



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

207

CWP-6409-2001 (O&M)
Date of Decision: 27.04.2026

Mahabir Singh Tanwar and others

.....Petitioners

VERSUS

State of Haryana and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Mahabir Singh Tanwar, petitioner No.1 in-person,
on behalf of all petitioners.

Mr. Vikrant Pamboo, Addl. AG, Haryana.

HARPREET SINGH BRAR, J. (Oral)

1. The present petition has been filed under Articles 226/227 of the Constitution of India seeking issuance of a writ in the nature of *certiorari* for quashing the impugned letter dated 01.05.2001 (Annexure P-2) whereby recovery has been effected from the salary of the petitioners. Further, issuance of a writ in the nature of *mandamus* has been sought, directing respondent No.3-Federation to release the bonus of the petitioners



for the year 1999-2000 as well as to release the pending salary of the petitioners for the month of April, 2001, without any deduction.

CONTENTIONS

2. Petitioner No.1, appearing in person, on behalf of the petitioners, *inter alia*, contends that the petitioners are Group C employees who are being subjected to undue hardship due to the impugned action. He further submits that the Government of Haryana had issued instructions dated 29.10.1997 (Annexure P-1) granting bonus to its employees. The said instructions (Annexure P-1) do not provide for any maximum ceiling of wages in order for an employee to be eligible for grant of bonus. The Board of Directors of respondent No.3-Federation, in its meeting held on 29.06.1998, adopted the said instructions (Annexure P-1). However, subsequently, the Managing Director of respondent No.3-Federation issued letters of recovery to the petitioners stating that they were not eligible to receive the bonus for years 1995-96 to 1998-99 as the employees of respondent No.3-Federation are governed by Payment of Bonus Act 1965 and 1975. In furtherance thereof, vide impugned letter, Rs.2500/- was deducted from the salary for April, 2001 and it was directed that the remainder i.e. Rs.7161/- be deducted from the salary for May, 2001 in case it is not deposited by 15.05.2001. Further, the disbursement of bonus was also stopped with effect from April, 2001.



3. He further submits that the impugned action was taken without issuing any show cause notice or affording them an opportunity of hearing. Furthermore, the decision to grant bonus to the petitioners and other Group C and D employees was taken by the Board of Directors, which is the supreme decision-making authority of the respondent-Federation. As such, the Managing Director does not possess any power to overturn the decision of the Board of Directors, taken in its meeting dated 29.06.1998, regarding grant of bonus. Therefore, the recovery effected from the petitioners is arbitrary and unsustainable in the eyes of law. He emphasizes that this Court, after being *prima facie* satisfied with the arguments made by learned counsel for the petitioners, had passed the interim order dated 04.05.2001 whereby the recovery from the petitioners was stayed.

4. There is no representation on behalf of respondents No.3 and 4 and neither has a reply been filed on their behalf. As such, the averments made by the petitioner No.1, appearing in person, remain uncontroverted.

OBSERVATIONS AND ANALYSIS

5. Having heard petitioner No.1 on behalf of the petitioners and after perusing the record of the case, it transpires that the instructions dated 29.10.1997 (Annexure P-1) issued by the Government of Haryana regarding grant of bonus, were adopted by the Board of Directors of respondent No.3-Federation in its meeting dated 29.06.1998, under the chairmanship of the Commissioner and Secretary concerned of the administrative department. As



mentioned on Page 5 of the paperbook, the following resolution was passed:

“Agenda

4. To consider to pay bonus to employees of the Federation whose wages exceeded Rs. 3500/- PM for the year 1995-96 in view of Govt. latest instructions.

Decision.

Considered and allowed as per Govt. instructions.”

6. Evidently, the petitioners were in continuous yearly receipt of the said bonus, the budget for which, along with other expenses, was duly approved and sanctioned by the Board of Directors. However, respondent No.4 was allotted the audit of respondent No.3-Federation in the year 1999-2000. In his audit report, respondent No.4 opined that the Board of Directors had wrongly interpreted the instructions (Annexure P-1) and recommended recovery to be effected from the employees for the years 1995 to 1999. Notably, the instructions (Annexure P-1) provided bonus to all employees, irrespective of the wage ceiling of Rs.3500/-, and the same was as it is adopted by respondent No.3-Federation.

7. In view of the recommendation made by respondent No.4, the Managing Director of respondent No.3-Federation issued letters of recovery. One such letter dated 01.05.2001, issued to petitioner No.1, is available at Annexure P-2. It appears that the impugned recovery was ordered by the Managing Director by overturning the order of its superior i.e. the Board of Directors. Any modifications regarding grant of bonus to the employees of respondent No.3-Federation could only have been revisited by the Board of



Directors, being the competent and the senior-most authority. The Managing Director in his individual capacity has no jurisdiction to overturn the decision of the Board of Directors. Reliance in this regard can be placed on the judgment rendered by this Court in ***CWP-1578-2020*** titled as ***Rameshwar Das vs. State of Haryana*** decided on 27.03.2026. Moreover, the impugned action caused considerable financial consequences to the petitioners. As such, it was imperative that they be issued a show-cause notice and provided an opportunity to be heard before issuing recovery orders.

8. A Co-ordinate Bench of this Court in ***Suresh Pal vs. Uttar Haryana Bijli Vitran Nigam Limited and others, 2025 SCC OnLine P&H 2205*** has categorically held that any quasi-judicial or administrative order leading to civil consequences for an employee must be passed by a competent authority, while abiding by the principles of natural justice. The relevant extract therefrom is reproduced below:

*“19. ...Sometimes an unjust decision in an administrative enquiry may have far more serious consequences than a decision in a quasi-judicial enquiry and hence the principles of natural justice must apply equally in an administrative enquiry which entails-civil consequences. Hon'ble Court also referred to decisions in ***Ridge v. Baldwin 1964 AC 40***, ***State of Orissa v. Dr. Binapani Dei and others (Supra)*** and ***A.K. Kraipak' case (Supra)*** and it observed that the net effect of these decisions was that the duty to act judicially need not be super-added, but it may be spelt out from the nature of the power conferred, the manner of exercising it and its impact on the rights of the person affected and where it is found to exist, the rules of, natural justice would be attracted. It was further observed that the decisions*



of the English Courts as followed in India were not the end of the development of law on this subject. The proliferation of administrative law provoked considerable fresh thinking on the subject and soon it came to be recognised that 'fair play in action' required that in administrative proceeding also, the doctrine of natural justice must be held to be applicable.

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42. *The law with regard to the decision-making process which has been noticed in these cases is well established. The doctrine of bias is based upon the principle that justice should not only be done but manifestly and undoubtedly be seen to be done and that the Judges, like Caesar's wife should be above suspicion. **It is now a settled law that when even an administrative order involving civil consequences is to be passed, it must be consistent with the principles of natural justice and should be a well-reasoned order. The procedure adopted should be just, fair and reasonable so as to be in conformity with Article 14 of the Constitution of India.***

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G. Conclusion And Directions

*(i) **Whenever a quasi-judicial authority or a purely administrative authority is vested with a power by any law for the time being in force to decide or pass an order, the power can be exercised by the same authority in which the power vests and no other authority.***

(ii) An order passed by a subordinate officer or any other officer not authorised to pass an order by stating that the same has been passed with the approval of the authority in whom power otherwise vests is illegal, perverse, arbitrary and coram non-judice.

xxx xxx xxx”
(emphasis added)

9. Further still, the petitioners did not engage in any misrepresentation in order to obtain the benefit of bonus. The consistent disbursal of bonus every year, without any objection from any sphere, confirms the intention of respondent No.3-Federation to provide said bonus to the petitioner. Moreover, the Board of Directors has duly authorized



budgetary allocation towards payment of bonus year after year in terms of its resolution dated 29.06.1998.

CONCLUSION

10. In view of the discussion above, it is clear that the act and conduct of the Managing Director has undermined the administrative hierarchy and caused undue distress and harassment to the petitioners. Accordingly, the present writ petition is allowed. The impugned action of the Managing Director of respondent No.3-Federation, as evidenced by letter dated 01.05.2001 (Annexure P-2) is held to be arbitrary and contrary to settled law. Thus, the impugned letter dated 01.05.2001 (Annexure P-2) and the impugned action of recovery *qua* all petitioners is hereby set aside.

11. Further, respondent No.3-Federation is directed to reimburse the amount received/recovered from the petitioners in terms of impugned letter dated 01.05.2001 (Annexure P-2), along with interest @ 6% p.a. The interest shall be calculated from the date of filing of the present petition till actual realization. Furthermore, respondent No.3 is also directed to release any amount that may have been withheld from the petitioners from their salaries towards the impugned recovery in relation to the bonus.

12. Lastly, in case the resolution dated 29.06.1998 passed by the Board of Directions with regards to disbursement of bonus has not been overturned by the Board of Directors itself, till such time, the petitioners shall also be entitled to arrears thereof, as it continues have a binding effect.



13. Let the aforesaid exercise be undertaken expeditiously and the consequential monetary benefits be released to the petitioners within a period of 03 months from the date of receipt of a certified copy of this order.

14. Pending miscellaneous application(s), if any, shall also stands disposed of.

(HARPREET SINGH BRAR)
JUDGE

27.04.2026
Parul Verma

Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No