

**CWP No. 21960 of 2018 (O&M) and
other connected cases**

2025:PHHC:057214



1

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH
(Sr. No. 286+287)**

**(1) CWP No. 21960 of 2018 (O&M)
Date of Decision : 01.05.2025**

Raj Pal Singh

...Petitioner

Versus

**Managing Director, The Punjab State Civil Supply Corporation Ltd.
and others**

...Respondents

**(2) CWP No. 15205 of 2018 (O&M)
Date of Decision : 01.05.2025**

Gurmail Singh

...Petitioner

Versus

**Managing Director, The Punjab State Civil Supply Corporation Ltd.
and others**

...Respondents

**(3) CWP No. 7931 of 2016 (O&M)
Date of Decision : 01.05.2025**

Raja Singh

...Petitioner

Versus

**Managing Director, The Punjab State Civil Supply Corporation Ltd.
and another**

...Respondents

**(4) CWP No. 12269 of 2016 (O&M)
Date of Decision : 01.05.2025**

Baldev Raj

...Petitioner

Versus

CWP No. 21960 of 2018 (O&M) and
other connected cases

2025:PHHC:057214



2

The Punjab State Civil Supply Corporation Ltd. and another

(5) **...Respondents**
CWP No. 14615 of 2016 (O&M)
Date of Decision : 01.05.2025

Rajni

...Petitioner

Versus

**Managing Director, The Punjab State Civil Supply Corporation Ltd.
and another**

...Respondents

(6) **CWP No. 7878 of 2016 (O&M)**
Date of Decision : 01.05.2025

Makhan Singh

...Petitioner

Versus

**Managing Director, The Punjab State Civil Supply Corporation Ltd.
and another**

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Ms. Ritam Aggarwal, Advocate for the petitioner(s)
in all cases.

Mr. Abhilaksh Gaind, Advocate,
Mr. Rakesh Roy, Advocate and
Ms. Priya Jawal, Advocate for respondents No. 2 and 3
in CWP-15205-2018.

Mr. Sumer Singh Brar, Advocate for respondents Nos. 1 and 2
in CWP-7931-2016, CWP-12269-2016, CWP-14615-2016 and
CWP-7878-2016.

Harsimran Singh Sethi J. (Oral)

1. In the present bunch of petitions, the grievance being raised by
the petitioner(s) is that though the benefit of gratuity as well as interest has



been granted to them but the same has not been granted from the date of their retirement from service but from a subsequent date.

2. Learned counsel appearing on behalf of the respondents submits that at the time of the retirement of petitioner(s) from their service, the petitioner(s) were facing departmental proceedings which had not come to an end till that time and the said departmental proceedings were decided after the retirement of the petitioner(s)-employees and punishments were imposed upon them and, therefore, keeping in view the judgment of the Full Bench of this Court in *Punjab State Civil Supplies Corporation Ltd. And others Vs. Pyare Lal*, (2013) 2 SCT 591, wherein, it has been held that if disciplinary proceedings against an employee were pending at the time of their retirement, the benefit of gratuity could have been withheld and interest upon said amount of gratuity can only be paid in case, the employee is exonerated of the departmental proceedings initiated against him hence, as punishments have been imposed upon the petitioner(s), the grant of interest and that too from the date of retirement is incorrect.

3. I have heard learned counsel for the parties and have gone through the record with their able assistance.

4. It is very surprising that the facts which are being placed before this Court have not been placed before the authorities concerned exercising jurisdiction under the Payment of Gratuity Act, 1972 (hereinafter referred to as '1972 Act'). The petitioners never disclosed before the authorities that whether the disciplinary proceedings initiated against them were pending at the time of their retirement or not and what was the outcome of the said



proceedings. Even the respondents have not brought to the notice of the authorities concerned exercising jurisdiction under 1972 Act about the pendency of disciplinary proceedings against the petitioner(s) and the outcome of the same. The orders have been passed by the authorities exercising jurisdiction under 1972 Act without appreciating the actual facts of each and every case.

5. Keeping in view the totality of the circumstances, as the petitioner(s) are claiming the benefit of interest from a retrospective date, by maintaining the said order, the matters are remanded back to the appellate authority envisaged under the 1972 Act to look into the aspect that whether, at the time of the retirement, any of the petitioner was facing departmental proceedings or not and what was the outcome of the said proceedings so that the issue qua grant of benefit of interest could be adjudicated upon.

6. In case, the departmental proceedings which were pending against an employee at the time of retirement resulted in exoneration, keeping in view the settled principle of law that pendency of a disciplinary proceeding against an employee cannot cause prejudice to him/her, the employee will be entitled for benefit of interest from the date of retirement but in case, in the said disciplinary proceeding the employee has been punished, the employee would only be entitled for the release of benefit of gratuity only after the conclusion of said departmental proceedings and no benefit of interest can be granted from the date the employee retired.

7. The appellate authority exercising jurisdiction under 1972 Act is directed to look into all the aspects before deciding upon the claim of the



petitioner(s) for the grant of benefit of interest from the date of retirement from their service. Parties are directed to appear before the appellate authority exercising jurisdiction under the 1972 Act on 09.06.2025.

8. In order to facilitate the correct information, the respondent-department will file an affidavit giving the details of any such departmental proceedings pending against the petitioner(s) and the outcome of such proceedings along with the orders enunciated so that a correct order could be passed by the appellate authority exercising jurisdiction under 1972 Act qua the claim of the petitioner(s) for the grant of interest from the date of their retirement from service.

9. Pending miscellaneous application, if any, also stands disposed of.

10. A photocopy of this order be placed on the file of connected cases.

May 01, 2025
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(HARSIMRAN SINGH SETHI)
JUDGE

Whether speaking/reasoned : Yes

Whether reportable : No