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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

CNR No. DLHC010176912024

+ **W.P.(C) 4892/2024 & CM APPL. 19954/2024**

SARAN JAIN

.....Petitioner

Through: **Mr. Amit Goel, Advocate.**

versus

THE CHIEF MANAGER, SBI AND ORS

.....Respondents

Through: **Mr. Madhav Sinhal, Advocate for R-3.**

Mr. Rajiv Kapur, SC, SBI with Mr. Akshit Kapur, Advocate.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

14.09.2026

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1. The Petitioner, Saran Jain, is the widow of late Mukesh Kumar, who served Respondent No. 3, Uttar Haryana Bijli Vitran Nigam Limited,¹ as a Lineman and died in harness on 7th September, 2005. Following his death, family pension was sanctioned in her favour and has remained her only stated source of regular sustenance. For nearly eight years, she received pension at a rate determined and credited by the pension authorities and the disbursing bank. She had no role in its computation. Then, in September 2023, she was informed that the pension paid to her since September 2015 exceeded her entitlement and that a sum of ₹5,08,838 was liable to be recovered. Her pension was reduced and a further deduction of ₹7,740 per

¹ "UHBVN"



month was initiated towards recovery, bringing the amount credited to her down from ₹23,222 to ₹8,983.

2. The fact that the Petitioner received more than her lawful entitlement is not disputed; nor does she claim enhanced family pension beyond the period specified in the Pension Payment Order². The issue is narrower: can an error left undetected within the pension-disbursing system for nearly eight years now be corrected at the expense of a widow dependent on family pension, merely because she signed a general undertaking when the pension was first sanctioned?

3. Its resolution requires the Court to consider how the equitable limits on recovery recognised in *State of Punjab v. Rafiq Masih*³ operate alongside the exception in *High Court of Punjab & Haryana v. Jagdev Singh*,⁴ and, in that setting, what legal effect should be given to the undertaking relied upon by the Respondents.

Facts

4. The PPO sanctioned enhanced family pension to the Petitioner, initially indicating its continuance till 7th September, 2012. Pursuant to the Haryana Civil Services (Revised Pension) Part II Rules, 2009, the enhanced rate was, however, payable till 7th September, 2015. Normal family pension became payable from 8th September, 2015.

5. The enhanced rate was not discontinued. SBI continued to disburse enhanced family pension until August 2023. UHBVN states that the error came to light while the bank scrolls were scrutinised. By communication dated 2nd August, 2023, it asked SBI to recover the excess payment. SBI

² “PPO”

³ (2015) 4 SCC 334



thereafter quantified the recoverable amount at ₹5,08,838 and commenced monthly deductions of ₹7,740.

6. The Petitioner protested through representations and a legal notice, asserting that she had neither claimed the higher amount nor supplied any incorrect information. When the deductions continued, she approached this Court seeking their cessation and refund of the amount already recovered.

7. On 4th April, 2024, the Court noticed SBI's reliance on the undertaking and on *Jagdev Singh*. Since the issue required consideration, further deductions were restrained upon the Petitioner filing an affidavit undertaking to indemnify the bank if the writ petition ultimately failed.

Rival submissions

8. Mr. Amit Goel, counsel for the Petitioner, submits that the case lies at the very heart of the protection recognised in *Rafiq Masih* and reaffirmed in ***Thomas Daniel v. State of Kerala***⁵. The Petitioner is a widow receiving family pension in respect of a deceased Group C employee, the alleged excess payment continued for nearly eight years before its discovery, and the error is admitted to be institutional rather than attributable to any act of fraud, misrepresentation or concealment on her part. It is urged that, in these circumstances, the recovery would be inequitable and legally impermissible.

9. Counsel for SBI and UHBVN oppose the petition. Their principal submission is that the present case is not one where recovery is sought merely on the strength of a subsequently discovered accounting error. According to them, the Petitioner expressly agreed, at the time of processing her family pension claim on 17th January, 2006, to refund any amount paid

⁴ (2016) 14 SCC 267

⁵ 2022 SCC OnLine SC 536



in excess of her entitlement. The relevant declaration reads:

"I undertake to refund any amount of Pension and DCRG paid to me in excess of that to which I may be actually entitled."

10. The same form also records the Petitioner's consent that, if any outstanding recovery is found after release of pension, the amount may be recovered from subsequent monthly pension payments. The Respondents contend that the undertaking is clear, unconditional and voluntarily furnished, and therefore squarely attracts the principle enunciated by the Supreme Court in *Jagdev Singh*, where recovery was upheld on the strength of a similar undertaking.

11. According to Mr Madhav Sinhal, counsel appearing for UHBVN, the excess payment is neither disputed nor capable of dispute. He submits that the PPO issued in February 2006 correctly specified the period for which enhanced family pension was payable and also indicated the stage from which normal family pension would take effect. The excess did not arise because of any mistake in sanction. It arose because the enhanced rate continued to be disbursed beyond the permissible period. The Petitioner's entitlement was always correctly reflected in the PPO and that, if excess payment continued thereafter, the lapse occurred at the stage of implementation and disbursal.

12. SBI, on the other hand, submits that it functions only as the pension disbursing agency. The pension is released strictly on the basis of PPOs, revisions and instructions received from the Pension Sanctioning Authority. Once UHBVN informed the bank that enhanced family pension had continued beyond the authorised period and quantified the excess amount, SBI was bound to act on those instructions. It argues that it neither created



the entitlement nor altered it, and merely implemented the directions received from the competent authority.

13. The Respondents emphasise that the PPO itself made it clear that enhanced family pension was not payable indefinitely. They contend that the excess amount of ₹5,08,838 represents public money which had been disbursed without authority and that recovery was therefore necessary to protect the public exchequer. Reliance is placed on ***Chandi Prasad Uniyal v. State of Uttarakhand***⁶, where the Supreme Court held that amounts paid without authority of law are ordinarily recoverable and that retention of such amounts would amount to unjust enrichment.

14. Mr. Rajiv Kapur, appearing for SBI, also places reliance on the judgment of the Kerala High Court in ***Bhageerathi Amma B. v. Union Territory of Andaman and Nicobar Islands***⁷, decided on 12th February, 2025. He submits that the aforesaid case also concerned recovery of excess family pension from a widow pensioner and that the challenge to such recovery was rejected. It is further highlighted that the Special Leave Petition filed against the said judgment was dismissed by the Supreme Court on 3rd September, 2026. According to Mr. Kapur, the decision demonstrates that recovery from a family pensioner is not *per se* impermissible where excess payment is established and the recipient has furnished an undertaking authorising recovery.

Entitlement and recovery are distinct

15. The fact that a payment exceeded the Petitioner's lawful entitlement does not, by itself, make it recoverable. Entitlement and recovery are distinct

⁶ (2012) 8 SCC 417

⁷ 2025:KER:18046



questions, governed by different considerations.

16. The Petitioner was not entitled to enhanced family pension after 7th September, 2015. The Respondents were therefore entitled to correct the rate from the date the error was detected. That, however, does not determine whether payments already made could also be recovered.

17. Whether the past payments may be recovered depends on the source and duration of the error, the recipient's role in it, the nature of the benefit, and the hardship that recovery would cause.

18. Here, the applicable pension framework specified the period for which enhanced family pension was payable. If, despite that, payment at the enhanced rate continued for nearly eight years, the error lay within the pension processing and disbursing machinery. The record discloses no representation, much less a misrepresentation, by the Petitioner that caused the payment. There is also no allegation that she concealed any material fact or manipulated the pension process.

19. UHBVN's assertion that the PPO was correct may settle responsibility between it and SBI. It does not shift that responsibility to the Petitioner. In fact, the availability of the correct terminal date throughout makes the prolonged failure to apply it more difficult to explain.

The governing principles

20. In *Rafiq Masih*, the Supreme Court identified situations in which recovery of excess payment would ordinarily be impermissible. These include recovery from Group C and Group D employees, recovery where the excess payment has continued for more than five years before the recovery order, and cases where recovery would be so harsh, arbitrary or inequitable as to outweigh the employer's right to recover.



21. These categories are not isolated exceptions. They are expressions of a broader equitable principle. A recipient who has neither induced nor contributed to the mistake ordinarily arranges her affairs on the basis of amounts regularly disbursed by the State. Where the State permits its own error to continue for years and thereafter seeks to recover the accumulated amount from pensionary benefits, recovery may become wholly disproportionate to the recipient's role in the mistake.

22. *Thomas Daniel* reiterates that where excess payment results from the employer's application of a wrong principle for calculating pay or allowance, or from an erroneous interpretation of the governing rules, and is not attributable to any misrepresentation or fraud on the part of the recipient, recovery is not ordinarily permissible. The relief is founded on equity and judicial discretion, having regard to the hardship that recovery would cause in the facts and circumstances of the case.

23. The Petitioner is not herself a Group C employee. She is, however, the widow of a deceased Group C employee and receives family pension in that capacity. The excess payment continued for nearly eight years before recovery was initiated. Pertinently, recovery is sought not from salary, but from the family pension of a widow whose entitlement arose upon the death of the employee.

24. In view of the above, the present case attracts the equitable considerations that underlie clauses (iii) and (v) of paragraph 18 of *Rafiq Masih*.

The undertaking and Jagdev Singh

25. The undertaking cannot be brushed aside. It is signed, its terms are intelligible, and it expressly refers to refund of excess pension. The



Petitioner's plea that she signed routine documents without understanding them does not, by itself, invalidate the document. She has not pleaded forgery or denied her signature.

26. The question is not whether the undertaking exists. It is whether its general wording concludes the legal enquiry and permits recovery regardless of every other circumstance.

27. In *Jagdev Singh*, a serving judicial officer opted for a revised pay scale under the applicable revised pay rules. While doing so, he furnished an undertaking to refund any excess payment that might emerge from that exercise. The Supreme Court held that he was bound by it and that the protection against recovery from a retired employee under clause (ii) of paragraph 18 of *Rafiq Masih* could not be invoked.

28. The undertaking in the present case arose in a materially different setting. It formed part of the standard papers submitted in January 2006 for commencement of family pension following the employee's death. The Petitioner was not then exercising a choice between pay structures, accepting a conditional financial upgradation, or opting for a benefit whose computation might later require downward revision.

29. Nor was the impugned excess caused by an erroneous fixation made in reliance on any representation, request or option exercised by the Petitioner. It arose because the enhanced rate of family pension was not discontinued on the date already reflected in the PPO. The error, therefore, did not originate in any election or act of the Petitioner.

30. In *Dr. M.C. Pandey v. Union of India*⁸, a Division Bench of this Court held that an undertaking furnished at an earlier stage could not, by



itself, be treated as operating perpetually so as to cover a subsequent pension refixation, where no undertaking had been furnished in relation to that subsequent event. The decision thus underscores that the effect of an undertaking must be examined in the context in which it was given.

31. The same consideration arises here. The undertaking was furnished in January 2006 when the Petitioner's family pension was sanctioned. The applicable pension regime subsequently changed with the 2009 Rules, under which the period of enhanced family pension stood extended up to 7th September, 2015. The excess now sought to be recovered arose from the continued payment of the enhanced rate after that period had expired. The undertaking given in 2006 cannot, therefore, be treated as specifically authorising recovery of an excess arising in these subsequently altered circumstances.

32. The Court must also consider the undertaking in the context in which recovery is sought. The Petitioner is a widow receiving family pension. The enhanced rate continued because the Respondents failed to apply the PPO. The error persisted for nearly eight years. No fraud, concealment or misrepresentation is alleged. Recovery is sought from the very pension on which she depends for sustenance. The fact that the entitlement arose from the service of a deceased Group C employee only reinforces the hardship inherent in such recovery.

33. In these circumstances, the undertaking does not outweigh the cumulative inequity of recovery.

Bhageerathi Amma Decision

34. *Bhageerathi Amma* also concerned recovery from a family pensioner.

⁸ 2025 SCC Online Del 3232



The Kerala High Court declined to interfere with the Tribunal's decision permitting recovery, where the excess payment had continued for about three years. The five-year category recognised in *Rafiq Masih* was therefore held inapplicable.

35. The present case is factually different. On the Respondents' own showing, the excess payment ran from 8th September, 2015 to 31st August, 2023. The prolonged payment, which is materially longer than the period in *Bhageerathi Amma*, lies at the heart of the present controversy.

36. The Supreme Court's order dismissing the Special Leave Petition in *Bhageerathi Amma* records no reasons and does not examine the interaction between the undertaking and the distinct categories recognised in *Rafiq Masih*. It gives finality to that case, but furnishes no answer to the materially different facts before this Court.

RBI instructions

37. The RBI circular dated 21st January, 2021 withdrew the earlier circulars governing direct recovery of excess pension and required agency banks to seek guidance from the Pension Sanctioning Authority. It further stated that where excess payment arose from the agency bank's mistake, the bank should refund the amount to the Government immediately, independently of recovery from the pensioner.

38. These instructions regulate the administrative relationship between the bank and the Government. They do not confer an unrestricted power to recover from a pensioner contrary to the equitable limits declared by the Supreme Court.

39. SBI and UHBVN may determine between themselves where responsibility for the erroneous disbursement lies. Their disagreement



cannot be settled by placing the entire financial burden upon the Petitioner.

Relief

40. The writ petition is allowed in the following terms:

40.1. The decision to recover ₹5,08,838 from the Petitioner's family pension, including the direction for monthly deduction of ₹7,740, is set aside.

40.2. The Respondents shall not affect any further recovery from the Petitioner's family pension on account of the excess payment made between 8th September, 2015 and 31st August, 2023.

40.3. SBI shall ascertain and refund all amounts already deducted pursuant to the impugned recovery. The refund shall be made within eight weeks from today, with simple interest at six per cent per annum from the date of each deduction until payment.

40.4. The affidavit of indemnity furnished by the Petitioner pursuant to the order dated 4th April, 2024 shall stand discharged.

40.5. The Respondents shall remain entitled to regulate the Petitioner's family pension prospectively at the correct rate in accordance with the PPO and the applicable rules.

40.6. This judgment will not prevent SBI and UHBVN from determining responsibility for the erroneous payment between themselves and taking such action as may be permissible in law. No part of the excess amount shall, however, be recovered from the Petitioner.

41. The pending application also stands disposed of.

SANJEEV NARULA, J

SEPTEMBER 14, 2026/hc