

Neutral Citation No. - 2025:AHC:137349

Judgment Reserved on 5.8.2025

Delivered on 13.8.2025

Court No.5.

Case :- WRIT - A No. - 10923 of 2025

Petitioner :- Sameer Shahi

Respondent :- Punjab National Bank And 3 Others

Counsel for Petitioner :- Ajai Kumar

Counsel for Respondent :- Ramesh Kumar Shukla

Hon'ble Saurabh Shyam Shamsheery,J.

1. Heard Sri A.P.Mishra and Sri Ajai Kumar, learned counsel for the petitioner and Sri Ashok Shankar Bhatnagar, learned counsel for the respondents.
2. Petitioner was appointed as Clerk in the year 2009 in the Punjab National Bank, Firozpur, Ludhiana.
3. In the year 2014, petitioner was transferred from Firozpur Ludhiana to Branch Doiwala in Dehradun as Assistant Manager and in the year 2017, he was transferred from Doiwala District Dehradun to Nasirabad Branch District-Raebareilly.
4. During petitioner's tenure at Raebareilly, he was served with a charge-sheet dated 1.9.2023 that he indulged in reckless financing

and also failed to conduct/ensure proper pre sanction appraisal and did not conduct/ensure proper post-sanction follow-up/supervision in various borrowal accounts of the branch, thereby jeopardised interest of the bank.

5. Petitioner was also charged that he has committed various irregularities i.e. he sanctioned enhanced loan amounts, exceeded permissible enhancement limits prescribed under the applicable banking guidelines, he has also failed to ensure adequate insurance for movable and immovable securities while sanctioning loans, he failed to ensure that vehicles jointly registered were correctly recorded in the bank's documentation, he failed to register primary security, including stock, plant and machinery purchased through bank financed loans, on the CERSAI portal, he failed to ensure valid and enforceable mortgages over immovable properties offered as security by the loan account holders, he failed to exercise due diligence in safeguarding the bank's financial interests while sanctioning or enhancing credit limits particularly under the 'Mudra' scheme, he sanctioned and disbursed loan single handedly without obtaining necessary recommendations of a second officers site visit, he entered incorrect insurance identification numbers and insurance period into the banking system and inserted fictitious details, resulting in irregularities and misrepresentation in official bank records, he engaged in multiple financing or double financing for members of same family by sanctioning loans against the same stock, he failed to ensure timely verification and periodic upholding of such statements which were essential for computing and wrongly allowed the current drawing power in sanctioned accounts.

6. Petitioner in pursuance of above charge-sheet, appeared before the Inquiry Officer during preliminary hearing and pleaded guilty of all charges levelled against him and accepted the charges unconditionally with a sound mind, without any pressure and in this regard he has submitted a letter also.

7. Learned counsel for the petitioner has not denied the aforesaid fact that the petitioner has accepted his guilt.

8. The arguments placed by learned counsel for the petitioner before this Court is that petitioner has accepted his guilt only on an assurance that he will be dealt with minor punishment.

9. After the inquiry report was submitted, the Disciplinary Authority passed maximum punishment of "removal from service which shall be a disqualification for future employment" in terms of Regulation 4 (i) of the PNB Officer Employees (Discipline & Appeal) Regulations, 1977 (hereinafter referred to as "Regulations, 1977").

10. Learned counsel for the petitioner submitted that petitioner has filed an appeal under Regulation 17 of Regulation 1977 wherein a ground was specifically taken that the Enquiry Officer has persuaded him for acceptance of all the charges unconditionally so that the Disciplinary Authority may take a lenient view in the matter. But the Enquiry Officer did not warn him about serious consequences would follow on admission of guilt.

11. Per contra, learned counsel for the respondents has submitted that petitioner has accepted his guilt, but still all the charges were proved on basis of documents and when it was found that petitioner has committed various irregularities, an inquiry report was submitted that all the charges were found to be proved and

considering the nature of allegations, aforesaid punishment was passed and now the petitioner cannot take a U turn that his guilt was under compulsion. No such averment or objection was raised during inquiry and it was raised for the first time when an appeal was filed.

12. Learned counsel for both parties have referred Regulation 8 of Regulations, 1977 which prescribed procedure for Imposing Major Penalties.

"(8) (a) The Inquiring Authority shall by notice in writing specify the day on which the officer employee shall appear in person before the inquiring authority.

(b) On the date fixed by the Inquiring Authority, the officer employee shall appear before the Inquiring Authority at the time, place and date specified in the notice.

(c) The Inquiring Authority shall ask the officer employee whether he pleads guilty or has any defense to make and if he pleads guilty to any of the articles of charge, the Inquiring Authority shall record the plea, sign the record and obtain the signature of the officer employee concerned thereon.

(d) The Inquiring Authority shall return a finding of guilt in respect of those articles of charge to which the officer employee concerned pleads guilty.

xxx

19. If the officer employee does not submit the written statement of defense referred to in sub-regulation (3) on or before the date specified for the purpose or does not appear in person, or through the assisting officer or otherwise fails or refuses to comply with any of the provisions of these regulations, the inquiring authority may hold the inquiry ex-parte.

xxx

21. On the conclusion of the Inquiry, the Inquiring Authority shall prepare a report which shall contain the following:

(a) a gist of the articles of charge and the statement of imputations of misconduct or misbehaviour;

(b) a gist of the defense of the officer employee in respect of each article of charge.

(c) an assessment of the evidence in respect of each article of charge.

(d) the findings on each article of charge and the reasons thereof."

13. Heard learned counsel for the parties and perused the records.

14. In the Regulations, 1977 as referred above it is provided that in case the delinquent pleads guilty, it shall be recorded and his signatures be obtained and the Inquiry Officer shall return a finding of guilt that the delinquent pleaded guilty.

15. Now the Court firstly proceeds to deal whether the acceptance of guilt was under duress or compulsion, since no objection was taken during entire disciplinary proceedings. Petitioner being an Assistant Manager in a branch cannot take a plea that he was not well aware about nature of allegation and despite proceedings were initiated to impose major penalty, therefore a subsequent objection taken in the appeal, that petitioner was given assurance of lesser penalty is not acceptable.

16. In above circumstances, the Court rejects the submission of learned counsel for the petitioner that he accepted his guilt on an assurance that he would be granted lesser punishment.

17. In the aforesaid circumstances Court takes note that in the inquiry report all other charges were dealt with and details of irregularities were mentioned that petitioner has committed irregularities in respect of number of accounts. Petitioner has not submitted any substantial argument that he has not committed any irregularities.

18. Petitioner has failed to verify end-use of funds in order to check diversion of funds and disbursement of loan had not been done as per bank norms in as many as 32 accounts which was proved on basis of documents and acceptance of guilt.

19. Petitioner has failed to enhance limit as per bank guidelines as enhancement of loan had been done where business place was beyond a reasonable distance from branch in as many as 16 cases. A remark is also included that in one case that there was no verification or declaration about business. The allegations are not denied as no explanation was given even in present proceedings also.

20. In one case, husband and wife were employed in the same firm have taken loan. In one case fake insurance was feeded in the system. In one case, limit was enhanced from Rs.2 lakhs to Rs.6 lakhs and again it was enhanced from Rs.5.40 lakhs to Rs.5.90 lakhs and loan was disbursed without proper verification and without verifying the documents.

21. Petitioner has failed to register the assests on CERSAI for primary security of stocks, Plant and machinery purchased by the bank funds in as many as 34 loan accounts. These allegations were also based on documents as well as that he has accepted his guilt.

22. Petitioner has failed to create proper mortgage of the immoveable properties kept as security in as many as 3 cases.

23. Petitioner has failed to exercise proper due diligence to save the bank interest while sanctioning/enhancing credit limits in as many as 88 cases.

24. In one case, despite the unit was closed, double financing was done without assigning any specific reason and limit was enhanced within a period of one year and number of loan amounts turned into NPA.

25. Petitioner failed to obtain recommendation before sanction and disbursed single handedly loan to as many as 41 account holders by violating bank guidelines and also unit was not visited by two man.

26. Petitioner has failed to enter correct insurance ID and period in system as fake insurance ID and period has been inserted in as many as in 17 cases. Petitioner has failed to insure obtainment of stock statement, verifying of stock statements & updation periodically to compute/allowing the correct drawing power in as many as 30 cases.

27. Aforesaid charges were proved on basis of documents and since the petitioner has accepted his guilt also, therefore, Court is of opinion that inquiry report was based on documents and on basis of acceptance of guilt, serious charges against the petitioner was proved, therefore, no interference can be caused.

28. Court also takes note that in disciplinary proceedings, a High Court may remain slow in causing interference as well as it is not necessary that any loss is caused due to irregularity. (See State of Rajasthan Vs. Bhupendra Singh, 2024 SCC OnLine SC 1908).

29. In the aforesaid circumstances, Court is of opinion that it is not the case where only on basis of acceptance of guilt, charges were considered to be proved, rather it is a case where the irregularities were proved on basis of documents. Acceptance of guilt is another

factor against the petitioner, therefore, no interference can be caused in the impugned order.

30. Writ Petition is accordingly dismissed.

Order Date :- 13.8.2025

SB