HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-176-2014 (O&M)

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Krishan Kumar ... Petitioner

VS.

Canara Bank ... Respondent

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1.	**Judgment reserved on**	**29.04.2026**
2.	**Judgment pronounced on**	**15.07.2026**
3.	**Judgment uploaded on**	**15.07.2026**
4.	**Whether operative or full judgment**	**Full**
5.	**Delay in pronouncement of full judgment and reasons, if any**	**NA**

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CORAM: HON'BLE MR.JUSTICE SANDEEP MOUDGIL

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Present: Mr. Raahat Kataria, Advocate and
Mr. Karan Jangra, Advocate for the petitioner

Mr. AK Davesar, Advocate for the respondent

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Sandeep Moudgil, J.

(1). The jurisdiction of this Court has been invoked under Article 226 of the Constitution of India, inter alia, for issuing a writ of certiorari quashing the order dated 11.05.2009 (Annexure P10) and 06.11.2009 passed in appeal supplied to the petitioner on 26.11.2013 (Annexure P12) of the respondent-Bank imposing punishment of dismissal without notice from the service of the Bank and seeks his reinstatement in service with consequential benefits.

(2). The petitioner joined Canara Bank on 05.11.1980 as Clerk and earned promotion as Special Assistant on 03.10.1990. He remained posted at Barwa Branch from 11.07.2005 till his suspension on 14.11.2008. The allegations against the petitioner arise out of complaints made by several customers alleging that amounts deposited by them were not reflected in their accounts and that fictitious/manual entries had been made in their passbooks. On the basis thereof, departmental proceedings were initiated culminating into the punishment of dismissal from service dated 11.05.2009, which came to be affirmed in appeal on 06.11.2009.

(3). Learned counsel for the petitioner has vehemently contended that the entire enquiry stands vitiated on account of denial of reasonable opportunity and additional documents and witnesses not forming part of the charge-sheet were introduced during enquiry besides that the requests for adjournment to prepare defence were rejected and that the complainants/customers were never examined. It has further been argued that the petitioner never functioned as Cashier and no direct evidence exists to establish that he personally received or misappropriated any money belonging to the customers of the bank.

(4). The respondents, on the other hand, have contended that large scale fraud involving more than 25 customers stood proved through documentary evidence including passbooks, counterfoils, account statements and deposit slips; the petitioner's handwriting stood identified on several disputed documents; and in banking business where integrity forms the foundational requirement, once connivance in financial irregularity is established, dismissal alone is the appropriate punishment.

(5). This Court is conscious of the limited scope of judicial review in disciplinary matters and equally conscious of the high standards of integrity expected from bank employees. It is well settled that adequacy of evidence cannot ordinarily be re-appreciated by the writ Court as an appellate authority. At the same time, it is equally settled that findings based on no evidence, exclusion of vital procedural safeguards or conclusions which no reasonable person could arrive at are always amenable to judicial review. In ***Roop Singh***

Negi versus Punjab National Bank and others, (2009) 2 SCC 570, the Supreme Court held:-

> *"Indisputably, a departmental proceeding is a quasi-judicial proceeding. The enquiry officer performs a quasi-judicial function. The charges levelled against the delinquent officer must be found to have been proved. The enquiry officer has a duty to arrive at a finding upon taking into consideration the materials brought on record by the parties. The purported evidence collected during investigation by the investigating officer against all the accused by itself could not be treated to be evidence in the disciplinary proceeding."*

(6). The present case reveals that although the bank repeatedly asserted that fraudulent transactions had taken place, the core issue requiring careful scrutiny was whether legally admissible and reliable material existed to conclusively connect the petitioner with conscious dishonest misappropriation and not merely with supervisory association to disputed transactions.

(7). The respondents have strongly relied upon the circumstance that more than 25 customers had complained regarding non-credit of deposits in their accounts and therefore the matter cannot be treated as an isolated irregularity. There can indeed be no quarrel with the proposition that the record *prima facie* discloses existence of serious irregularities and fraudulent transactions in the branch. However, proof of fraud in the branch is distinct from proof of petitioner's personal culpability for the same. The appellate authority itself records that the petitioner functioned as "Supervisor" and that MW-1 admitted he had not worked as Cashier. The case of the Bank, therefore, is not of direct receipt and retention of cash by the petitioner but of 'inferred connivance' arising from his supervisory role, alleged handwriting on certain documents and participation in processing of transactions. Such inference certainly raises grave suspicion against the petitioner, but suspicion howsoever strong it may be, cannot substitute legally sustainable proof particularly where the punishment imposed is economic death after nearly 28 years of service.

(8). The respondents have attempted to justify non-examination of complainants by contending that documentary evidence independently established misconduct and that the petitioner was himself free to examine such complainants in defence. This Court finds the said reasoning difficult to sustain. The complaints of customers constituted the foundational trigger for initiation of the entire proceedings. The petitioner consistently disputed direct involvement in receipt or misappropriation of deposits. In such circumstances, non-production of even a single complainant/customer in the enquiry deprived the petitioner of a valuable opportunity to test whether any customer had actually handed over cash to him personally or whether the allegations against him were inferential in nature. The burden to establish misconduct primarily rested upon the management and could not have been shifted upon the delinquent employee. Equally significant is the fact that handwriting/signatures on disputed documents were identified merely by departmental witnesses and not through any expert evidence. The enquiry officer as well as appellate authority proceeded on the assumption that since the petitioner's handwriting appeared on certain counterfoils/passbooks, connivance automatically stood proved. Such approach overlooks the petitioner's specific defence that he used to assist customers in filling slips/forms and functioned only in supervisory capacity.

(9). The grievance of the petitioner regarding denial of adequate opportunity also cannot be brushed aside lightly. The record itself demonstrates that requests for inspection and supply of documents were raised during enquiry proceedings. Certain documents were supplied subsequently and some records were stated to be unavailable. The enquiry officer brushed aside the objection merely by observing that documents not referred to in the charge-sheet were unnecessary. However, relevance of a document for defence cannot always be determined exclusively from the perspective of the presenting officer. Furthermore, the petitioner's request for adjournment of personal hearing before the disciplinary authority on medical grounds was admittedly not acceded to before passing the order of dismissal. Though every procedural irregularity may not *ipso facto* vitiate disciplinary proceedings, cumulative denial of fair opportunity causing prejudice certainly strikes at the root of the enquiry. In ***State Bank of Patiala versus S.K. Sharma, (1996) 3 SCC 364***, the Supreme Court held that where procedural violation causes prejudice to the delinquent employee, interference becomes justified.

(10). The appellate order dated 06.11.2009 also does not inspire confidence of independent application of mind. The appellate authority has substantially reiterated the allegations and affirmed the findings in general terms by observing that "dubious transactions" stood proved and that the petitioner "participated" in the transactions as supervisor. However, the appellate authority failed to independently analyze whether the documentary material actually established dishonest intent or conscious participation of the petitioner in siphoning of funds. The distinction between negligence, supervisory lapse and deliberate collusion has not been meaningfully examined. Even the observation that complainants had been "won over" after repayment is entirely speculative and unsupported by any independent material.

(11). Another aspect which deserves notice is that the petitioner had put in approximately 28 years of service with the bank and there is no reference either in the disciplinary order or appellate order regarding any previous misconduct or blemish upon his service record. This is not suggestive of the fact that long service by itself obliterates grave misconduct. However, where direct evidence of misappropriation is absent and culpability is sought to be inferred circumstantially from supervisory involvement, the disciplinary authority was expected to undertake deeper scrutiny before imposing the extreme punishment of dismissal.

(12). The cumulative circumstances noticed hereinabove demonstrate that the findings recorded against the petitioner travelled substantially on inferential assumptions without the foundational evidence being tested in a procedurally fair manner and as such the impugned orders cannot be sustained in law.

(13). Accordingly, this writ petition is allowed and the impugned orders dated 11.05.2009 and 06.11.2009 are set aside. The matter is remitted back to the disciplinary authority to proceed afresh from the stage of enquiry after affording full opportunity to the petitioner including supply of relied upon documents and opportunity to effectively defend himself and pass a speaking order within a period of *four months* from the date of receipt of certified copy of this order.

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

15.07.2026
V.Vishal

(Sandeep Moudgil)
Judge

*1. Whether speaking/reasoned? : **Yes/No***
2. Whether reportable? : Yes/No