

3. The petitioner's counsel contends that despite repeated approaches and a formal application for release of his dues, the respondents failed to release the benefits and subsequently, through a letter dated 06.10.2025, attributed various liabilities to him. According to the petitioner's counsel, most of these liabilities are illegal, unjustified, and unsupported by any proper inquiry or investigation. He submits that he had already deposited Rs. 136,710/- in compliance with an earlier office memorandum dated 31.01.2023 concerning certain audit observations. The petitioner's counsel further relies upon the Bank's SOPs issued on 17.11.2023 regarding NDCs, which provide that recoveries from terminal benefits can only be retained where the Bank has sustained an actual loss due to fraud, forgery, embezzlement, or similar circumstances. He also claims that an amount of Rs. 11,50,000/- recovered from him in connection with litigation before the Banking Court, which was ultimately decided in favour of the Bank, has not yet been returned. He prayed to allow this petition.

3. The respondents, in their comments, state that the petitioner retired on attaining the age of superannuation and that his pension, medical allowance, commutation amount, and leave encashment were duly sanctioned. The counsel for the respondents submits that during service, the petitioner was proceeded against departmentally through a charge-sheet dated 27.09.2022 regarding irregular expenditures, resulting in a minor penalty and certain recoveries. The respondents' counsel further maintains that various liabilities and audit paras relating to branches where the petitioner served were reported by the Regional Office, Larkana, and therefore recoveries and retention of amounts from his terminal benefits were justified in accordance with Bank policy and NDC requirements. According to the respondents, after review and clearance of several audit objections, an amount of Rs. 21,81,344/- has already been released to the petitioner, and only Rs. 6,88,225/- remains retained against unresolved audit paras. Counsel asserts that the remaining amount will be released upon clearance of the outstanding audit observations in accordance with law and the Bank's prescribed procedure. He prayed to dismiss the petition.

4. We have heard learned counsel for the parties and perused the material available on record.

5. Admittedly, the petitioner retired from service on 31.03.2025 and became entitled to pensionary and other retiral benefits. The record further reflects that the petitioner has already been sanctioned for pension, medical allowance, commutation, and leave encashment. At the same time, a substantial portion of the retained amount, i.e., Rs. 21,81,344/-, has also been released during the pendency of the matter.

6. The controversy now survives only to the extent of the amount of Rs. 6,88,225/-, which, according to the respondents, has been retained against unresolved audit paras and liabilities reported by the concerned Regional Office.

7. It is a settled principle of law that pensionary and retiral benefits constitute a vested right and ordinarily cannot be withheld except in accordance with law. However, where recoveries are sought based on audit objections, departmental proceedings, or liabilities determined under the service rules and regulations, the employer is competent to withhold or retain such amount as may be necessary until the matter attains finality. At the same time, any recovery from retirement benefits must have lawful backing and cannot be founded upon mere conjectures or unverified allegations.

8. The principal grievance of the petitioner is that the liabilities attributed to him are illegal and unsupported by proper inquiry. Such assertions have been disputed by the respondents, who have produced details of audit paras, departmental proceedings, and the NDC process. The resolution of these disputed questions of fact would require examination of evidence and scrutiny of the underlying record. In such circumstances, the respondents have stated on record that the remaining retained amount shall be released to the petitioner upon clearance/finalization of the outstanding audit observations in accordance with the relevant rules and policy. The request seems to be reasonable and has been acceded to.

9. In these circumstances, the respondents are nevertheless bound to finalize the pending audit paras and NDC proceedings expeditiously within two weeks and strictly in accordance with law, the applicable service regulations, and the SOPs governing No Demand Certificates. The petitioner shall also be joined in the hearing while taking a decision on such a matter.

10. Consequently, this petition is disposed of with the direction that the competent authority shall conclude the process relating to the outstanding audit paras and retained amount of Rs. 6,88,225/- or any other due amount of the petitioner, within a period of three weeks from receipt of this order and, if no liability is ultimately established against the petitioner in accordance with law, the retained amount shall be released forthwith.

11. All pending application(s), if any, are also disposed of in the above terms, however, with no order as to costs.

Judge

Judge

Nasim/P.A