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

Reserved on:7th May, 2026
Date of Decision; 05th August, 2026
Uploaded on: 05th August, 2026

\# **CNR No: DLHC010000392004**

\+ W.P.(C) 16509/2004 & CM APPL. 45940/2025

SYNDICATE BANK .....Petitioner

Through: Mr.Puneet Taneja, Sr. Adv. with Mr. Manmohan Singh Narula, Mr. Amit Yadav, Mr. Anil Kumar, Advs.

versus

B.K.ARORA .....Respondent

Through: Mr. Deepak, Adv. with Respondent in person

CORAM:
HON'BLE MS. JUSTICE SHAIL JAIN

JUDGMENT

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SHAIL JAIN, J.

1. The present writ petition has been filed by the Petitioner/Bank under Articles 226 and 227 of the Constitution of India assailing the Award dated 07.05.2004 passed by the learned Central Government Industrial Tribunal-cum-Labour Court (*hereinafter referred to as the "CGIT"*) in I.D. No. 189/1997, whereby the *Tribunal* set aside the Petitioner's order of dismissal dated 15.04.1993 and directed reinstatement of the Respondent with continuity of service and consequential benefits, though without back wages (*hereinafter referred to as the "impugned Award"*).

FACTUAL BACKGROUND

2. The Respondent joined the services of the Petitioner-Bank as a Clerk and, at the relevant time, was posted at its Mori Gate Branch, New Delhi. During the period between July 1988 and December 1989, while functioning as a Clerk, he was, on certain occasions, also entrusted with the duties of Cashier. On 11.12.1989, while discharging such duties, a cheque for a sum of Rs. 25,000/- drawn on SB A/c No. 8492 of Shri G.D. Luthra was received by him for payment. Out of the said amount, the Respondent was required to adjust Rs. 5,000/- towards Shri G.D. Luthra's OSL 2/88 account and thereafter disburse the balance amount of Rs. 20,000/- in cash to Shri A.K. Chaudhary, Assistant Manager of the Branch. According to the Petitioner, the Respondent neither disbursed the said amount nor returned it to the Bank. Instead, he left the Branch at about 3:40 PM on 11.12.1989 without making the payment, did not return till late hours on the said day and remained absent from duty on 12.12.1989.

3. The Branch thereafter lodged a complaint with the police to trace the Respondent. Respondent was traced at Gurugram on 13.12.1989. According to the Petitioner, the Respondent thereafter addressed a letter dated 13.12.1989 to the Branch Manager admitting that he had received Rs.25,000/-, that he had not made payment of Rs.20,000/- to Shri A.K. Chaudhary, accepted responsibility therefor, and undertook to remit the amount. A sum of Rs.10,000/- was deposited by the Respondent on 13.12.1989 and the balance sum of Rs.10,000/- was deposited on 16.12.1989.

4. The Petitioner placed the Respondent under suspension by order dated 28.12.1989. Thereafter, a charge-sheet dated 25.05.1990 was issued alleging commission of gross misconduct under Clause 19.5(j) of the Bipartite Settlement. The Respondent submitted a written reply denying the allegations and asserting, inter alia, that he had duly paid the amount to Shri A.K. Chaudhary, that the letter

relied upon by the Management had been obtained under coercion, and that the amount subsequently deposited by him had been paid under pressure from the police authorities.

5. A departmental enquiry was thereafter conducted in accordance with the applicable service conditions. During the enquiry, the Management examined six witnesses and relied upon documentary evidence in support of the charge. The Respondent was represented by a Defence Representative of his choice, cross-examined the Management witnesses, examined one witness in defence, namely, Shri Rajeev Arora, and was afforded full opportunity to defend himself, though he did not enter the witness box. Upon conclusion of the enquiry, the Enquiry Officer submitted his report dated 26.12.1992 holding the Respondent guilty of the charge.

6. A copy of the enquiry report was furnished to the Respondent, who submitted his representation there against. Thereafter, after granting him a personal hearing, the Disciplinary Authority, by order dated 15.04.1993, imposed the penalty of dismissal from service. The Respondent's departmental appeal came to be dismissed by the Appellate Authority by a reasoned order dated 16.07.1993

7. Aggrieved thereby, the Respondent raised an industrial dispute, which came to be referred for adjudication before the Central Government Industrial Tribunal as I.D. No. 189/1997. Before the learned Tribunal, the Respondent challenged the disciplinary proceedings and the order of dismissal on various grounds, whereas the Petitioner justified both the enquiry and the punishment imposed.

8. By Award dated 07.05.2004, the learned Tribunal allowed the industrial dispute, set aside the order of dismissal dated 15.04.1993 and directed reinstatement of the Respondent with continuity of service and all consequential benefits, though without back wages.

9. Aggrieved by the aforesaid Award, the Petitioner has preferred the present

writ petition.

Submissions on behalf of the Petitioner/Bank

10. Learned counsel for the Petitioner submitted that the learned Tribunal committed a manifest error in setting aside the order of dismissal solely on the alleged non-compliance with paragraphs 19.2, 19.3 and 19.4 of the Bipartite Settlement. It was contended that the complaint lodged with the police was merely for tracing the whereabouts of the Respondent after he left the Branch without accounting for the customer's money and did not amount to initiation of criminal prosecution so as to attract the said provisions. The disciplinary proceedings were, therefore, rightly conducted under paragraphs 19.11 and 19.12 of the Bipartite Settlement.

11. It was further submitted that the learned Tribunal itself recorded a finding that there was no procedural irregularity in the conduct of the departmental enquiry causing prejudice to the Respondent. In such circumstances, the Tribunal could not have invalidated the enquiry merely on account of the alleged non-payment of three months' pay and allowances contemplated under paragraph 19.3 of the Bipartite Settlement. Reliance was placed upon ***Syndicate Bank v. Venkatesh GururaoKurati, (2006) 3 SCC 150*** *and* ***Canara Bank v. V.K. Awasthy, (2005) 6 SCC 321***, to contend that every procedural lapse does not *ipso facto* vitiate disciplinary proceedings unless actual prejudice is established.

12. Learned counsel submitted that the charges against the Respondent were neither vague nor imaginary. It was argued that the Respondent, while functioning as a Cashier, had misappropriated the customer's money, remained absent from duty, was subsequently traced by the police, admitted his misconduct by letter dated 13.12.1989 and thereafter refunded the amount. These facts, according to the Petitioner, clearly established misconduct involving misappropriation of Bank funds warranting disciplinary action.

13. It was further contended that the plea regarding delay in conclusion of the enquiry is wholly misconceived. The enquiry progressed in accordance with law, the Respondent was afforded full opportunity to participate, cross-examine witnesses and defend himself, and no prejudice on account of the alleged delay has either been pleaded or established. Reliance was placed upon ***Dr. Ishar Singh v. State of Punjab &Anr., 1993 (1) ILR 377 (P&H)***.

14. Learned counsel argued that the punishment of dismissal was commensurate with the gravity of the misconduct. It was submitted that a bank employee entrusted with public funds is expected to maintain the highest standards of integrity and honesty, and acts of misappropriation justify the extreme penalty of dismissal. Reliance was placed upon ***Deputy General Manager v. Ajai Kumar Srivastava, (2021) 2 SCC 612*** *and* ***U.P. State Road Transport Corporation v. Vinod Kumar, (2008) 1 SCC 115***, to contend that courts ought not to interfere with the punishment in cases involving financial dishonesty unless it is shockingly disproportionate.

15. Lastly, it was submitted that the learned Tribunal exceeded the permissible limits of its jurisdiction in interfering with the disciplinary action despite the findings of misconduct being supported by evidence and despite recording that no procedural irregularity had prejudiced the Respondent. It was contended that judicial review does not extend to re-appreciation of evidence where the findings are based on some material and are not perverse. In support of this submission, reliance was placed upon ***Punjab National Bank v. Sneh Aggarwal, 2023 SCC OnLine Del 4368***.

16. Learned counsel further submitted that, during the pendency of the present writ petition, the Petitioner has complied with the orders passed by this Court under Section 17-B of the Industrial Disputes Act and has paid the Respondent

wages in terms thereof till his attaining the age of superannuation. It was, therefore, prayed that the impugned Award dated 07.05.2004 be set aside.

<u>Submissions on behalf of the Respondent/Workman</u>

17. Learned counsel for the Respondent submitted that the Award dated 07.05.2004 is a well-reasoned and speaking Award based upon a proper appreciation of the pleadings, evidence and the applicable provisions of the Bipartite Settlement. It was contended that the Petitioner has failed to demonstrate any jurisdictional error, perversity or patent illegality warranting interference under Articles 226 and 227 of the Constitution.

18. It was submitted that the learned Tribunal rightly held that the disciplinary proceedings culminating in the order of dismissal were conducted in contravention of paragraphs 19.2, 19.3 and 19.4 of the Bipartite Settlement. According to the Respondent, once the Management had approached the police alleging commission of acts constituting a criminal offence, it had taken "steps to prosecute" within the meaning of Paragraph 19.3 of the Bipartite Settlement and could not thereafter bypass the procedure prescribed under Paragraphs 19.3 and 19.4.

19. Learned counsel further contended that the Petitioner's plea that the police complaint was lodged merely to ascertain the Respondent's whereabouts is an afterthought. It was submitted that neither the complaint nor the charge-sheet discloses that the complaint was confined to tracing the Respondent. On the contrary, the allegations forming the basis of the police complaint substantially overlapped with those in the disciplinary proceedings, thereby justifying the Tribunal's conclusion that the enquiry was conducted contrary to the Bipartite Settlement.

20. It was further contended that there was delay in concluding the disciplinary proceedings, which, according to the Respondent, caused prejudice and constituted an additional circumstance supporting the Award

21. Learned counsel further submitted that the punishment of dismissal was wholly disproportionate to the alleged misconduct. It was contended that the amount had subsequently been restored and, having regard to the overall facts and circumstances of the case, the punishment imposed was unduly harsh. It was accordingly urged that no interference with the relief granted by the learned Tribunal was warranted.

22. It was lastly submitted that the Tribunal was competent under Section 11-A of the Industrial Disputes Act to reappreciate the evidence, examine the proportionality of punishment and mould the relief, and that its findings did not warrant interference in exercise of writ jurisdiction.

23. In support of the aforesaid submissions, learned counsel for the Respondent placed reliance upon ***Karnataka Electricity Board, Bangalore v. Workmen of M/s Amalgamated Electric Company Ltd., (1993) 1 LLJ 512*** *;* ***Jitendra Singh Rathor v. Shri BaidyanathAyurved Bhawan Ltd. &Anr., AIR 1984 SC****;* ***Workmen of Balmadies Estates v. Management of Balmadies Estates &Ors., AIR 2008 SC (Supp) 1366****;* ***Rajinder Kumar Kindra v. Delhi Administration, AIR 1984 SC 1805****;* ***Sitapore Sugar Works Ltd., Garaul v. State, AIR 1958 Pat 120***and***Mohini K. v. General Manager, Syndicate Bank, (1995) 1 LLJ 351 (Kant)****,* to contend that the Labour Court, while exercising powers under Section 11-A of the Industrial Disputes Act, is competent to reappreciate the evidence, examine the proportionality of punishment and mould the relief, and that findings so recorded are not amenable to interference in exercise of writ jurisdiction unless shown to be perverse, based on no evidence or suffering from patent illegality.

ISSUE FOR CONSIDERATION

24. The principal issue that arises for consideration is whether the impugned Award dated 07.05.2004 is legally sustainable.

ANALYSIS

25. This court has heard the rival contentions of both the parties and perused the documents placed on record.

26. Before examining the merits of the case, it is necessary to note the well-settled position of law governing the scope of interference by the High Court in matters arising from industrial adjudication. It is settled that while exercising jurisdiction under Articles 226 and 227 of the Constitution of India, the High Court does not act as an appellate authority over the findings recorded by the Labour Court or Industrial Tribunal. The High Court cannot re-appreciate evidence or substitute its own conclusions merely because another view is possible. Hon’ble Supreme Court has consistently held that interference with findings of fact recorded by the Labour Court is permissible only where such findings are perverse, based on no evidence, or suffer from manifest illegality.

27. The Hon'ble Supreme Court in the judgement of ***Syed Yakoob v. K.S. Radhakrishnan***, **1963 SCC OnLine SC 24** categorically held that the jurisdiction to issue a writ of certiorari is a supervisory jurisdiction and the Court exercising it is not entitled to act as an Appellate Court. This limitation necessarily means that findings of fact reached by the inferior Court or Tribunal as result of the appreciation of evidence cannot be reopened or questioned in writ proceedings.

28. Similarly, the Hon'ble Supreme Court in paragraph 17 of the judgment in ***Indian Overseas Bank v. I.O.B. Staff Canteen Workers' Union &Anr***. **(2000) 4 SCC 245**, has held as under:

> *“17. The learned Single Judge seems to have undertaken an exercise, impermissible for him in exercising writ jurisdiction, by liberally reappreciating the evidence and drawing conclusions of his own on pure questions of fact,*
>
> *unmindful, though aware fully, that he is not exercising*

any appellate jurisdiction over the awards passed by a tribunal, presided over by a judicial officer. The findings of fact recorded by a fact-finding authority duly constituted for the purpose and which ordinarily should be considered to have become final, cannot be disturbed for the mere reason of having been based on materials or evidence not sufficient or credible in the opinion of the writ court to warrant those findings, at any rate, as long as they are based upon some material which are relevant for the purpose or even on the ground that there is yet another view which can reasonably and possibly be taken... The only course, therefore, open to the writ Judge was to find out the satisfaction or otherwise of the relevant criteria laid down by this Court, before sustaining the claim of the canteen workmen, on the facts found and recorded by the fact-finding authority and not embark upon an exercise of reassessing the evidence and arriving at findings of one's own, altogether giving a complete goby even to the facts specifically found by the Tribunal below."

[Emphasis supplied]

29. Having delineated the contours of this Court's jurisdiction under Articles 226 and 227 of the Constitution, it becomes necessary to examine the reasoning adopted by the learned CGIT in the impugned Award. Before considering whether the Award can withstand judicial scrutiny within the limited scope of review, it is necessary to identify the precise legal basis on which the Tribunal granted relief.

30. The industrial dispute arose from the order of dismissal dated 15.04.1993 passed against the Respondent-workman, which was referred by the Appropriate Government to the CGIT for adjudication. Upon the pleadings, the Tribunal framed issues regarding the fairness and legality of the domestic enquiry and the legality and justification of the order of dismissal. After examining the pleadings, the disciplinary record, the evidence led before the Enquiry Officer, the enquiry report, the orders of the Disciplinary and Appellate Authorities and the rival

submissions, the Tribunal categorically held that the domestic enquiry had been conducted fairly and properly, without violating either the principles of natural justice or the procedure prescribed under the Bipartite Settlement. It further found no perversity in the findings recorded by the Enquiry Officer and did not disturb the finding that the charge of misconduct stood proved. Having so concluded, the Tribunal proceeded to examine the effect of Paragraphs 19.2 to 19.4 of the Bipartite Settlement.

31. Proceeding on the premise that the complaint lodged by the Bank with the police amounted to the Bank having taken "steps to prosecute" the Respondent, the Tribunal held that, in terms of Paragraphs 19.3 and 19.4 of the Bipartite Settlement, the Respondent could not have been dismissed without payment of three months' pay and allowances in lieu of notice. Since such payment had admittedly not been made, the Tribunal held the order of dismissal dated 15.04.1993 to be contrary to the Bipartite Settlement and, on that basis, directed reinstatement of the Respondent with continuity of service and consequential benefits, albeit without back wages.

32. Significantly, the Tribunal neither held that the charge of misconduct had remained unproved nor found the punishment to be disproportionate in exercise of its jurisdiction under Section 11-A of the Industrial Disputes Act, 1947. Before examining the correctness of that interpretation, it is necessary to consider whether the impugned Award can nevertheless be sustained on the independent grounds urged by the Respondent before this Court, namely, that the enquiry was unfair, that the findings of misconduct are unsupported by the evidence, that Ex. MEX-6 was obtained under coercion and that the disciplinary proceedings stood vitiated by delay.

33. The disciplinary proceedings commenced with the order of suspension dated 28.12.1989, followed by the chargesheet dated 25.05.1990. A plain reading of the

chargesheet leaves no room for any contention that the allegations were vague or deficient in material particulars. The date of the incident, the amount entrusted to the Respondent, the manner in which it was required to be disbursed, the payment due to Shri A.K. Chaudhary and the Respondent's departure from the Branch without effecting such payment were all specifically set out, thereby placing the Respondent on clear notice of the case he was required to meet. Equally significant is the fact that the charge was framed under Paragraph 19.5(j) of the Bipartite Settlement as an act prejudicial to the interests of the Bank and not under Paragraphs 19.2 to 19.4 thereof. The disciplinary proceedings nowhere proceeded on the footing that criminal prosecution had been initiated or was intended to be pursued, a circumstance which assumes considerable significance while examining the Tribunal's interpretation of Chapter XIX of the Bipartite Settlement.

34. The Respondent's own conduct during the disciplinary proceedings reinforces the above conclusion. His detailed reply dealt with the allegations on their merits without alleging any uncertainty in the charges or seeking further particulars, which clearly shows that he fully understood the case he was required to answer. Although he asserted that the charges had been fabricated and that the real culprits were being protected, the allegation remained a bare assertion unsupported by any particulars or contemporaneous material. In the absence of any factual foundation, such a plea could not detract from the specificity of the charges or undermine the validity of the disciplinary proceedings.

35. The disciplinary record further discloses scrupulous adherence to the prescribed procedure throughout the enquiry. The Respondent was represented by a Defence Representative of his own choice and was even permitted to substitute his representative without objection from the Management. Copies of all documentsrelied upon by the Management were furnished to him. He extensively cross-examined each of the six Management witnesses, including Shri A.K.

Chaudhary and Shri A.V. Ranganathan, and was afforded full opportunity to adduce defence evidence, of which he availed by examining Shri Rajeev Arora as Defence Witness No.1, though he elected not to enter the witness box himself. The procedural safeguards continued even after completion of the enquiry. The enquiry report dated 26.12.1992 was supplied to the Respondent, who submitted his objections thereto, replied to the show-cause notice proposing punishment and was granted a personal hearing before the Disciplinary Authority passed the order of dismissal dated 15.04.1993. The Appellate Authority thereafter afforded him a further personal hearing, independently examined the entire disciplinary record and, by a reasoned order dated 16.07.1993, affirmed both the findings of misconduct and the punishment imposed.

36. The Respondent's own evidence before the Tribunal further reinforces the above conclusion. While deposing as WW-1, he admitted that all documents relied upon by the Management had been supplied to him and that he had never raised any grievance regarding the conduct of the Enquiry Officer. His only complaint related to the manner in which his own Defence Representative had conducted the proceedings. Such dissatisfaction, even if assumed to be justified, cannot be attributed to the Management nor can it invalidate an enquiry otherwise conducted in accordance with law. The record thus establishes that the Respondent was informed with sufficient precision of the allegations against him, afforded an effective opportunity to defend himself at every stage and heard by both the Disciplinary Authority and the Appellate Authority. The Tribunal was, therefore, justified in holding that the enquiry had been conducted fairly and properly, and its conclusion is fully supported by the material on record.

37. In ***Canara Bank v. V.K. Awasthy***, (2005) 6 SCC 321, the Supreme Court held that a mere procedural irregularity or technical infraction of the principles of natural justice does not, by itself, vitiate disciplinary proceedings. Interference is

warranted only where the delinquent employee establishes that the alleged irregularity has caused real prejudice or occasioned a failure of justice. In the present case, no such prejudice or failure of justice has been demonstrated.

38. The enquiry having been found to be procedurally fair, it remains to be examined whether the findings of misconduct are supported by evidence capable of sustaining them. It is well settled that judicial review of disciplinary proceedings does not entail a re-appreciation of the evidence as in an appeal. The Court is concerned only with whether the findings are founded on relevant material, whether the defence advanced by the delinquent has been duly considered and whether the conclusions recorded are so unreasonable or unsupported by the record as to warrant interference. Examined on that touchstone, the enquiry report reflects a reasoned appreciation of both the documentary and oral evidence **adduced by the Management** as well as the defence advanced by the Respondent.

39. One of the principal defences raised by the Respondent was that the shortage could have resulted from deficiencies in the Branch's cash-handling procedure or because other employees also had access to the cash cabin. The enquiry report demonstrates that this defence was specifically considered and rejected for cogent reasons. The contemporaneous enquiry undertaken immediately upon detection of the shortage revealed that the bags and drawers of the employees working in the department were searched and no excess cash or incriminating material was recovered from any other member of the staff. In these circumstances, the Enquiry Officer **cannot be faulted for** declining to accept a defence founded merely upon the possibility of access by other employees. Such a possibility, in the absence of any supporting material, could not displace the contemporaneous evidence pointing towards the Respondent's involvement.

40. Nor were the findings of misconduct founded upon any single circumstance. The enquiry report demonstrates a cumulative appreciation of the evidence on

record. The contemporaneous record establishes that the Respondent left the Branch on 11.12.1989 without effecting payment of the entrusted amount, failed to return thereafter and remained untraceable despite efforts made by the Bank to locate him at both addresses available in its records. It was only after those efforts proved unsuccessful that the Bank approached the police. Upon being traced at Gurugram on 13.12.1989, the Respondent executed Ex. MEX-6 acknowledging receipt of the entrusted amount and his failure to disburse it. That admission was immediately followed by an undertaking executed by his brother to make good any shortfall and by repayment of the entire amount within a matter of days. The documentary record furnished further corroboration in as much as the cash scroll maintained by the Respondent, which originally reflected receipt of Rs.60,000/-, had been altered in his own handwriting to Rs.40,000/-, the difference corresponding precisely with the amount found unaccounted for. Significantly, the enquiry report did not treat the altered cash scroll as the sole basis of the finding. It was relied upon only as one corroborative circumstance, the principal foundation of the finding remaining the Respondent's contemporaneous written admission, his subsequent conduct and the surrounding circumstances emerging during the enquiry.

41. Viewed as a whole, the enquiry report reflects a rational appreciation of the evidence rather than a mechanical acceptance of the Management's case. The findings of misconduct, therefore, rest upon a coherent body of evidence, each circumstance lending assurance to the other, and cannot be characterised as arbitrary, speculative or unsupported by the material on record.

42. The Respondent nevertheless sought to assail the findings of misconduct by contending that Ex. MEX-6 had been obtained under coercion. Reliance was placed upon the letter dated 11.01.1990 addressed to the Assistant General Manager in response to the order of suspension, wherein it was alleged that the

Respondent had been intercepted at Gurugram while attending a wedding, brought to Delhi by police officials, compelled to deposit Rs.20,000/- and made to execute what he described as an "illegal affidavit". The allegation, however, remained wholly unsubstantiated throughout the disciplinary proceedings. It found no place in the Respondent's substantive reply to the chargesheet, no suggestion in that regard was put to the material Management witnesses during cross-examination and, although the Respondent examined a defence witness, he elected not to enter the witness box himself to affirm the allegation on oath. Nor was the plea meaningfully pursued before either the Disciplinary Authority or the Appellate Authority. The Enquiry Officer, therefore, committed no error in declining to attach evidentiary value to an allegation that remained unsupported by any oral or documentary material.

43. The lack of substantiation is further reinforced by the successive and mutually inconsistent stands adopted by the Respondent during the course of the proceedings. While Ex. MEX-6 records his acknowledgment of having received the entrusted amount and his failure to disburse it, the letter dated 11.01.1990 asserted that he was "nowhere involved" in the alleged misappropriation without offering any explanation for the departure from his earlier admission. The Rejoinder proceeded on an altogether different footing, namely, that the cheque had never reached the Respondent and that there had been no occasion for him to make payment at all. Before the Tribunal, he further asserted that an FIR had been registered and that he had been exonerated during the police investigation. No FIR, police report, closure report or order recording such exoneration was produced either before the Tribunal or before this Court.These mutually inconsistent stands were relevant circumstances which the Enquiry Officer was entitled to take into account while assessing the credibility of the defence.

44. The Respondent also contended that the disciplinary proceedings stood

vitiated on account of delay in their conclusion. That contention is equally devoid of merit. Mere delay in concluding disciplinary proceedings does not, by itself, render the enquiry invalid unless it is shown to have occasioned real prejudice in defending the charge. No such prejudice has either been pleaded with specificity or established on the material placed on record. On the contrary, the Respondent participated throughout the enquiry, extensively cross-examined the Management witnesses, led defence evidence, submitted his objections to the enquiry report, responded to the proposed punishment and was afforded personal hearings before both the Disciplinary Authority and the Appellate Authority. Nothing has been brought on record to indicate that the lapse of time impaired his defence or resulted in any failure of justice.

45. The foregoing discussion establishes that the findings of misconduct recorded by the Enquiry Officer were founded upon relevant material and cannot be characterised as arbitrary, perverse or unsupported by evidence. Neither the challenge to the appreciation of evidence nor the objections founded on the plea of coercion or delay disclose any infirmity capable of undermining those findings. The Tribunal itself upheld the fairness of the enquiry, did not disturb the findings of misconduct and did not interfere with the punishment in exercise of its jurisdiction under Section 11-A of the Industrial Disputes Act, 1947.

46. **Chapter XIX** constitutes a comprehensive code governing disciplinary action against employees of the Bank. It identifies the circumstances in which disciplinary jurisdiction may be exercised, distinguishes cases involving criminal prosecution from those requiring purely departmental action, prescribes the procedure applicable to each and regulates the consequences flowing from the course adopted by the Management. The provisions must, therefore, be construed harmoniously so that each operates within its intended sphere and no part of the Settlement is rendered redundant.

47. In order to appreciate the scheme of Chapter XIX and the interplay between the provisions governing criminal prosecution and departmental proceedings, the relevant provisions thereof, namely Clauses **19.2 to 19.4**, are reproduced hereinbelow :

> *"19.2 By the expression "offence" shall be meant any offence involving moral turpitude for which an employee is liable to conviction and sentence under any provision of law.*
>
> *19.3(a) When in the opinion of the management an employee has committed an offence, unless he be otherwise prosecuted, the bank may take steps to prosecute him or get him prosecuted and in such a case he may also be suspended*
>
> *(b) If he be convicted, he may be dismissed with effect from the date of his conviction or be given any lesser form of punishment as mentioned in Clause 19.6 below*
>
> *(c) If he be acquitted, it shall be open to the management to proceed against him under the provisions set out below in Clauses 19.11 and 19.12 infra relating to discharges. However, in the event of the management deciding after enquiry not to continue him in service, he shall be liable only for termination of service with three months' pay and allowances in lieu of notice. And he shall be deemed to have been on duty during the period of suspension, if any, and shall be entitled to the full pay and allowances minus such subsistence allowance as he has drawn and to all other privileges for the period of suspension provided that if he be acquitted by being given the benefit of doubt he may be paid such portion of such pay and allowances as the management may deem proper, and the period of his absence shall not be treated as a period spent on duty unless the management so direct.*

(d) If he prefers an appeal or revision application against his conviction and is acquitted, in case he had already been dealt with as above and he applies to the management for reconsideration of his case, the management shall review his case and may either reinstate him or proceed against him under the provisions set below in Clauses 19.11 and 19.12 infra relating to discharge, and the provision set out above as to pay, allowances and the period of suspension will apply, the period up-to-date for which full pay and allowances have not been drawn being treated as one of suspension. In the event of the management deciding, after enquiry not to continue him in service, the employee shall be liable only for termination with three months' pay and allowances in lieu of notice, as directed above.

19.4 If after steps have been taken to prosecute an employee or to get him prosecuted, for an offence, he is not put on trial within a year of the commission of the offence, the management may then deal with him as if he had committed an act of "gross misconduct" or of "minor misconduct", as defined below:Provided that if the authority which was to start prosecution proceedings refuses to do so or come to the conclusion that there is no case for prosecution it shall be open to the management to proceed against the employee under the provisions set out below in Clauses 19.11 and 19.12 infra relating to discharge, but he shall be deemed to have been on duty during the period of suspension, if any, and shall be entitled to the full wages and allowances and to all other privileges for such period.In the event of the management deciding, after enquiry, not to continue him in service, he shall be liable only for termination with three months' pay and allowances in lieu of notice as provided in Clause 19.3 supra. If within the pendency of the proceedings thus instituted he is put on trial such proceedings shall be stayed pending the completion of the trial, after which the provisions mentioned in Clause 19.3 above shall apply."

48. **Clause 19.1** embodies the foundational safeguards governing disciplinary action generally by requiring that the employee be informed of the charge, afforded a reasonable opportunity to explain and that disciplinary action be taken only after due consideration of all relevant facts and circumstances.**Paragraph 19.2** identifies the class of cases involving offences of moral turpitude. **Paragraphs 19.3 and 19.4** regulate the consequences that follow where the employer elects to invoke the criminal process. Paragraph 19.3 governs the position during and upon such prosecution, while Paragraph 19.4 operates where that course does not culminate in trial within the stipulated period or the competent authority declines to prosecute. In contrast, Paragraphs 19.5 and 19.6 enumerate acts constituting gross and minor misconduct, whereas Paragraphs 19.11 and 19.12 prescribe the procedure governing departmental enquiries. Read as a whole, Chapter XIX preserves two distinct mechanisms one governing criminal prosecution and the other regulating independent departmental action even though both may arise out of the same factual matrix.

49. Before construing the expression **"takes steps to prosecute"**, it is necessary to bear in mind the settled principle that words occurring in a statutory or contractual instrument cannot be interpreted in isolation or divorced from the context in which they appear. Their meaning must be gathered from the scheme, object and structure of the instrument as a whole so that every provision is given harmonious operation and none is rendered otiose. It is in the context of this scheme that the expression **"takes steps to prosecute"** occurring in Paragraph 19.3 falls for interpretation. The expression is not defined in the Settlement and must derive its meaning from the structure and object of Chapter XIX itself. Significantly, Paragraph 19.3 is attracted not merely because the alleged misconduct is capable of constituting a criminal offence, but because the

Management **"takes steps to prosecute"** or **"gets the employee prosecuted."** The jurisdictional fact upon which the provision operates is, therefore, the employer's conscious and unequivocal decision to invoke and pursue the criminal process. Unless that jurisdictional fact exists, the consequences contemplated by Paragraphs 19.3 and 19.4 do not arise.

50. Any interpretation equating the mere lodging of a complaint with **"taking steps to prosecute"**, irrespective of its purpose or subsequent legal consequence, would substantially erode the distinction consciously maintained by Chapter XIX. An employer may legitimately approach the police for tracing an absconding employee, securing recovery of entrusted property or obtaining immediate police assistance. Such steps, by themselves, do not necessarily evince an intention to prosecute. Were every approach to the police to be treated as an election to invoke the criminal process, Paragraphs 19.3 and 19.4 would be attracted in every such case, leaving little independent operation for the departmental machinery preserved under Paragraphs 19.5 to 19.12. Such an interpretation cannot be accepted, as it would render one part of the Settlement otiose in order to enlarge the scope of another.

51. The language employed in Paragraph 19.3 reinforces the above construction. The Settlement does not provide that the provision becomes operative merely upon the employer lodging a complaint or reporting the matter to the police. Instead, it employs the expressions **"takes steps to prosecute"** and **"gets the employee prosecuted,"** which necessarily contemplate something more than a preliminary approach to the police. Had the parties intended every complaint to law-enforcement authorities to suffice, nothing prevented them from employing language to that effect. The deliberate choice of a more restrictive expression indicates that what is contemplated is a conscious decision to invoke and pursue the criminal process before the competent criminal forum. The provision is

attracted not by the mere existence of facts capable of constituting a criminal offence, nor by the simple act of approaching the police, but only where the employer has, by its conduct, unmistakably manifested an intention to pursue criminal prosecution. Mere recourse to the police for securing assistance, tracing an employee, recovering entrusted property or protecting the employer's immediate interests, without anything further indicating such a decision, does not satisfy the requirement of Paragraph 19.3.

52. It is in the light of this construction that the correctness of the Tribunal's interpretation, and its application to the facts of the present case, falls for consideration.

53. The principal question for determination is whether the steps taken by the Petitioner Bank can, in law, be regarded as having taken "steps to prosecute" the Respondent within the meaning of Paragraph 19.3 of the Bipartite Settlement. That question cannot be answered merely by reference to the existence of a police complaint. Whether the Bank elected to invoke the criminal process must be gathered from the contemporaneous record as a whole, including the purpose for which the complaint was lodged, the manner in which it was acted upon and the subsequent conduct of the parties.

54. The contemporaneous record shows that, after receiving cash for onward disbursal to Shri A.K. Chaudhary, the Respondent left the Branch on the afternoon of 11.12.1989 without effecting payment and without obtaining permission from the competent authority. He neither returned to the Branch that evening nor reported for duty on the following day. The Bank did not immediately approach the police. It first searched the Branch premises, made enquiries with the staff and attempted to trace the Respondent at the residential addresses available in its records. It was only after these efforts proved unsuccessful, and upon consultation with the Zonal Office, that the Branch Manager lodged the complaint on the

evening of 12.12.1989. Viewed in this context, the complaint cannot reasonably be understood as the invocation of the criminal process contemplated by Paragraph 19.3. Its immediate and evident purpose was to secure police assistance in tracing an employee who had disappeared while carrying entrusted cash and to facilitate recovery of the entrusted amount. Mere recourse to such assistance, without anything further evincing an intention to prosecute, cannot in law be equated with taking "steps to prosecute" within the meaning of the Bipartite Settlement.

55. Upon the Respondent being traced at Gurugram on 13.12.1989, he executed Ex. MEX-6 acknowledging receipt of the entrusted amount and his failure to disburse it. Simultaneously, his brother furnished a written undertaking to make good any deficiency, and the entire amount stood repaid within a matter of days. Thereafter, the matter progressed no further within the criminal justice system. No First Information Report, police report under Section 173 of the Code of Criminal Procedure, charge-sheet before a criminal court, order taking cognizance or any other material evidencing the institution or continuation of criminal proceedings was produced either before the Tribunal or before this Court. The absence of any such material is legally significant, for Paragraph 19.3 is attracted only where the employer has, in fact, elected to invoke and pursue the criminal process. The contemporaneous record discloses no such election.

56. The Bank's subsequent conduct is entirely consistent with the above sequence of events. After recovery of the amount, it issued the chargesheet dated 25.05.1990 framing the charge exclusively under Paragraph 19.5(j) of the Bipartite Settlement. The chargesheet itself records that a complaint had been lodged with the police; it neither invokes Paragraphs 19.2 to 19.4 nor proceeds on the footing that criminal prosecution had been initiated or was intended. The departmental enquiry, the order of dismissal dated 15.04.1993 and the appellate order dated 16.07.1993 likewise proceeded exclusively on the basis of gross misconduct under

Paragraph 19.5(j). At no stage did the Bank invoke, or purport to invoke, the provisions of the Bipartite Settlement governing criminal prosecution. The contemporaneous record, therefore, consistently reflects that the complaint was lodged to secure police assistance in tracing the Respondent and facilitating recovery of the entrusted amount, and not pursuant to a conscious decision to invoke and pursue the criminal process contemplated by Paragraph 19.3.

57. The applicability of Paragraphs 19.2 to 19.4 having been specifically asserted by the Respondent, the burden lay upon him to establish the foundational facts necessary to attract those provisions. Apart from relying upon the mere existence of the complaint, he produced no material to demonstrate that it culminated in the registration of an FIR, the filing of a police report before the competent criminal court, the taking of cognizance of any criminal offence or the commencement of criminal prosecution. His assertion before the Tribunal that an FIR had been registered and that he had been exonerated during the police investigation remained wholly unsupported, and no such material was produced either before the Tribunal or before this Court. In these circumstances, the Tribunal could not have presumed the existence of the jurisdictional fact necessary to attract Paragraph 19.3 solely from the existence of the complaint itself. In the absence of any material evidencing the invocation or pursuit of the criminal process, the foundational requirement for the applicability of Paragraphs 19.2 to 19.4 remained wholly unestablished.

58. The Tribunal nevertheless proceeded on the premise that the mere lodging of the complaint constituted the Bank having taken "steps to prosecute" the Respondent and, on that basis alone, held the order of dismissal to be unsustainable for non-compliance with Paragraphs 19.3(c) and 19.4 of the Bipartite Settlement. Such an approach overlooks the distinction, evident from the language and scheme of Chapter XIX, between seeking police assistance and electing to invoke the

criminal process. It also ignores the contemporaneous record, which consistently reflects the Bank's decision to proceed exclusively by way of departmental action under Paragraph 19.5(j). The Respondent, for his part, produced no material capable of establishing that the Bank had consciously elected to invoke or pursue criminal prosecution.

59. The only remaining question is whether the punishment of dismissal otherwise warrants interference.

60. The scope of judicial review in matters relating to disciplinary punishment is well settled. A writ court does not sit in appeal over the decision of the disciplinary authority and cannot substitute its own view on the quantum of punishment merely because another view is possible. Interference is warranted only where the punishment imposed is so disproportionate to the proved misconduct as to shock the conscience of the Court.

61. Tested on that standard, no such case is made out. The misconduct established against the Respondent was not a mere procedural lapse or an isolated act of negligence. While entrusted with Bank funds for onward disbursal to Shri A.K. Chaudhary, the Respondent left the Branch without effecting the payment, remained absent without authorisation, could not be traced despite the Bank's own efforts, was located only after police assistance was sought, acknowledged his default upon being traced and the entrusted amount came to be repaid only thereafter. The EnquiryOfficer also found corroborative material in the alteration of the cash scroll maintained in the Respondent's own hand, the amount altered corresponding exactly to the amount found short. The misconduct thus established involved a serious breach of financial trust and integrity.

62. Employees of banking institutions discharge duties of a distinctly fiduciary character. Integrity, honesty and financial discipline constitute the very foundation of such employment. The doctrine of loss of confidence assumes particular

significance in such cases. Once financial integrity stands impaired by proved misconduct, the employer cannot be compelled to continue in service an employee in whom confidence has been legitimately lost. Subsequent restitution of the entrusted amount, particularly after the default has been detected and the employee traced, neither effaces the original misconduct nor restores the confidence so lost.

63. The legal position is equally well settled. In ***Deputy General Manager (Appellate Authority) v. Ajai Kumar Srivastava***, (2021) 2 SCC 612,***State Bank of India &Ors Vs. T.J. Paul*** (1999) 4 SCC 759 ***, KSRTC (NWKRTC) v. A.T. Mane***, (2005) 3 SCC 254, ***Janatha Bazar (South Canara Central Cooperative Wholesale Stores Ltd.) v. Secretary, SahakariNoukarara Sangha***, (2000) 7 SCC 517 and ***Syndicate Bank v. Venkatesh GururaoKurati***, (2006) 3 SCC 150, the Supreme Court has consistently emphasized that misconduct involving financial integrity stands on a distinct footing. An employer cannot be compelled to retain in service an employee in whom confidence has been legitimately lost, nor can subsequent repayment, the amount involved by itself, or misplaced sympathy furnish a valid basis for judicial interference with the punishment imposed.

64. Having regard to the nature of the proved misconduct, the fiduciary responsibilities discharged by the Respondent and the settled principles governing judicial review of disciplinary punishment, this Court finds no basis to hold that the punishment of dismissal is so disproportionate as to warrant interference.

65. The learned Tribunal, therefore, fell into an error of law in treating the alleged non-compliance with Paragraphs 19.3(c) and 19.4 of the Bipartite Settlement as sufficient to invalidate an otherwise lawful disciplinary process. The impugned Award rests entirely upon an erroneous construction of Chapter XIX of the Bipartite Settlement. The authorities relied upon by the Respondent likewise do not advance his case. Those decisions were rendered in the context of findings unsupported by evidence, violation of the principles of natural justice or the

exercise of jurisdiction under Section 11-A of the Industrial Disputes Act, 1947. In the present case, however, the learned Tribunal itself upheld the fairness of the domestic enquiry, did not interfere either with the finding of misconduct or the punishment and granted relief solely upon its interpretation of Paragraphs 19.2 to 19.4 of the Bipartite Settlement. They are, therefore, clearly distinguishable both on facts and on the legal issue arising for consideration.

CONCLUSION

66. For the reasons recorded hereinabove, this Court holds that the domestic enquiry conducted against the Respondent was fair, in conformity with the Bipartite Settlement and the principles of natural justice, that the finding of gross misconduct recorded under Paragraph 19.5(j) of the Bipartite Settlement is founded upon legally admissible evidence, and that the punishment of dismissal warrants no interference. This Court further holds that the CGIT committed an error of law in construing Paragraphs 19.2 to 19.4 of the Bipartite Settlement by treating the mere lodging of the complaint dated 12.12.1989 as the Petitioner Bank having taken "steps to prosecute" the Respondent. Once that legal premise is found to be unsustainable, no independent basis survives to sustain the impugned Award, which is accordinglyliable to be set aside in exercise of this Court's jurisdiction under Articles 226 and 227 of the Constitution.

67. Accordingly, the **writ petition is allowed**. The Award dated 07.05.2004passed by the CGIT in I.D. No. 189/1997 is hereby set aside and the order of dismissal dated 15.04.1993 passed by the Disciplinary Authority, as affirmed by the appellate order dated 16.07.1993, is restored. Consequently, the Respondent shall not be entitled to reinstatement, continuity of service, back wages or any consequential service benefits flowing from the impugned Award.

68. **CM APPL. 45940/2025** has been filed by the Respondent seeking to place

on record a statement claiming that a further sum of Rs.10,93,254.84 remains payable under Section 17-B of the Industrial Disputes Act, 1947, together with consequential reliefs including retirement benefits and interest. The foundation of the application is the assertion that the orders dated 01.11.2004 and 30.08.2010 entitled the Respondent to payment of revised minimum wages, as notified from time to time, over and above the amounts admittedly received by him. The said premise, however, cannot be accepted. The orders governing payment under Section 17-B did not confer any entitlement to periodic revision of wages with every subsequent notification of minimum wages. The Petitioner Bank has consistently maintained that it has complied with the directions of this Court by making payment in terms of the orders passed under Section 17-B and the Respondent has failed to establish any subsisting legal entitlement to any further amount over and above what has already been paid. Equally, no case is made out in these proceedings for issuance of directions regarding retirement benefits or for award of interest. Consequently, no further amount is liable to be paid to the Respondent under Section 17-B of the Industrial Disputes Act, 1947 or otherwise in the present proceedings. It is, however, clarified that the amounts already paid to the Respondent under Section 17-B shall not be liable to recovery merely by reason of the present judgment. CM APPL. 45940/2025 is accordingly dismissed.

69. There shall be no order as to costs.

70. Pending applications, if any, also stand disposed of.

SHAIL JAIN

JUDGE

AUGUST 05, 2026
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