2026 INSC 1213

NON-REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). 14204 OF 2026
(ARISING OUT OF S.L.P. (CIVIL) NO(S).24330 OF 2026)

DELHI DEVELOPMENT AUTHORITY **...APPELLANT(S)**

VERSUS

RAJENDER KUMAR SHARMA **...RESPONDENT(S)**

WITH

CIVIL APPEAL NO. 14205 OF 2026
(ARISING OUT OF S.L.P. (CIVIL) NO.24326 OF 2026)

J U D G M E N T

PRASHANT KUMAR MISHRA, J.

1. Leave granted.

2. The appellant – Delhi Development Authority[1] challenges the common judgment and order of the Division Bench of the High Court of Delhi dated 25 March 2026 dismissing Writ Petitions (Civil) Nos.3866/2026 and 3861/2026 preferred by it, thus affirming the orders of the Central Administrative Tribunal[2], Principal Bench, New Delhi dated 15 January 2026 in Original Application Nos. 2658/2023 and 2659/2023 preferred by the respondents herein respectively.

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Reason:

[1] For short, 'the Authority'
[2] For short, 'the Tribunal'

The Tribunal had directed the release of the respondents' gratuity, together with applicable interest, subject to the respondents furnishing the undertaking to refund the amount if the pending judicial proceedings ultimately concluded against them.

3. The facts in brief are this: the respondents, Shri Rajender Kumar Sharma joined the service of the appellant-Authority as a Lower Division Clerk on 19 December 1984, whereas Shri Satendra Pal joined the service as an Assistant Field Investigator on 30 July 1984. Shri Rajender Kumar Sharma was subsequently appointed as Assistant Field Investigator on 3 January 1985. On 18 May 2001, an FIR being FIR No. 29 of 2001 was registered by the Anti-Corruption Branch[3] of the Government of National Capital Territory of Delhi under Section 13(1)(d) of the Prevention of Corruption Act, 1988[4] read with Sections 420, 468, 471 and 120-B of the Indian Penal Code, 1860 against certain officials of the appellant-Authority (including the respondents herein), the Municipal Corporation of Delhi, and the Slum and Jhuggi-Jhopri Department. The allegation was that said officials had conducted a joint survey of slum dwellers for determining their eligibility for relocation and alternate plots and that they had, in connivance with property dealers, included the names of fictitious dwellers therein for wrongful gain. Sanction for prosecution was granted by the Vice-Chairman of the appellant-Authority on 8 April 2004.

[3] For short, 'the ACB'
[4] For short, 'the PC Act'

4. By judgment and order dated 28 February 2017, the learned Special Judge (PC Act/ACB), Delhi in Criminal Case No. 111/2008 convicted four co-accused and acquitted the respondents and seven others, while one accused was discharged for want of sanction. The State thereafter instituted Criminal Leave Petition No. 481/2017 before the High Court of Delhi under Section 378 of the Code of Criminal Procedure, 1973[5] seeking leave to appeal against the acquittal. On 24 August 2017, the High Court issued notice on the said Criminal Leave Petition as well as the accompanying application seeking condonation of delay.

5. The appellant-Authority provisionally promoted both the respondents - Shri Rajender Kumar Sharma and Shri Satendra Pal, to the post of Research Assistant (Group B) on 1 March 2019 and 5 April 2018 respectively, subject to the outcome of the State's challenge to the acquittal. The respondents - Shri Rajender Kumar Sharma and Shri Satendra Pal were superannuated from service on 30 September 2021 and 31 December 2018 respectively.

6. However, owing to the pendency of the Criminal Leave Petition before the High Court, the appellant-Authority withheld the respondents' gratuity (amounting to ₹18,52,224 and ₹15,43,113 respectively) under Rule 69(1(c) of the Central Civil Services (Pension) Rules, 1972. The Rule is reproduced below for reference:

> "**69. Provisional pension where departmental or judicial proceedings may be pending.—**
>
> (...)

[5] For short, 'the Cr.PC'

> (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."
>
> (emphasis supplied)

7. In 2023, the respondents made representations to the appellant-Authority for the release of their gratuity, relying also on a precedent where the gratuity of one co-accused was released subject to an undertaking. However, the said representations were rejected by the appellant-Authority.

8. Subsequently, the respondents preferred O.A. No. 2658/2023 and 2659/2023 before the Tribunal. *Vide* separate orders dated 15 January 2026, the Tribunal directed release of the gratuity with applicable interest, subject to an undertaking by each respondent to refund the amount received, together with interest, should the judicial proceedings ultimately be decided against them and in favour of the appellant-Authority. The Tribunal expressly relied on the Delhi High Court's judgment dated 24 May 2022 in W.P. (C) No. 3016/2021 ***(Kishan Lal Taneja vs. Government of NCT Delhi and Ors.)*** wherein a co-accused, acquitted *vide* the same judgment, had been granted relief on the same terms. It also noted that other affected persons had also subsequently secured similar relief in W.P. (C) No.10400/2025. Aggrieved, the appellant-Authority preferred W.P. (C) Nos.3861/2026 and 3866/2026 before the High Court. The High Court was similarly of the view that petitions ought to be disposed of in terms of the

judgment in ***Kishan Lal Taneja (supra)*** and the same was done. The appellant-Authority now prefers the instant Appeals.

9. We have heard learned counsel for the parties and perused the record.

10. At the outset, we note that the appellant-Authority has not controverted that relief was extended to another acquitted-accused in ***Kishan Lal Taneja (supra)*** and only submits that the said decision was *per incuriam*. Needless to say, such a contention cannot be accepted, especially given that other similarly placed persons have also obtained relief on the strength of ***Kishan Lal Taneja, (supra)*** including in ***Rajinder Khurana vs. Government NCT of Delhi & Anr.*** (W.P. (C) No.10400/2021) *vide* order dated 23 November 2022 and ***Laxmi Narain vs. Government of NCT of Delhi & Ors.*** (W.P. (C) No. 112/2023) *vide* order dated 24 April 2026.

11. Moreover, the reasoning in ***Kishan Lal Taneja (supra)*** is equally applicable to the case of the respondents, who were honourably acquitted after the same full-fledged trial. The High Court had rightly held that mere pendency of the appellant's Section 378 Cr.PC application (with no stay operating on the Trial Court's judgment), especially since 2017, could not justify withholding the terminal dues of the retired employees after long years of service.

12. Reliance on ***Bikram Chand Rana vs. Himachal Pradesh Road Transport Corporation***[6] is totally misplaced given that the said case pertained

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to an employee against whom the departmental proceedings had concluded, but the trial remained pending. The relied upon observations *qua* 'downstream' recovery were also made in that context i.e., future possibility of recovery from the employee could not justify releasing an amount that could otherwise not be paid in view of the express statutory embargo in Rule 69(1)(c) of the CCS Pension Rules. In this case, however, the amount has become payable once the trial concluded and resulted in the issuance of final order of acquittal therein. An Appellate Court may or may not disturb the same, but until then, the acquittal continues to hold the field.

13. The requirement to furnish the undertaking has been imposed solely to balance the competing equities of safeguarding public funds with the right of a retired employee to receive and enjoy terminal benefits earned over decades of service. Practically speaking, if a superannuated employee (being necessarily of advanced age) were required to await the conclusion of even appellate proceedings against acquittal for an uncertain number of years, it is most probable the pensionary benefits would itself be rendered illusory. They should not have to suffer due to long pendency of such a challenge preferred by the State, particularly when the delay is not attributable to them.

14. We are of the considered opinion that the condition imposed by the Tribunal and the High Court adequately safeguards the financial interests of the appellant-Authority.

15. We find no reason whatsoever to interfere with the common impugned judgment. The Appeals are, accordingly, dismissed.

.....J.
(PRASHANT KUMAR MISHRA)

.....J.
(SHREE CHANDRASHEKHAR)

NEW DELHI;
NOVEMBER 16, 2026.