



IN THE HIGH COURT OF KARNATAKA, AT DHARWAD

DATED THIS THE 5TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE M.I.ARUN

AND

THE HON'BLE MR. JUSTICE B. MURALIDHARA PAI

WRIT APPEAL NO. 100088 OF 2024 (L-KSRTC)

BETWEEN:

THE MANAGEMENT OF NWKRTC
BELGAUM DIVISIONAL,
REP. BY IT'S DIVISIONAL CONTROLLER,
BELGAUM DIVISION, BELGAUM-590 001.

... APPELLANT

(BY SRI PRASHANT HOSMANI, ADVOCATE)

AND:

HANAMATAPPA S/O YENKAPPA SOUNSHI,
AGE. 62 YEARS, OCC. RETIRED,
R/O. PLOT NO.12, VIDYAGIRI,
NEAR MURUGENDRA HOSTEL,
BELGAUM-590 001.

... RESPONDENT

(BY SRI A.S.R. NAMAZI, ADVOCATE)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT, 1961, PRAYING TO ALLOW THE APPEAL AND SET ASIDE THE ORDER DATED 08.06.2023 PASSED BY THE LEARNED SINGLE JUDGE IN W.P. NO.77240/2013 AND DISMISS THE WRIT PETITION WITH COST IN THE INTEREST OF JUSTICE AND EQUITY AND ETC.

THIS WRIT APPEAL IS COMING ON PRONOUNCEMENT AND THE SAME HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 22.01.2026, THIS DAY, **B. MURALIDHARA PAI J.**, DELIVERED THE FOLLOWING:

CORAM: THE HON'BLE MR. JUSTICE M.I.ARUN
AND
THE HON'BLE MR. JUSTICE B. MURALIDHARA PAI



CAV JUDGMENT

(PER: THE HON'BLE MR. JUSTICE B. MURALIDHARA PAI)

1. The management of NWKRTC has filed this appeal against the Order dated 08.06.2023 passed in W.P. No.77240/2013. By that order, the learned Single Judge set aside the Order dated 07.12.2007 passed by the disciplinary authority, which had reduced the respondent's basic pay by two incremental stages permanently and treated the period of his suspension as not on duty.

2. The Respondent was working as a Junior Assistant in the Appellant-Corporation. On 25.01.2006 at about 9:45 a.m., Bailhongal Police apprehended the Respondent and four others near Jyoti Pan Shop, situated near Sampagaon Bus Stand, on the ground that they were found in possession of forged/counterfeit currency notes. Accordingly, a case in Crime No.11/2006 was registered against them. On completion of the investigation, a charge sheet was laid for offences punishable under Sections 489B and 489C of the IPC. The Respondent was in judicial custody in the said case from 25.01.2006 to 26.02.2006.



3. The Divisional Security Inspector reported the matter to the Disciplinary Authority. Pursuant to this, the Appellant-Corporation issued a show-cause notice to the Respondent along with a charge memo. The Respondent submitted his reply, denying the allegations in the charge. The Appellant-Corporation, not being satisfied with the reply, decided to hold a departmental inquiry against him and appointed an Inquiry Officer to conduct the inquiry.

4. Meanwhile, the criminal case registered against the Respondent and others was tried before the learned FTC-II and Additional Sessions Judge, Belagavi, in S.C. No.6/2007. The said case ended in acquittal vide judgment dated 18.04.2007. Though this aspect was brought to the notice of the Inquiry Officer, he proceeded to hold the Respondent guilty of the alleged misconduct and accordingly submitted a report. Thereafter, the Appellant-Corporation issued a second show-cause notice to the Respondent, received his reply, and then passed an order imposing the penalty of reducing his basic pay by two incremental stages permanently and treating his period of suspension as not on duty.



5. Then, the Government of Karnataka made a reference under Section 10(1)(d) of Industrial Disputes Act, 1947. It was placed before learned Industrial Tribunal, Hubballi for adjudication of the dispute and it was numbered as I.D. No.156/2008. The Tribunal rejected the reference vide its Order dated 24.9.2012. The Respondent challenged the said order in W.P. No.77240/2013. Learned Single Judge allowed the writ petition, for following reasons: Thereafter, the Government of Karnataka made a reference under Section 10(1)(d) of the Industrial Disputes Act, 1947. It was placed before the learned Industrial Tribunal, Hubballi, for adjudication of the dispute and numbered as I.D. No.156/2008. The Tribunal rejected the reference vide its Order dated 24.09.2012. The Respondent challenged the said order in W.P. No.77240/2013. The learned Single Judge allowed the writ petition for the following reasons:

"10. In the present case, the only charge against the petitioners is that they were arrested in the criminal case and the same had affected the reputation of the Corporation. If a person has been wrongly arrested and remanded to judicial custody in a criminal case and ultimately if the Court which has tried him for the offences alleged against him has given a honourable acquittal observing that the very case registered against the accused



becomes doubtful including his involvement, then the punishment imposed against such a person, in a disciplinary proceedings cannot be sustained. A person cannot be convicted for no wrong done by him.

11. The petitioners in the present case who have undergone the agony of facing the criminal trial punished only for the reason that they were arrested in the said case. Therefore, the order of punishment which has been confirmed by the Labour Court in the impugned award cannot be sustained."

6. Sri Prashant Hosmani, learned Counsel for the Appellant-Corporation, vehemently submitted that the learned Single Judge, while exercising powers under Article 226 of the Constitution of India, had acted as if vested with powers under Section 11A of the I.D. Act and lost sight of the fact that it is not an appellate authority. He submitted that the learned Single Judge could not have interfered with the punishment imposed by the competent authority by forming his own opinion. He further submitted that the learned Single Judge failed to notice the difference between the standard of proof required in a criminal case and departmental proceedings. He also submitted that the offence alleged against the Respondent was serious in nature



and that he had been in custody for a period of one month. As such, he contended that there was no justification for the learned Single Judge to interfere with the punishment imposed on the Respondent by the disciplinary authority, which was even a minor punishment.

7. Per contra, Sri A.S.R. Namazi, learned Counsel for Respondent submitted that learned Single Judge was perfectly justified in interfering with the order passed by the disciplinary authority and the Tribunal, as the finding recorded therein were unfair and unjust.

8. Undisputedly, the Appellant-Corporation initiated the departmental inquiry in question against the Respondent on the ground of registration of a criminal case against him in connection with his alleged involvement in the circulation of fake/counterfeit currency notes and that he was in judicial custody for some time in the said case. It is also not in dispute that, after a full-fledged trial, the competent court acquitted the Respondent of the charges leveled against him vide judgment dated 18.04.2007 passed in S.C. No.6/2007. It is not the case of the Appellant-Corporation that it had any independent material



to substantiate the charges framed against the Respondent in the departmental inquiry apart from the police papers in the criminal case registered against him. It is to be noted that while acquitting the accused persons, the trial court observed that "... though the prosecution has been able to prove that 66 notes marked as MO 1 to 6 produced before this Court are fake notes, it has not been able to establish that anyone of the accused brought or secured any number of notes and anyone of the accused was in possession of notes knowing or having reason to believe the same to be forged or counterfeited....". Thus, the materials on record make it clear that the learned Single Judge was fully justified in interfering with the orders under challenge in W.P. No.77240/2013, as those orders were manifestly erroneous.

9. In the result, the writ appeal is dismissed.

**Sd/-
(M.I.ARUN)
JUDGE**

**Sd/-
(B. MURALIDHARA PAI)
JUDGE**

Vb/-CT:BCK