibility based on last pay drawn (basic + DA) at PACS, before absorption into DCCB.

The DCCB shall pay @one month's salary (basic+DA) for each completed year of service rendered in DCCB, complying eligibility based on last pay drawn (basic + DA) at DCCB at the time of superannuation.

**(ii) Leave Encashment:**

Total eligibility shall be Max. 240 days (subject to availability of leave to his credit) and encashment based on gross salary last drawn in PACS, proportionately, for the service rendered in PACS, and at the rate of gross salary drawn in DCCB, proportionately, for the service rendered in DCCB.

**(iii) Additional Compensation:**

Keeping in view the long service of the Special Category Assts. in the Coop. Credit System and in view of the problems and time taken in settling of matters of their terminal benefits, a sum of Rs. 1,50,000/- (Rs. one lakh and fifty thousand only in addition to the computed amounts payable as indicated at (i) and (ii) above, shall be paid as a compensatory benefit to them. This commitment

of additional compensation shall be shared by the DCCB and APCOB at Rs 75,000/- each.

This above additional compensation of Rs 1,50,000/- shall be paid only to the Special Category Assts. who retired within five years upon joining in the DCCBs.

2. The decadarised Paid Secretaries who joined in DCCBs as Staff. Assts., under 5:4:1 quota and who are in service as on 01-03-2009 are eligible under the scheme, if this is advantageous to them at the time of their retirement.

3. The SCAs who have completed 5 years of service in the DCCB shall however be eligible for the terminal benefits as per the SR of the DCCBs.

4. The services of Special Category Assts., for purposes like seniority in DCCB, will be reckoned from their respective dates of absorption in the DCCBS; however, any promotions effected in the DCCBs prior to the date of this Mou, will not be affected or jeopardized by this clause.

5. With the above settlement of retirement benefits, the Unions/Associations representing Paid Secretaries/ Special Category Assts: shall not make any other/additional demands, pertaining to terminal benefits and they shall withdraw all court cases filed by them pending in various courts, including Labour Courts.

6. The DCCBs/APCOB Boards of Managements will be requested to approve the above arrangement. The respective PACS shall pay their share of the eligible amount in respect of each Special Category Asst. through the DCCB concerned.

7. On approval by the Managements, the CEOs of DCCBs will ensure implementation of the guidelines specified in this Mou, Further, the DCOs will ensure that the PACS share in respect of the terminal benefits of the Special Cat. Staff Assts. will be remitted into the respective DCCBS.....”

22. From the above, it appears that in order to settle the issues pertaining to the terminal benefits, the above said Memorandum was articulated by the respondent authorities. Further, it is incontrovertibly proved that all the petitioners extended their service and have attained the age of superannuation

without any stigma or legal impediment. Therefore, the petitioners are certainly entitled for their terminal benefits for their livelihood after retirement.

23. Admittedly, the respondents are liable to pay the statutory and mandatory entitlement i.e., terminal benefits, gratuity, etc., of the employee in terms of the provisions of Payment of Gratuity Act,1972., (hereinafter referred to as ‘Act’) which is a legislation enacted with a laudable object of ensuring social security to the working class. The relevant portion of Section 4 of the Act is extracted hereunder:

**“4. Payment of gratuity.-**(1) Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years,

- (a) on his superannuation, or
- (b) on his retirement or resignation, or
- (c) on his death or disablement due to accident or disease:

Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death or disablement:

[Provided further that in the case of death of the employee, gratuity payable to him shall be paid to his nominee or, if no nomination has been made, to his heirs, and where any such nominees or heirs is a minor, the share of such minor, shall be deposited with the controlling authority who shall invest the same for the benefit of such minor in such bank or other financial institution, as may be prescribed, until such minor attains majority.].....”

- (2).....”
- (3).....”
- (4).....”
- (5).....”

(6) Notwithstanding anything contained in sub-section (1),

(a) the gratuity of an employee, whose services have been terminated for any act, wilful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer shall be forfeited to the extent of the damage or loss so caused;

b) the gratuity payable to an employee [may be wholly or partially forfeited]—

(i) if the services of such employee have been terminated for his riotous or disorderly conduct or any other act of violence on his part, or

(i) if the services of such employee have been terminated for any act which constitutes an offence involving moral turpitude, provided that such offence is committed by him in the course of his employment.....”

24. A plain reading of Section 4 (1) of the Act would ascertain that once an employee has rendered continuous services for not less than five years on his superannuation or retirement, he/she shall be entitled to get gratuity except in the circumstances enunciated in Section 4 (1) (a) of the Act. Coming to the case on hand, admittedly even as per the version of the respondents also, all the petitioners were superannuated without any legal impediments or stigma.

25. Hence, under any circumstances, Section (6) (a) (b) of the Act would not be attracted. In other words, the action of the respondents' withholding of gratuity is not permissible under any circumstances. In fact, the right to receive gratuity is a statutory right; the respondent authorities cannot take it away except through the procedure enunciated under the law.

26. It is also apt to note the relevant portion of Section 7 of the Act, which reads as under:-

**7. Determination of the amount of gratuity.-** (1) A person who is eligible for payment of gratuity under this Act or any person authorised, in writing to act on his behalf shall send a written application to the employer, within such time and in such form, as may be prescribed, for payment of such gratuity.

(2) As soon as gratuity becomes payable, the employer shall, whether an application referred to in sub-section (1) has been made or not, determine the amount of gratuity and give notice in writing to the person to whom the gratuity is payable and also to the controlling authority specifying the amount of gratuity so determined.

[(3) The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable.

(3A) If the amount of gratuity payable under sub-section (3) is not paid by the employer within the period specified in sub-section (3), the employer shall pay, from the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify:

Provided that no such interest shall be payable if the delay in the payment is due to the fault of the employee and the employer has obtained permission in writing from the controlling authority for the delayed payment on this ground.]

27. A perusal of the above statutory provision clearly reveals that if the employer fails to pay the gratuity amount within thirty days from the date it becomes payable to the person, then the interest from that date would also become payable. However, such interest shall not exceed the rate notified by the Central Government from time to time. In light of the above statutory provisions, and taking into consideration the existing facts in the present batch of cases, this Court, without any hesitation, unequivocally rules that the petitioners' right to interest on delayed payment is statutory in nature and not subject to the discretion of the respondent authorities.

28. In this context, it is apposite to note the dictum of the Hon'ble Supreme Court in ***H. Gangahanume Gowda Vs. Karnataka Agro Industries Corpn. Ltd.***<sup>1</sup>, while interpreting Section 7 of the Act in its vivid terms, held that there is a clear mandate in the provisions of Section 7 to the employer for payment of

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<sup>1</sup> (2003) 3 SCC 40

gratuity within time and is entitled to the interest on the delayed payment of gratuity. The Hon'ble Supreme Court in the recent case between **Gagan Bihari Pristy Vs. Pradip Port Trust & Ors**<sup>2</sup> (decided on 03.03.2025), while accessing the rate of interest on the delayed payment of gratuity, held that where an employee retires and has to receive gratuity amount belatedly, without having any excuse for delay, the interest would be payable as per the notification issued by the Central Government and accordingly, the Hon'ble Supreme Court has awarded interest @ 10% per annum on the delayed payment of the gratuity amount.

29. When the employees are entitled to the statutory entitlements, the same cannot be deprived, unless there is any legal impediment, especially in the event of lapse of time prescribed under the statutory framework.

30. The Constitutional Bench of the Hon'ble Supreme Court in **Deokinandan Prasad Vs. State of Bihar & Anr.**<sup>3</sup>, had held as follows:-

“.....33. Having due regard to the above decisions, we are of the opinion that the right of the petitioner to receive pension is property under Article 31(1) and by a mere executive order the State had no power to withhold the same. Similarly, the said claim is also property under Article 19(1) (f) and it is not saved by sub-article (5) of Article 19. Therefore, it follows that the order, dated June 12, 1968, denying the petitioner right to receive pension affects the fundamental right of the petitioner under Articles 19(1) (f) and 31(1) of the Constitution, and as such the writ petition under Article 32 is maintainable. It may be that under the Pension Act (Act 23 of 1871) there is a bar against a civil court entertaining any suit relating to the matters mentioned therein. That does not stand

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<sup>2</sup> S.L.P. (C) No.20740 of 2022

<sup>3</sup> (1971) 2 SCC 330

in the way of writ of mandamus being issued to the State to properly consider the claim of the petitioner for payment of pension according to law.....”

31. Further, in ***D.S Nakara & Ors. Vs. Union of India***, the Hon’ble Supreme Court, while referring to the ***Deokinandan Prasad*** case in the course of interpreting the pensionary rights and entitlements of the Government servants, had categorically held as under:-

“.....20. The antiquated notion of pension being a bounty, a gratuitous payment depending upon the sweet will or grace of the employer not claimable as a right and, therefore, no right to pension can be enforced through Court has been swept under the carpet by the decision of the Constitution Bench in ***Deokinandan Prasad v. State of Bihar*** wherein this Court authoritatively ruled that pension is a right and the payment of it does not depend upon the discretion of the Government but is governed by the rules and a government servant coming within those rules is entitled to claim pension. It was further held that the grant of pension does not depend upon anyone's discretion. It is only for the purpose of quantifying the amount having regard to service and other allied matters that it may be necessary for the authority to pass an order to that effect but the right to receive pension flows to the officer not because of any such order but by virtue of the rules. This view was reaffirmed in ***State of Punjab V. Iqbal Singh***.....

29. Summing up it can be said with confidence that pension is not only compensation for loyal service rendered in the past, but pension also has a broader significance, in that it is a measure of socio-economic justice which inheres economic security in the fall of life when physical and mental prowess is ebbing corresponding to aging process and, therefore, one is required to fall back on savings. One such saving in kind is when you give your best in the hey-day of life to your employer, in days of invalidity, economic security by way of periodical payment is assured. The term has been judicially defined as a stated allowance or stipend made in consideration of past service or a surrender of rights or

emoluments to one retired from service. Thus the pension payable to a government employee is earned by rendering long and efficient service and therefore can be said to be a deferred portion of the compensation for service rendered. In one sentence one can say that the most practical *raison d'etre* for pension is the inability to provide for oneself due to old age. One may live and avoid unemployment but not senility and penury if there is nothing to fall back upon.....”

32. In the case of ***Sudhir Chandra Sarkar Vs. Tata Iron and Steel Co. Ltd.***<sup>4</sup>, the Apex Court had held that:-

“18. For centuries the courts swung in favour of the view that pension is either a bounty or a gratuitous payment for loyal service rendered depending upon the sweet will or grace of the employer not claimable as a right and therefore, no right to pension can be enforced through court. This view held the field and a suit to recover pension was held not maintainable. With the modern notions of social justice and social security, concept of pension underwent a radical change and it is now well-settled that pension is a right and payment of it does not depend upon the discretion of the employer, nor can it be denied at the sweet will or fancy of the employer.”

33. Very recently, the Apex Court in ***State of Uttar Pradesh Vs. Dinesh Kumar Sharma***<sup>5</sup>, in its unequivocal words, stated that pension is not a charity or a bounty and an employee is entitled to receive his pension. Hence, in view of catena of judgments, the law is well settled without any iota of doubt.

34. Coming to the aspect of financial incapacity/poor financial conditions as stated by the 3<sup>rd</sup> respondent PACS for non-releasing of their share towards terminal benefits after utilising the services of the petitioners, it is relevant to

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<sup>4</sup> (1984) 3 SCC 369

<sup>5</sup> (2025) SCC OnLine SC 596

note the case of ***Kapila Hingorani Vs. State of Bihar***, wherein, the Hon'ble Supreme Court at para 34 held as follows:

“.....The State may not be liable in relation to the day to day functioning of the Companies, but its liability would arise on its failure to perform the constitutional duties and functions by the public sector undertakings, as in relation thereto the State's constitutional obligations The State acts in a fiduciary capacity. The failure on the part of the State in a case of this nature must also be viewed from the angle that the statutory authorities have failed and/or neglected to enforce the social welfare legislations enacted in this behalf e.g. Payment of Wages Act. Minimum Wages Act etc Such welfare activities as adumbrated in Part IV of the Constitution of India indisputably would cast a duty upon the State being a welfare State and its statutory authorities to do all things which they are statutorily obligated to perform.....”

35. In view of the above stated legal position, the respondents 1, 3 & 4, being the 'State' within the meaning of Article 12 of the Constitution of India coupled with the fact that specific terms and conditions in Memorandum of Intent dated 11.01.2013, the said respondents 1, 3 & 4, are bound to release the terminal benefits to the petitioner. A mere financial incapacity or paucity of funds cannot be a valid defence for non-fulfilment of such statutory obligations, more particularly, when the employees rendered their services, as such, they are entitled to terminal benefits under law.

36. The Hon'ble Apex Court also reiterated the above principles in the dictum of ***Haryana State Minor Irrigation Tubewells Corporation and others Vs. G.S. Uppal***. The relevant para of the said judgment reads as under:-

“.....34. Thus, the Corporation cannot put forth financial loss as a ground only with regard to a limited category of

employees it cannot be said that the Corporation is financially sound insofar as granting of revised pay scales to other employees is concerned, but finds financial constraints only when it comes to dealing with the respondents who are similarly placed in the same category. Having regard to the well-reasoned judgment of the Division Bench upholding the judgment and order of the learned Single Judge, we are of the view that the impugned judgment warrants no interference inasmuch as no illegality, infirmity or error of jurisdiction could be shown before us.....”

37. Before parting with this case, it is relevant to note that all the petitioners are septuagenarians, octogenarians, and nonagenarians. Owing to their old age, they are naturally more vulnerable to health problems and other unforeseen issues. It is indeed unfortunate that the age old traditional, moral, cultural values of showing respect and extending dignity to the senior citizens are gradually declining with time in our modern society. The very notion of the family itself is deteriorating as people tend to give greater importance to financial affairs rather than the human values and emotional connections.

38. This Court has come across numerous claims by the senior citizens under various statutes, wherein, they seek to assert their rightful entitlement to terminal benefits during the final phase of their lives. It is pertinent to note that in the instant case, the respondents had extracted work from the petitioners during their tenure of service. Despite the lapse of more than 14 years from the age of superannuation of the petitioners and also in the absence of any legal impediments, the respondents have not paid the terminal benefits. This act of the respondents shirking their statutory obligation to release the terminal

benefits due, which also equally amounts to violation of the petitioners' statutory and constitutional rights under the vistas of Article 21 of the Constitution of India.

39. It has been consistently held by the authoritative Constitutional Benches of the Apex Court right from *Deoki Nandan Prasad* and *D.S Nakara* cases as also in catena of judgments delivered by this Court and other Hon'ble High Courts that the pension and terminal benefits payable to the employees upon superannuation age is a property under Article 300-A of the Constitution of India and it form an integral part of right to livelihood guaranteed under Article 21 of the Constitution of India. Any deprivation, even of a portion of such amount, cannot be countenanced, except in accordance with law.

40. In fact, the respondents 1, 3 and 4 fall within the ambit of Article 12 of the Constitution of India. The 2<sup>nd</sup> respondent being the State of Andhra Pradesh exercises the supervisory authority as well as direct control over the other respondents. Viewed from any perspective, the contention of the 1<sup>st</sup> respondent DCCB that the 3<sup>rd</sup> respondent did not pay its share of the amounts towards the terminal benefits of the petitioners is legally untenable and also liable to be depreciated in view of the undisputed fact that all the petitioners are in twilight of their lives.

**Conclusion:**

41. In the light of above facts and circumstances involved in the lis, more particularly, taking note of the fact that the petitioners herein are septuagenarians, octogenarians, and nonagenarians, coupled with the well-settled legal principles articulated by the Apex Court right from 1970's onwards,

this Court is of the view that both DCCB and PACS are jointly and severally liable to pay the amount towards terminal benefits of the petitioners.

Accordingly, the writ petitions are disposed of in the following terms:-

- (i) The respondent Nos.1 & 4 DCCB is hereby directed to release the total terminal benefits such as gratuity amount, leave encashment and other entitlements due to the petitioners or to their family members, with an interest @ 10 % from the date on which said amount became payable till the date of actual payment, after verifying the relevant documents such as Family Member Certificate, etc., within a period of eight (8) weeks, from the date of receipt of copy of this Order.
- (ii) However, it is open to the respondent Nos.1 & 4 DCCB to recover appropriate amounts towards terminal benefits of the petitioners from respondent No.3 PACS, if so advised.
- (iii) The respondents 1, 3 and 4 are also directed to pay costs of Rs.10,000/- each to the petitioners towards the cost of writ petitions.

42. As a sequel, all pending applications shall stand closed.

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**JUSTICE MAHESWARA RAO KUNCHEAM**

Date:31.10.2025  
GVK

**02**

**THE HON'BLE SRI JUSTICE MAHESWARA RAO KUNCHEAM**

**WRIT PETITION Nos.8465, 8675, 8878 & 9772 of 2016**

Date:31.10.2025

GVK