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ABANDONMENT OF SERVICE NOT VOLUNTARY RETIREMENT

The Supreme Court (“**SC**”) in *K.G. Seshadri* case¹ examined and opined on whether an employee could claim pensionary benefits under the State Bank of India Employees’ Pension Fund Rules, 1955 (“**Rules**”)² and whether such a claim could be sustained in proceedings under Section 33C (2) of the Industrial Disputes Act, 1947 (“**IDA**”) in the absence of a pre-existing right.

Brief Facts.

K.G. Seshadri (“**Seshadri**”), a clerk with State Bank of India (“**SBI**”), was declared to have “*voluntarily abandoned*” his services in 1998 after remaining unauthorisedly absent at work. Upon his return, 15 years later, he sought rejoining the service. SBI rejected his request. Seshadri then approached the Labour Court under Section 33C (2) of the IDA seeking pension benefits, His claim was dismissed on the technical ground of non-maintainability as it did not relate to a pre-existing right. His subsequent appeals before the High Court were also dismissed. Aggrieved, the present appeal was preferred before the SC.

Seshadri’s Contentions.

- He had completed over 20 years of service and was therefore entitled to pension under Rule 22(i)(c)³ of the Rules.⁴
- SBI had deliberately misinterpreted the Rules by applying Rule 22(i)(a)⁵ instead of Rule 22(i)(c)⁶, which grants pension after 20 years of service irrespective of age.⁷
- A Voluntary Retirement Scheme existed, and his absence from employment ought to be treated by SBI as voluntary retirement.⁸
- Relied on *Radhey Shyam Pandey* case⁹ and *Rugmini Ganesh* case¹⁰ wherein pension was treated as a right flowing from service conditions.¹¹

¹ *K.G. Seshadri v. The Trustees of State Bank of India and Anr.* | 2026 INSC 333 | Click [here](#) for the judgement.

² Issued under Section 50 of the State Bank of India Act, 1955.

³ Provides the minimum service required for pension.

⁴ Paragraph No. 8 of the Judgement.

⁵ Prescribes that a member is eligible for pension if he had completed 20 years of pensionable service and attained the age of 50.

⁶ Prescribes that a member may be eligible for pension if he had completed 20 years irrespective of age he shall have attained, at his request in writing.

⁷ Paragraph No. 9 of the Judgement.

⁸ Paragraph No. 10 of the Judgement.

⁹ *Assistant General Manager, State Bank of India & Ors. vs. Radhey Shyam Pandey* | 2020 (6) SCC 438

¹⁰ *Rugmini Ganesh vs. State Bank of India* | 2018 SCC OnLine Bom 3884.

¹¹ Paragraph No. 11 of the Judgement.

SBI's Contentions.

- Seshadri had not completed 20 years of pensionable service as per the applicable rules, and had also not attained the requisite age, thereby disentitling him under Rule 22(i)(a).¹²
- The claim under Section 33C(2) was not maintainable since such petitions can only be entertained if there is a pre-existing right.¹³
- The case was not one of voluntary retirement but of voluntary abandonment of services due to prolonged unauthorised absence despite notices served on him by SBI.¹⁴
- Relied on *Ganesh Razak* case¹⁵ and *Arikaravula Sanyasi Raju* case¹⁶ to bolster the above contentions.

Judgement & Reasoning.

The SC:

- Clarified that proceedings under Section 33C (2) are “*in the nature of execution proceedings*” and can be invoked only when there exists a pre-existing right, which was absent in the present case.
- Held that pension eligibility must be strictly determined in accordance with Rule 22 read with Rules 20 and 7 of the Rules, which require computation of service from the date of confirmation.¹⁷
- Found that Seshadri had rendered only 19 years, 9 months and 25 days of qualifying service, thereby failing to satisfy the mandatory threshold of 20 years under Rule 22(i)(c).¹⁸
- Rejected the argument equating voluntary abandonment with voluntary retirement, observing that the “*very foundation of the appellant’s claim... is seriously disputed.*”¹⁹
- Further held that Seshadri was not entitled even under Rule 22(i)(a), as he had neither completed 20 years of service nor attained the age of 50 years, both being mandatory conditions.²⁰
- Distinguished between the precedents relied upon by Seshadri, noting that those cases involved situations where “*entitlement to pension itself was not in dispute,*” unlike the present case.²¹
- Reiterated that eligibility for pension cannot be assumed and must be established strictly within the framework of the governing rules.

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¹² Paragraph No. 12 of the Judgement.

¹³ Paragraph No. 13 of the Judgement.

¹⁴ Paragraph No. 14 of the Judgement.

¹⁵ *Municipal Corporation of Delhi vs. Ganesh Razak and Anr.* | (1995) 1 SCC 235.

¹⁶ *Arikaravula Sanyasi Raju vs. Branch Manager, State Bank of India, Visakhapatnam (A.P) and Ors* | (1997) 1 SCC 256.

¹⁷ Paragraph No. 22 of the Judgement.

¹⁸ Paragraphs No. 23 and 24 of the Judgement.

¹⁹ Paragraph No. 28 of the Judgement.

²⁰ Paragraph No. 30 of the Judgement.

²¹ Paragraphs No. 27 and 31 of the Judgement.