

**\*THE HONOURABLE SRI JUSTICE NAMAVARAPU RAJESHWAR RAO**

**+W.P.No.13509 OF 2002**

% 06-05-2026

# Smt.K.Kalyani and others.

....petitioners

Vs.

\$ The Managing Director & CDO  
HRD Department and others.

.... Respondents

!Counsel for the petitioners : Sri K.V.V.Vedantha Charya

Counsel for the Respondents : Sri V.V.S.S.R.Anjaneyulu.

<Gist :

>Head Note:

? Cases referred:

(2020) 6 SCC 438

IN THE HIGH COURT FOR THE STATE OF TELANGANA  
HYDERABAD

\* \* \* \*

**W.P.No.13509 OF 2002**

Between:

Smt.K.Kalyani and others.

....petitioners

Vs.

The Managing Director & CDO  
HRD Department and others.

.... Respondents

**ORDER PRONOUNCED ON: 06.05.2026**

**THE HON'BLE SRI JUSTICE NAMAVARAPU RAJESHWAR RAO**

1. Whether Reporters of Local newspapers  
may be allowed to see the Judgments? : Yes
2. Whether the copies of judgment may be  
Marked to Law Reporters/Journals? : Yes
3. Whether His Lordship wishes to  
see the fair copy of the Judgment? : Yes

---

**NAMAVARAPU RAJESHWAR RAO, J**

**IN THE HIGH COURT FOR THE STATE OF TELANGANA AT  
HYDERABAD**

**THE HON'BLE SRI JUSTICE NAMAVARAPU RAJESHWAR RAO**

**Date : 06.05.2026**

**WRIT PETITION No.13509 of 2002**

**Between :**

Smt.K.Kalyani and others.

.. Petitioners

AND

The Managing Director & CDO  
HRD Department and others.

.. Respondents

**ORDER:**

This writ petition is filed declaring the letters dated 29.03.2001 and 06.11.2001 passed by the respondents respectively as illegal and arbitrary, and consequently direct the respondents to pay an amount of Rs.9,48,474/- to the petitioners under the Voluntary Retirement Scheme (for short 'VRS') pertaining to late Sri K.S.R.Sastry.

2. The brief facts of the case are as follows :-

(a) Sri K.S.R.Sastry, who is the husband of the 1<sup>st</sup> petitioner and father of petitioners 2 to 4 joined in the service of the respondents' Bank on 09.11.1971 and died on 27.02.2001.

(b) The State Bank of India announced VRS for its employees, vide Circular No.Per/39/200-2001, dated 30.12.2000, who have put in 15 years of service or have completed 40 years of age as on 31.12.2000. Mr.K.S.R.Sastry (hereinafter referred to as 'the applicant') applied for VRS on 15.01.2001 and his application was sent to the Deputy General Manager, State Bank of India, Hyderabad Circle through Branch Manager, Fathekhanpet Branch, State Bank of India, Nellore.

(c) The Branch Manager, after a discrete enquiry, found that the applicant was eligible for making the application for VRS and accordingly the application of the applicant was forwarded to the Deputy General Manager and Circle Development Officer, who accepted the said application and communicated the same to the Branch

Manager, S.B.I., Fatekhanpet Branch, Nellore, vide Sl.No.2, dated 03.03.2001. However, the applicant died on 27.02.2001 due to a heart attack, and the same was informed to the Branch Manager, Fathekhanpet Branch, Nellore.

(d) On 18.03.2001, the 1<sup>st</sup> petitioner made an application to the Branch Manager requesting payment of the benefits accrued under VRS and other benefits pertaining to the applicant. The Assistant Manager, Region-II, Zonal Office, Tirupathi, vide proceedings 29.03.2001, stated that the effective date of retirement under VRS was 31.03.2001 and that the VRS application of the applicant has become invalid; therefore, the same cannot be considered.

(e) The 1<sup>st</sup> petitioner again addressed a letter dated 01.06.2001 to the 6<sup>th</sup> respondent stating that once the application for VRS was accepted and the applicant is no more, the benefits have to be extended to the heirs of the deceased employee. The Branch Manager replied on

16.11.2001, stating that, since the applicant's death occurred before the relevant date i.e., 31.03.2001, the VRS application became invalid and cannot be considered under SBI VRS. Aggrieved thereby, the present writ petition is filed.

3. Learned counsel appearing for the petitioner submits that the applicant made an application on 15.01.2001 seeking VRS and that the applicant died on 27.02.2001 due to a heart attack. The respondents are bound to accept the applicant's application, since the applicant made the application before the relevant date. However, the respondents refused to accept the VRS application. Therefore, appropriate orders be passed in the writ petition by setting aside the impugned proceedings and directing the respondents to pay an amount of Rs.9,48,474/- to the petitioners under VRS, as they are the legal heirs of the applicant.

4. The respondents filed a counter affidavit stating as follows :-

(a) The applicant joined the service of the Respondent Bank in the year 1971 and continued till his death on 27.2.2001. The State Bank of India announced VRS for its employees vide Circular Per/39/2000-2001 dated 30.12.2000.

(b) The applicant made an application to the Deputy General Manager and Circle Development Officer, Local Head Office, Hyderabad, on 15.01.2001 seeking VRS and the same was forwarded to the Assistant General Manager, Region-II, State Bank of India, Zonal Office, Tirupati, on 15.1.2001 for acceptance as per Circular No.Per/39/2000-2001, dated 30.12.2000.

(c) The branch has received a list showing the status of VRS Applications dated 03.03.2001 for issuing suitable letters to the optees, wherein the name of the applicant is included and status as accepted with a remark 'DIED' in red ink and rounding off Sl.No.2. The acceptance letter was not served on the applicant, as it was not

received from the controlling authority, as the applicant died on 27.02.2001.

(d) The 1<sup>st</sup> petitioner submitted an application on 18.03.2001 to consider her husband's case under SBI-VRS as he had submitted his application on 15.01.2001, before the cut-off date and his name was included in the accepted VRS application list. The said application was forwarded to the Controlling Authority on 19.03.2001, and a reply was received from the Controlling Authority, wherein it was stated that the effective date of retirement under SBI-VRS was 31.03.2001 and, as such, the applicant's application has become invalid and cannot be considered. The same was communicated to the 1<sup>st</sup> petitioner vide letter dated 10.04.2001. As per the service Rules, terminal benefits were settled and paid to the petitioners. Hence, the writ petition is devoid of merit and is liable to be dismissed.

5. Learned counsel appearing for the respondents submits that the applicant died on 27.02.2001 before completion of

the VRS process. The competent authority declared 31.03.2001 as the relevant date for SBI VRS. The SBI VRS is contractual in nature and separate and distinct from the terms and conditions, governing the services of SBI employees.

6. Learned counsel appearing for the respondents further submits that the application submitted by various employees who opted for retirement in terms of SBI VRS was an offer made by the employees of SBI. If the offer made by the employee is accepted by the competent authority of the Bank in terms of SBI VRS, then only an employee can retire in accordance with SBI VRS.

7. In support of his contention, learned counsel appearing for the respondents relied upon the judgment of the Hon'ble Supreme Court in ***State Bank of India and others v. Sanjiv Kalra and others*** (Civil Appeal No.3561-65 of 2002, dated 17.12.2002), wherein the Apex Court held as follows :-

*"We, therefore have no hesitation in coming to the conclusion that the voluntary scheme was not a proposal or an offer but merely an invitation to treat and the applications filed by the employees constituted "offer".*

8. Learned counsel appearing for the respondents further submits that in paragraph 7 of the SBI VRS application, it is specifically stated that no voluntary retirement shall be deemed to have come into effect unless the decision of the competent authority has been communicated in writing. In para No.5 of the application submitted by the applicant, it is stated as follows :-

*"I am aware that no voluntary retirement under SBI VRS shall be deemed to have come into effect unless the decision of the competent authority as to the acceptance of the request for voluntary retirement has been communicated in writing and I have been relieved from my duties to the satisfaction of the Bank"*

9. Learned counsel appearing for the respondents further submits that in terms of the Central Board Memorandum dated 26.12.2000 and the Resolution of the Central Board,

dated 27.12.2000, the competent authority declared 31.03.2001 as the effective date of retirement.

10. Learned counsel appearing for the respondents further submits that under SBI VRS, an employee who had opted for retirement in terms of SBI VRS must have been in service of the Bank and alive as on 31.03.2001. Further, unless and until the acceptance of the application submitted by a particular employee was communicated to the employee concerned, he would not have been entitled to retire under the SBI VRS. Even if such acceptance was communicated to the employee concerned, the effective date of retirement was 31.03.2001.

11. Learned counsel appearing for the respondents further submits that the acceptance of the application was never communicated to the applicant before his death. Therefore, no right had accrued in favour of the applicant to seek retirement under the SBI VRS. Even if the acceptance had been communicated to the applicant, since he expired before 31.03.2001, he was not entitled to retire under the SBI VRS

before 31.3.2001. Therefore, the petitioners have no right to claim benefits under the SBI VRS.

12. Learned counsel appearing for the respondents further submits that the respondents have rightly passed the impugned orders and there are no grounds to interfere with the same. Therefore, the writ petition lacks merit and is liable to be dismissed.

13. Heard Sri K.V.V.Vedantha Charya, learned counsel appearing for the petitioners and Sri V.V.S.S.R.Anjaneyulu, learned counsel appearing for the respondents. Perused the record.

14. The question involved in the present writ petition is whether, when the deceased employee applied for the Voluntary Retirement Scheme (VRS) and subsequently expired, the legal representatives (LRs) of the deceased employee are eligible to receive benefits of Rs.9,48,474/- under the VRS scheme.

15. As per the averments and arguments of both counsel, the respondent authorities announced the VRS for its employees vide Circular No.Per/39/200-2001, dated 30.12.2000, who have put in 15 years of service or have completed 40 years of age as on 31.12.2000. The deceased employee applied for VRS on 15.01.2001, and his application was forwarded to the Deputy General Manager, State Bank of India, Hyderabad Circle, through the Branch Manager, Fathekhanpet Branch, State Bank of India, Nellore. The Branch Manager found that the applicant was eligible for making the application for VRS and accordingly the application of the applicant was forwarded to the Deputy General Manager and Circle Development Officer, who accepted the said application and communicated the same to the Branch Manager, S.B.I., Fatekhanpet Branch, Nellore, vide Sl.No.2, dated 03.03.2001. However, in the interregnum, the applicant died on 27.02.2001 due to a heart attack and the same was informed to the Branch

Manager, Fathekhanpet Branch, Nellore, and subsequently, submitted the death certificate.

16. On 18.03.2001, the 1<sup>st</sup> petitioner made an application to the Branch Manager requesting payment of the benefits accrued under VRS and other benefits pertaining to the applicant. The Assistant Manager, Region-II, Zonal Office, Tirupathi, vide proceedings dated 29.03.2001, stated that the effective date of retirement under VRS was 31.03.2001 and that the VRS application of the applicant has become invalid; therefore, the same cannot be considered.

17. The 1<sup>st</sup> petitioner again addressed a letter dated 01.06.2001 to the 6<sup>th</sup> respondent stating that once the application for VRS is accepted and the applicant is no more, the benefits have to be extended to the legal heirs of the deceased employee, and the cut-off date fixed by the employer is not the criteria. It is also stated that, in similar cases, the other Nationalized Banks are extending the benefits accrued under the Scheme to the deceased's legal heirs.

18. The Branch Manager gave a reply on 16.11.2001 reiterating the same contentions as stated in the earlier letter that since the death of the applicant is before the relevant date i.e., 31.03.2001, the VRS application became invalid and the same cannot be considered under SBI VRS.

19. To support the contention that other Nationalized banks considered similar cases, learned counsel for the petitioners brought to the notice of this Court, the Clauses of State Bank of Hyderabad (Employees') Voluntary Retirement Scheme, 2001. In the said Scheme, Clause No. 11.13 reads as follows :-

*“In the event of the death of an employee whose request for voluntary retirement under the scheme has been accepted, the ex-gratia which would have become due and payable to the deceased employee will be paid to the legal heirs of the deceased employee on submission of claim papers and on completion of all the laid down formalities.”.*

20. The present case is almost similar to the aforementioned clause. In the instant case, the applicant

submitted an application for VRS on 15.01.2001. As per the conditions, the withdrawal period from the scheme had also ended. After a thorough scrutiny, the applicant's application was accepted, and the concerned Branch Manager was duly informed. The only remaining issue is that the applicant had not yet availed the benefits of the VRS scheme. According to the Service Rules, an employee who opts for retirement must have been in service as of 31.03.2001. Unfortunately, the applicant passed away on 27.02.2001, just one month prior to the prescribed date, due to a heart attack. However, the respondent authorities did not consider the case of the applicant as eligible for the VRS benefits.

21. When a VRS application filed by an applicant has not been scrutinized and is not yet accepted by the respondents, this Court can accept the contentions of the respondent authorities in the event of the applicant's death. However, in the present case, the applicant had applied for VRS, the withdrawal period had already

expired, and the application had been scrutinized and accepted, and the same was informed to the concerned Branch. At that juncture, the applicant passed away. In these circumstances, this Court feels that the denial of VRS benefits to the petitioners cannot be justified.

22. Moreover, as stated supra regarding the State Bank of Hyderabad (Employees') Voluntary Retirement Scheme-2001, in the event of the death of an employee, the benefits are payable to the legal heirs of the deceased employee. This was a proper decision by the then State Bank of Hyderabad, which has now merged with SBI.

23. For the VRS scheme, all nationalized banks are required to follow a uniform methodology for the consideration of VRS applications. In the present case, the petitioners contend that some nationalized banks have accepted similar cases, whereas the respondents have not considered their claim.

24. In the present case, all formalities had been completed, and the applicant was to receive the benefits after one month. However, the applicant died due to a heart attack. The death of an individual cannot be predicted, and the same situation occurred in the present case. Between the applicant's death and the prescribed date, only one month remained. Under these circumstances, the petitioners' claim can be considered.

25. In support of his contentions, learned counsel for the petitioners relied upon the Apex Court three bench judgment in **ASSISTANT GENERAL MANAGER AND OTHERS Vs. RADHEY SHYAM PANDEY**<sup>1</sup> and with regard to the non-following of the uniform rules, the Apex Court in para Nos.55 and 56 held as follows :-

*“55. Once it approved the scheme, SBI being an instrumentality of the State under Article 12, is bound by the principle of fairness and representation made that it accepted the contents of memorandum and the scheme floated by IBA and invited the applications based on approving the memorandum which*

---

<sup>1</sup> (2020) 6 Supreme Court Cases 438

*contained proposal of pension on rendering 15 years of permanent pensionable service, it could not later on wriggle out of its obligation taking a rigmarole by claiming shelter of the Rules or by not amending the Rules or by issuing a clarification which was fanciful, irrational and contrary to the spirit of the resolution of the Board. It would amount to an unfair and unreasonable action to deprive the employees of the benefit of pension because of the decision taken by the Central Board of Directors.*

*56. SBI is bound by resolution of Central Board of Directors. The Scheme was with the approval of the Government of India and accepted, implemented by all the banks in true spirit except by SBI. It cannot be permitted to act unfairly by virtue of having superior bargaining power by issuing vague clarification to the detriment of the economic interest of the employees. Clarification did not have the effect of rewriting or superseding the resolution of the Central Board nor effect of making modifications in the resolution passed by the Central Board of the SBI”.*

26. The above observation of the Apex Court supports the petitioners’ contention. All nationalized banks are required to follow the same procedure. In the present case, the entire exercise was completed; however, the

applicant was yet to enjoy the benefits of the said scheme and, unfortunately, passed away less than one month before the prescribed date.

27. In support of his contentions, learned counsel for the respondents relied upon the judgment of the Apex Court in *STATE OF HIMACHAL PRADESH AND ANOTHER Vs. PRAKASH CHAND* (Civil Appeal No.977 of 2019 dated 17.01.2019). In the said case, the Apex Court held that it was not open to the High Court to re-write the terms of the policy. But the present case is in no way concerned with the above mentioned issue. In the instant case, the High Court is not re-writing the terms of the policy.

28. In the case at hand, this Court is relying solely upon the judgment of the three-judge Bench of the Apex Court (1 supra), wherein the Apex Court held that the Scheme was introduced by the Government of India and accepted and implemented by all the banks in the true spirit, except by SBI. The Apex Court also found fault to that extent.

29. In the said circumstances, this Court feels that the petitioners' case can be considered for granting VRS scheme benefits, as they are the legal heirs of the applicant. As contended by the respondents, under the Service Rules, terminal benefits have already been settled and paid to the petitioners.

30. In the instant case, the petitioners are claiming an amount of Rs. 9,48,474/- under the VRS. If any amount has already been paid to the petitioners, the respondent authorities may deduct the same and pay the remaining amount to them.

31. In view of the foregoing circumstances and discussions, and keeping in view the judgment of the Apex Court (1 supra), the petitioners are entitled to receive the benefits of the deceased employee under the VRS scheme. Therefore, the respondents are directed to pay the amount to the petitioners under the VRS scheme, after deducting the amount if any paid, within a period of four months from the date of receipt of a copy of this order.

32. With the above direction, the writ petition is disposed of. No order as to costs.

Pending miscellaneous petitions, if any, shall stand closed.

---

**NAMAVARAPU RAJESHWAR RAO, J**

06.05.2026

Prv

**Note:**

- 1.L.R.Copy to be marked
2. Issue C.C. in one week.  
(B/o)  
Prv