

GOVERNMENT OF PUNJAB
DEPARTMENT OF FINANCE
(FINANCE PERSONNEL-1 BRANCH)

Dated, Chandigarh: 05-1-2026

To

- i) All Special Chief Secretaries, Additional Chief Secretaries, Financial Commissioners, Principal Secretaries and Administrative Secretaries to Government of Punjab;
- ii) All Head of Departments of the State;
- iii) All Commissioners of Divisions;
- iv) The Registrar, Punjab and Haryana High Court, Chandigarh;
- v) All Deputy Commissioners and District & Sessions Judges and;
- vi) Secretary, Punjab Vidhan Sabha.

Subject: Directions for strict compliance of the judgments of the Hon'ble Punjab and Haryana High Court in CWP No. 15896 of 2023 (Dr. Saurabh Sharma & Ors. vs. State of Punjab & Ors.), CWP No. 24613 of 2025 (Dr. Saurabh Sharma vs. State of Punjab), and connected matters – regd.

Reference:

1. FD letter No. FD-FP-10CC(COCP)/10/2025-3FP1/1214672 dated 03.10.2025
2. FD letter No. FD-FP-10CC(CWP)/202/2025-5FP1/91 dated 30.10.2025

1. Background

1.1 The Finance Department, Government of Punjab, vide letter No. 7/42/2020-5FP1/741-746 dated 17.07.2020, had prescribed that pay scales admissible to all recruitments/appointments (direct or compassionate) in any cadre under the Government of Punjab or its entities shall not be higher than the corresponding pay scales admissible in the Government of India as per the recommendations of the 7th Central Pay Commission (7th CPC).

1.2 Accordingly, the recommendations of the Sixth Punjab Pay Commission were implemented vide Notification No. 09/01/2021-5FP1/671 dated 05.07.2021. Clause (2)(b) of Rule 2 of the Punjab Civil Services (Revised Pay) Rules, 2021 provides as under:

"These rules shall not apply to Government employees recruited in the service of the State of Punjab or the Punjab Vidhan Sabha on or after 17.07.2020, on whom pay scales on the pattern of the Government of India are applicable."

2. Judicial Pronouncements

2.1 The Hon'ble Punjab and Haryana High Court, vide judgment dated 13.09.2024 in CWP No. 15896 of 2023 (Saurabh Sharma & Ors. vs. State of Punjab & Ors.), allowed the writ petitions and directed grant of pay scales under the 2016 Rules from the date of direct appointment, along with arrears, within eight weeks. The operative part of the judgement is reproduced as under:-

"16. Keeping in view the above, the present petitions are allowed. The respondents are directed to give the petitioners the pay scale which they are entitled under the 2016 Rules from the date of their direct appointment. The petitioners will also be entitled for arrears of salary as they have performed the duties for the post in question from the date of their direct appointment. Let the arrears be calculated and be extended to the petitioners within a period of eight weeks from the date of receipt of copy of this order.

17. At this stage, learned counsel for the petitioners submit that though the petitioners have claimed interest but keeping in view the fact that they are only interested in the pay scale as entitled to them under 2016 Rules, they are not pressing their claim for the grant of interest."

2.2 The said judgment has attained finality, having been upheld by:

- Division Bench in LPA No. 2977 of 2024, and
- Hon'ble Supreme Court of India in SLP (C) No. 001158 of 2025.

2.3 Subsequent to the above, several writ petitions have been filed wherein the Hon'ble High Court has consistently directed Administrative Departments (ADs) to decide representations strictly in accordance with the principles laid down in the Saurabh Sharma judgment.

2.4 In CWP No. 24613 of 2025, relating to revision of Dearness Allowance under the 5th Punjab Pay Commission w.e.f. 01.07.2021, the Hon'ble Court vide order dated 25.08.2025 directed the competent authority to pass a speaking and reasoned order within three months and to release consequential benefits, if found admissible, within one month thereafter, along with reasonable interest.

"7. In view of the submissions made by learned counsel for the parties, respondent No.1 is directed to decide the legal notice dated 08.08.2025 (Annexure P-15) within a period of 03 months from the date of receipt of certified copy of this order by passing a speaking and well-reasoned order.

8. Needless to observe that in case, the petitioners are found entitled to any benefits by respondent No.1, the same shall also be released to the petitioners within a period of 01 month, thereafter, along with reasonable interest.

9. Disposed of in the aforesaid terms."

3. Existing Instructions

3.1 Comprehensive instructions for uniform and lawful implementation of the above judgments have already been issued vide Finance Department letter dated 30.10.2025 (ibid).

4. Need for Re-fixation of Pay

4.1 It has been observed that in many cases:

- Departmental Service Rules have since been amended; and
- Pay scales mentioned in the statutory rules applicable at the time of recruitment are no longer in force.

4.2 Accordingly, there is a necessity to re-fix the pay of the concerned employees (petitioners) so as to:

- Ensure conformity with the currently applicable statutory rules; and
- Protect the pay and benefits granted under the statutory rules applicable at the time of appointment, as directed by the Hon'ble Court.

5. Decision of Government

5.1 After examination, the Government has decided that re-fixation of pay in cases decided on the basis of the judgment in *Saurabh Sharma & Ors. vs. State of Punjab & Ors.* shall be undertaken as under:

A. Cases where Departmental Pay Scale is Lower than 7th CPC Pay Scale

Where the pay fixed under the Departmental Service Rules (as applicable on the date of appointment) is lower than the pay scale notified on the pattern of the 7th CPC, the pay shall be fixed strictly as per the 7th CPC pay scale, being more beneficial to the employee.

Such cases are already covered under Finance Department letter dated 30.10.2025 and shall not require further re-fixation. This category includes:

- Employees governed by departmental rules mentioning pre-5th PPC pay scales, and
- Most employees governed by departmental rules mentioning pre-revised 5th PPC pay scales.

B. Cases where Departmental Pay Scale is Higher than 7th CPC Pay Scale

Where the pay fixed under the Departmental Service Rules is higher than the pay scale notified on the pattern of the 7th CPC, re-fixation shall be carried out as under:

i) Employees not covered under instructions dated 15.01.2015

For employees to whom Finance Department letter No. 7/204/2012-4FP1/66 dated 15.01.2015 is not applicable, and where the salary (Basic Pay + DA*) under Departmental Rules exceeds the salary (Basic Pay + DA**) under the 7th CPC:

- The salary under the Departmental Rules shall be taken as the basis.

- The corresponding basic pay shall be fixed at the same stage, or if not available, at the next higher stage in the 7th CPC pay level notified for the post.

(DA rates shall be applied strictly in accordance with Annexure 'A' as clarified in the earlier instructions.)

Illustration: Annexure 'B'

ii) Employees covered under instructions dated 15.01.2015

- During the probation period, if the minimum pay in the pay band under Departmental Rules is lower than Cell-1 of the 7th CPC pay level, pay shall be fixed at Cell-1, being more beneficial.
- If such pay is lower than applicable DC rates, DC rates shall apply.
- On successful completion of probation, pay shall be fixed strictly as per Para A or Para B(i), as applicable.

Illustration: Annexure 'C'

6. Review and Verification

6.1 All Administrative Departments shall undertake a comprehensive review of all cases already decided or implemented pursuant to court directions in light of the Saurabh Sharma judgment.

6.2 The re-fixed pay shall be mandatorily vetted by:

- The SAS Officer posted in the department; or
- In absence thereof, by the Head Office/ District Internal Audit Wing.

6.3 The terms and conditions of Finance Department letter dated 30.10.2025 shall apply *mutatis mutandis*.

These instructions are issued with the approval of the competent authority.

Yours faithfully,


(SAROJ)

Under Secretary Finance

Endst. No. FD-FP-10CC(CWP)/202/2025-5FP1/02

Dated, Chandigarh: 05-1-26

A copy of the above is forwarded to the following for information and necessary action:-

- 1) Accountant General (Audit), Punjab.
- 2) Accountant General (A& E), Punjab, Chandigarh.


Under Secretary Finance

Endst. No. FD-FP-10CC(CWP)/202/2025-5FP1/03

Dated, Chandigarh: 05-1-26

A copy of the above is forwarded to the following for information and necessary action:-

- 1) Private Secretary/Special Principal Secretary to the Chief Minister Punjab, Chandigarh.
- 2) Secretary/Finance Minister, Punjab, Chandigarh.
- 3) OSD/Chief Secretary to Govt. of Punjab, Chandigarh.
- 4) PS/Additional Chief Secretary Finance, Govt of Punjab, Chandigarh.


Under Secretary Finance

Endst. No. FD-FP-10CC(CWP)/202/2025-5FP1/04

Dated, Chandigarh: 05-1-26

A copy of the above is forwarded to the all the District Treasury Officers/Treasury Officers in the State for information and necessary action.


Under Secretary Finance

Annexure 'A'

Sr. No.	Dearness Allowance	Rate of DA announced by Punjab Govt.	Corresponding DA on un- revised pay (5 th Pay Commission) only for the sake of calculation of Pay in 7 th CPC.
A	B	C	D
1.	01.11.2021	28%	189%
2.	01.10.2022	34%	203%
3.	01.12.2023	38%	212%
4.	01.11.2024	42%	221%

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Illustration No. 1

(Employees to whom the instructions dated 15.01.2015 are not applicable)

An Associate Professor joined service on 15.11.2021 in the pay level of Level=11 under 7th CPC scales with entry pay of Rs. 67,700/-. But in Department Rules the pay of Associate Professor is 37400-67000+8600 GP with entry pay of Rs. 46,000/-.

Step No. 1: Calculate the Gross pay by including basic Pay (including Grade Pay) on the basis of Departmental Rules, Dearness Allowance and NPA and excluding all other allowances on 15.11.2021.

Associate Professor	
Basic Pay	37400
Grade Pay	8600
Total	46000
NPA	11500
Total	57500
DA 189%(as on 15.11.2021) (as per GoI)*	108675
Gross	166175

Pre-revised GoI DA rate corresponding to the revised DA rate applicable to Punjab Govt. employees on the relevant date as per Annexure-A

Step No. 2: Calculate the new pay as per 7th CPC.

Associate Professor	
Basic Pay	67,700
NPA (20%)	13,400
Total	81,240
DA 28%** (as on 15.11.2021)	22,747
Gross	1,03,987

** Revised DA rate applicable to GoP employees on the relevant date as per Annexure A

Since, the Gross pay (BP+NPA+DA) in step No. 2 is less than as compared to Step No. 1. The Pay is fixed by protecting the Gross pay (BP+NPA+DA) in Step No.

1 and Basic Pay will be increased proportionally as per Step No. 3.

Step No.3: Calculation of new pay after protection in 7th CPC.

Associate Professor	
Basic Pay	X
NPA (20%)	0.20x
Total	1.20 x
DA (1.20xX 0.28)	0.336x
Gross	1.536x

$$1.536x = 1,66,175$$

$$x = 1,66,175/1.536$$

$$x = 1,08,186.84$$

the figure so arrived be located in Level =11 (7th CPC), if the same figure is not in the said level, the next higher cell be the pay in the 7th CPC i.e.

1,08,800 (Level =11, Cell= 17).

Once the Basic pay is fixed, the allowances as admissible under 7th CPC will be applicable to the employee from the date of joining (as the letter dated 15.01.2015 is not applicable to them).

Now the New Gross Pay would be:-

Associate Professor	
Basic Pay	1,08,800
NPA (20%)	21,760
Total	1,30,560
DA 28%	36,557
Gross	1,67,117

Illustration No. 2

(Employees to whom the instructions dated 15.01.2015 are applicable)

A Clerk joined service on 15.11.2020 in the pay level of Level=2 under 7th CPC scales with entry pay of Rs. 19,900/-. But in Department Rules the pay of Clerk is 5910-20200+1900 GP.

During Probation Period

Step No. 1: Calculate the basic Pay on the basis of Departmental Rules (During Probation Period)

Salary During Probation	
Basic Pay	5910
	Or DC rate whichever is higher

Step No. 2: Calculate the new pay as per 7th CPC.

Clerk	
Basic Pay	19,900
	Or DC rate whichever is higher

Since, the Gross pay in step No. 2 is higher as compared to Step No. 1. The incumbent will get the pay whichever is higher i.e. the pay at Step No. 2.

After Clearance of Probation Period:-

Step No. 3: Calculate the Gross Pay on the basis of Departmental Rules (after clearance of Probation Period) by including DA (and NPA if applicable) excluding all other allowances – 15.11.2023

Salary after clearance of Probation	
Basic Pay	5910
Grade Pay	1900
Total	7810
DA 203%(as on 15.11.2023)(as per GoI)	15,854
Gross	23,664

Step No.4: Calculate the new pay as per 7th CPC (after clearance of Probation Period) - 15.11.2023

Salary after clearance of probation	
Basic Pay	19,900
DA 34%(as on 15.11.2023)	6,766
Gross	26,666

Since, the Gross pay in step No. 4 is higher than as compared to Step No. 3.

Therefore, the employee will get the Pay as per step No. 4, being beneficial for him/ her.