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IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

**PRASHANT KUMAR MISHRA; J., VIPUL M. PANCHOLI; J.**  
CIVIL APPEAL NO. 14669 OF 2025; April 07, 2026

**BIKRAM CHAND RANA HIMACHAL PRADESH ROAD *versus* TRANSPORT CORPORATION**

**Central Civil Services (Pension) Rules, 1972 – Rule 69(1)(c) – Withholding of Gratuity during pendency of proceedings – Interpretation of "Departmental or Judicial proceedings" – Held: Rule 69(1)(c) operates as a statutory bar or "embargo" on the payment of gratuity - The use of the disjunctive "or" in the provision indicates that gratuity shall not be paid so long as either departmental or judicial proceedings are pending against the government servant - The appellant's contention that gratuity becomes payable upon the conclusion of any one set of proceedings (e.g., exoneration in departmental inquiry while criminal trial is pending) is rejected as it would defeat the purpose of safeguarding the financial interests of the State.**

**Central Civil Services (Pension) Rules, 1972 – Rule 9(1) – Right to withhold or withdraw pension – Interplay with Rule 69 – Held: Rule 9 is "downstream" in its operation - It applies at the stage where an employee has been found guilty of grave misconduct - It cannot be invoked to justify the release of gratuity during the interregnum of pending proceedings on the premise that recovery could be effected later if a conviction occurs.**

**Service Law – Disciplinary Proceedings vs. Criminal Trial – Standard of Proof – Held: Even when proceedings stem from identical allegations, their nature, scope, and standards of proof are fundamentally different (preponderance of probabilities vs. proof beyond reasonable doubt) - An acquittal in a criminal case is not automatically determinative of departmental liability, and the pendency of a criminal trial remains a valid statutory bar to the release of gratuity under Rule 69(1)(c). [Relied on *Babu Manmohan Das Shah & Ors. vs. Bishun Das* (1967 [1] SCR 836); Paras 12-16]**

*For Petitioner(s): Mr. Karan Bharihoke, AOR*

*For Respondent(s): Mr. Himanshu Tyagi, AOR Mrs. Poonam Sharma, Adv. Mr. Kunal Tyagi, Adv. Mr. Shivam Tyagi, Adv.*

**J U D G M E N T**

**PRASHANT KUMAR MISHRA, J.**

1. The instant Appeal is directed against the judgment dated 23.04.2022 passed by the High Court of Himachal Pradesh at Shimla in Letters Patent Appeal No. 188/2021, whereby the intra-court appeal preferred by the appellant against the judgment dated 19.07.2021 of the learned Single Judge in Civil Writ Petition Original Application No. 5144/2019 came to be disposed of.

2. The appellant was working in the respondent-Himachal Pradesh Road Transport Corporation<sup>1</sup> as a Clerk from 1979 onwards. In 2000, he was promoted to the post of Senior Assistant. He continued in service until he retired upon attaining the age of superannuation on 28.02.2009.

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<sup>1</sup> For short, "Corporation"

3. The allegation against the appellant is that between May and July 2006, he was involved in the leak of the question paper of the Combined Pre-Medical Test, 2006<sup>2</sup>. We note that the respondent-Corporation contends that prior to the same, in the course of his employment, the appellant had already been suspended twice for non-performance of delegated duties.

4. On 28.07.2006, FIR No. 140/2006 was registered at Police Station West Shimla against the appellant and other accused persons under Sections 406, 418, 420 and 120B of the Indian Penal Code, 1860<sup>3</sup> for their involvement in the CPMT paper leak. In connection with the said FIR, the appellant was arrested on 24.11.2006 at about 5:30 p.m. and was released on bail on the next day by the Court of the Judicial Magistrate First Class-III, Shimla.

5. Parallel to abovementioned criminal case, the respondent-Corporation initiated departmental proceedings against the appellant. On 19.01.2007, a charge-sheet was issued to the appellant under Rule 14 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965 *vide* Memorandum No. HRTC-DM-HMR-ESTT-3-188/PF/04-5855 by the Divisional Manager, HRTC, Hamirpur Division. The Memorandum proposed to hold a departmental inquiry and set out two articles of charge, namely: (i) the allegation of involvement in the CPMT paper leak; and (ii) the allegation of disregard of Central Civil Services (Conduct) Rules, 1964, specifically Rule 3 thereunder. The departmental inquiry was entrusted to an Officer of the Dharamshala Division.

6. The Inquiry Report, dated 26.02.2009, records that the departmental case rested primarily on the fact that FIR No. 140/2006 had been registered against the appellant in respect of the CPMT paper leak scam; that he had been taken into Police custody and subsequently released on bail; and that his name appeared at Serial No. 20 in a list of accused persons forwarded by the Home Department to various departments. Two departmental witnesses were examined, both of whom merely proved receipt of official correspondence directing the initiation of departmental action. In his defence, the appellant admitted being taken into police custody for 22 hours but denied any involvement in the paper leak. He further provided an explanation of the alleged financial transactions and mobile phone usage relied upon by the Police, and asserted that no misconduct had been established against him. Upon analysis of the oral and documentary evidence, the Inquiry Officer concluded that there was no material on record establishing the appellant's involvement in the CPMT paper leak or any violation of the CCS (Conduct) Rules. We specifically note that the Inquiry Officer had stated:

“....Apart from this, the case is under consideration of Honourable Court and until the Court's decision, it would not be appropriate to say anything. Based on the documents, it is not seemed that the Accused was involved in the scam.”

7. Shortly after, on 28.02.2009, the appellant superannuated; however, he was not paid his full retiral benefits. While provisional pension was released to him, his gratuity and other terminal benefits were withheld on account of the pendency of the criminal proceedings arising out of FIR No. 140/2006.

8. The appellant has drawn our attention to the fact that following his retirement, he made several representations to the respondent-Corporation. On 07.12.2010, he submitted a detailed representation to the Managing Director of the respondent-Corporation, contending, *inter alia*, that several others who were co-accused in the same

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<sup>2</sup> For short, “CPMT”

<sup>3</sup> For short, “IPC”

CPMT paper leak case had not been subjected to departmental proceedings by their respective departments. In support of this contention, the appellant relied upon information obtained under the Right to Information Act, 2005, furnishing a list of such officers, some of whom, according to the appellant, had initially been suspended but whose suspension orders were later revoked, and some of whom were even granted promotions.

9. On 18.12.2013, the appellant sought a copy of the departmental inquiry report from the Divisional Manager of the respondent-Corporation, Hamirpur, stating that the same was required for defending proceedings before the Court. As no copy was furnished to him, the Divisional Manager, Hamirpur, by communication dated 23.12.2013, requested the Managing Director of the respondent-Corporation to supply a copy of the inquiry report so that it could be provided to the appellant. The appellant again approached the respondent-Corporation by way of a representation dated 09.02.2015, reiterating his grievance regarding the withholding of his gratuity and pensionary benefits.

10. Ultimately, on 28.05.2015, the charges against the appellant were found to be not proved and a copy of the enquiry report was supplied to him. On 04/14.06.2015, the appellant approached the Himachal Pradesh State Administrative Tribunal *vide* Original Application No. 1594/2015, seeking directions for release of his gratuity and regular pension with consequential benefits. As the Tribunal was subsequently abolished, the Original Application was transferred to the High Court of Himachal Pradesh at Shimla, where it was renumbered as Civil Writ Petition Original Application No. 5144/2019 and dismissed by the learned Single Judge on 19.07.2021. Aggrieved, the appellant approached the Division Bench of the High Court by way of Letters Patent Appeal No. 188/2021 on 07.09.2021. The Division Bench concurred with the findings of the learned Single Judge and disposed of the same on 23.04.2022, albeit impressing upon the concerned Trial Court to expedite the trial arising out of FIR No. 140/2006, in which the appellant had been arrayed as an accused. The appellant now prefers the instant Appeal before this Court.

11. The narrow question of law that arises for our consideration is the correct statutory interpretation of Rule 69(1)(c) of the Central Civil Services (Pension) Rules, 1972<sup>4</sup>, reproduced below:

**“69. Provisional pension where departmental or judicial proceedings may be pending.—**

(...)

(c) No gratuity shall be paid to the Government servant until the conclusion of the departmental or judicial proceedings and issue of final orders thereon:

Provided that where departmental proceedings have been instituted under Rule 16 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965, for imposing any of the penalties specified in Clauses (i), (ii) and (iv) of Rule 11 of the said rules, the payment of gratuity shall be authorized to be paid to the Government servant.”

The appellant contends that the expression “*departmental or judicial proceedings*” in Rule 69(1)(c) must be construed to mean that gratuity becomes payable upon the conclusion of either set of proceedings.

12. Such a submission totally misapprehends the nature of the Rule. As the learned Single Judge had rightly noted at the first instance, Rule 69(1)(c) operates as an ‘embargo’ or a statutory bar, not as an enabling provision. The use of the ordinary disjunctive “*or*” expands the scope of this bar, indicating that gratuity shall not be paid so long as *either*

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<sup>4</sup> For short, “1972 Rules”

departmental or judicial proceedings are pending. The appellant places reliance on the case of ***Babu Manmohan Das Shah & Ors. vs. Bishun Das***<sup>5</sup>, specifically that:

“.....The ordinary rule of construction is that a provision of a statute must be construed in accordance with the language used therein unless there are compelling reasons, such as, where a literal construction would reduce the provision to absurdity or prevent the manifest intention of the legislature from being carried out. There is no reason why the word “or” should be construed otherwise than in its ordinary meaning. ....”

**13.** Applying the aforesaid reasoning, it is the construction advanced by the appellant that would in fact yield an anomalous result. Rule 69(1)(c) of the 1972 Rules has a wide import and operates in respect of *any* proceeding that may be pending against an employee at the time of retirement; indeed, the breadth of the provision reflects its protective character. If the appellant’s interpretation were accepted, an employee could contend that once any one set of proceedings against him/her stands concluded, the embargo stands lifted and gratuity must be released. This would altogether defeat the purpose of the provision, which is to safeguard the financial interests of the State.

**14.** Even in the instant case, where both the proceedings stem from identical allegations, their nature, scope, and standard of proof remain fundamentally different. By way of illustration, let us consider if the converse were true i.e., the criminal case against the appellant had concluded in an acquittal due to failure to establish guilt beyond reasonable doubt. It would nevertheless be possible that the appellant was eventually found liable in the pending departmental proceedings on a preponderance of probabilities. An acquittal in that case could not be determinative. If such an approach is impermissible in one direction, it cannot be countenanced in the other either. Moreover, this distinction assumes increased significance in the instant case, as the Inquiry Officer had expressly noted that the matter was *sub judice* and any definitive conclusion would rest on the outcome of the criminal trial.

**15.** The appellant also seeks to take refuge of Rule 9(1) of the 1972 Rules, the operative portion of which reads as follows:

**“9. Right of President to withhold or withdraw pension**

(1) The President reserves to himself the right of withholding a pension or gratuity, or both, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specified period, and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused to the Government, if, in any departmental or judicial proceedings, the pensioner is found guilty of grave misconduct or negligence during the period of service, including service rendered upon re-employment after retirement.”

**16.** The appellant relies on the above Rule to urge that the respondent-Corporation would not be left remediless, as any amounts disbursed could be recovered in the event of a subsequent conviction. This submission has already been clearly negated by the Division Bench in the following terms:

“5. The aforesaid provision of Rule 9 of CCS (Pension) Rules, 1972 has to be considered at the stage when the employee concerned has been found guilty, which situation would arise only upon conclusion of judicial proceedings in the present case, as the same are still said to be pending. ....”

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<sup>5</sup> 1967 [1] SCR 836 at p. 839.

Simply put, the provision is downstream in its operation and cannot be invoked to justify the release of gratuity during the interregnum when proceedings are admittedly pending, on the premise that recovery could be effected at a later stage.

**17.** All of the appellant's remaining contentions pertain to questions of fact. We are not unmindful of his advanced age and the circumstance that he was exonerated in departmental proceedings. He has also brought to our notice that the students accused in the CPMT paper leak, who had been charged under Sections 109, 420 and 120B of the IPC read with Section S-7 of the Himachal Pradesh Prevention of Malpractices at University, Board or other Specified Examinations Act, 1984, were acquitted thereof *vide* judgment dated 28.01.2016 in Criminal Case No. 68-2/2008. These aspects may, no doubt, lend some support to the appellant's case in the criminal trial, but cannot alter the statutory position governing the release of gratuity under Rule 69(1)(c) of the 1972 Rules.

**18.** Therefore, we find no reason to interfere with the impugned judgment. The Appeal is, accordingly, dismissed. We, however, reiterate the direction issued by the High Court and impress upon the Trial Court concerned to expedite the trial arising out of FIR No. 140/2006.

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