2025:PHHC:059693

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-13074-1999 (O&M)
Date of decision: 06.05.2025

J.P. JINDAL ......Petitioner

VERSUS

UCO BANK AND OTHERS ....Respondents

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

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Present: - Mr. Abhimanyu Kalsy, Advocate
for the petitioner.

Ms. Madhu Dayal, Advocate
for the respondents.

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<u>VINOD S. BHARDWAJ, J. (Oral)</u>

Prayer in the present writ petition is for seeking quashing of the order dated 24.05.1999 passed by the General Manager (Operations)-Appellate Authority dismissing the appeal preferred by the petitioner against punishment of stoppage of two increments and non-grant of increment for the suspension period had been imposed vide order dated 22.04.1998 by the Zonal Manager, the instant writ petition has been filed.

2. Learned Counsel appearing on behalf of the petitioner contends that the petitioner served the respondent-Bank for 39 years before his superannuation on 01.10.1998 as an Officer Grade-III. He claims that apart from the disciplinary proceedings under question in the present writ petition,

there has been no other blemish on the petitioner during his entire service career. He contends that the respondents have imposed the penalty of reducing the basic pay of the petitioner by two stages in the time scale applicable to him with cumulative effect, non-grant of increment for the period of suspension as well as declining to grant any emoluments beyond the subsistence allowance for the period of suspension, by failing to appreciate the facts and circumstances of the case in their correct perspective and scope. It is argued with vehemence that the order passed by the respondent-authorities is bad and liable to be set aside for the following reasons:-

i) That the respondents-authorities have failed to appreciate that the proceedings of the advancement/loan had been initiated at the level of the Zonal Office itself and all documentation and verification process was undertaken by the Zonal Office without associating the petitioner. Thus, the liability/consequences, if any, on account of any procedural violation, cannot befall upon the petitioner.

ii) It is contended that the respondents have failed to supply the documents that were necessary for the petitioner to put-forth his correct and complete defence. The details of the documents asked for by the petitioner vide letter dated 06.05.1995 are extracted as under:-

"1. Request of the party for sanction of limits.

2. Loan Application, Documents, Credit Reports on the party as well as guarantors.

3. Letters issued and exchanged between the Branch and Divisional Office, Haryana, Chandigarh and Zonal Office.

4. Process Note prepared at Z.O. with regard to the above advance.

5. Original limit sanction letter.

6. Correspondence exchanged between Zonal Office and party directly.

7. Correspondence and recommendations given by Divisional Office to Zonal Office for sanction.

8. Letters, Charge Sheets served on S/Shri K.S.Tiwana, N.K.Mahindroo, S.B.Banga, S.S.Virk and S.K.Gupta Sharma and their replies."

3. He submits that access to only two of the said documents as asked for was granted to the petitioner due to which he was gravely prejudiced in preparation of his defence. Learned Counsel further contends that the punishment imposed upon the petitioner is highly disproportionate and thus warrants interference of the High Court.

4. He further contends that even the pensionary benefits of the petitioner were released at a highly belated stage i.e. even though the petitioner superannuated in 1998, however, the pensionary benefits were released only in the year 2012.

5. Responding to the above, Counsel for the respondent-Bank contends that the petitioner was serving as the Senior Branch Manager when the charge-sheet dated 01.03.1995 was served upon him under Regulation 6 of the UCO Bank Officer Employees (Discipline & Appeal) Regulations,

1976 for the irregularities committed by him. It was conveyed that the petitioner was negligent at all stages of proposal i.e. acceptance and preparation of proposal, submission of proposal to the Zonal Office, release of funds and post sanction follow up of the application submitted by one M/s Sumac Engineering. The gist of the allegations leveled against him are extracted as under:-

> 1. *He failed to take all possible steps to ensure and protect the interests of the Bank and discharge his duties with utmost integrity, honesty, devotion and diligence. His acts are unbecoming of a Bank Officer. This is violative of Regulation 3(1) of UCO Bank, Officer Employees' (Conduct) Regulations, 1976 as amended.*
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> 2. *In performance of his official duties and in exercise of powers conferred upon him he acted otherwise than in his best judgement which is violative of Regulation 3(3) of UCO Bank Officer Employees (Conduct) Regulations, 1976 as amended.*
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> 3. *That he failed to take all possible steps to ensure the integrity and devotion to duty of staff for the time being under his control and authority. This is violative of Regulation 3(4) of UCO Bank Officer Employees (Conduct) Regulations, 1976 as amended.*
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> 4. *That Shri J.P. Jindal violated the rules and regulations of the Bank, prescribed procedures and instructions of the higher authorities and exceeded the financial powers vested in him. He acted in a*

careless and negligent manner and exposed the Bank of grave financial risk and loss.

6. She contends that as the reply submitted by the petitioner was not found to be satisfactory, hence, a regular departmental enquiry was ordered into the charges. The enquiry was conducted in full compliance of the principles of natural justice and all opportunity was granted to the petitioner to lead his defence. She contends that the argument of the petitioner that he was not allowed access to all the documents, as were sought for by him for preparation of his defence and submission of his response, is incorrect in as much as the order passed by the Enquiry Officer clearly shows that the documents which were in possession of the authorities were shown to him there and then while he was also allowed to inspect the remaining documents that were in the custody of the Central Bureau of Investigation pursuant to some case that had been registered. She refers to the specific finding recorded by the Enquiry Officer about the petitioner having been granted access to the documents that were asked for. She contends that it is also evident from a perusal of the documents, that were exhibited and relied upon by the petitioner, that the documents, as were claimed for in the application submitted by the petitioner for inspection, in fact formed part of the said documents of which inspection had been permitted in the office of CBI. The relevant extract of the Enquiry Report reads thus:-

"*On 05.01.1996, the CSOE stated the name of Mr. R.L. Goyal, Manager, Branch Office, PINJORE as his Defence Assistant. The Presenting Officer, submitted the list of documents, copies of* *the documents and these documents have been given as Exhibit No. EX. M-1 to Ex. M-13.*

1.	EXM-1	:	Xerox copy of Chapter I of Mannual of Instructions Advances-6
2.	EXM-2	:	Xerox copy of reply to Charge Sheet of Shri Jindal
3.	EXM-3	:	Xerox copy of complete proposal M/s SUMAC ENGG. (P) Ltd.
4.	EXM-4	:	Copy of latest position of the A/c M/s SUMAC ENGG. (P) Ltd.
5.	EXM-5	:	Copy of letter dated 02.08.1991 of HMT Ltd.
6.	EXM-6	:	Copy of letter dated 16.08.1991 of HMT Ltd.
7.	EXM-7	:	Copy of PNB Sector 28, Chandigarh letter dated 09.08.1991 regarding A/C of M/s SUMAC ENGG. (P) Ltd.
8.	EXM-8	:	Copy of pay orders dated 03.10.90 and 11.10.90 for Rs. 6,50,000/- & Rs. 1,00,000/-
9.	EXM-9	:	Copy of Zonal Office letter CZO: CA: 90-91/10895 dated 07.11.90
10.	EXM-10	:	Copy of sanction letter dated 18.09.90 M/s SUMAC ENGG. (P) Ltd.
11.	EXM-11	:	Copy of Corporation Bank Letter dated 29.08.1991
12.	EXM-12	:	Copy of letter dated 19.08.1991 from M/s N.S. Engg. Works.
13.	EXM-13	:	Copy of verification Report dated 12.01.1991.

One set of the documents were delivered to the Defence Assistant of CSOE. The Defence Assistant asked for some time to go through the documents before they admit or deny the documents, and the next date was fixed for 25.01.1996 for admission or denial of the documents by the Defence Assistant/CSOE and also CSOE will give *date of Specific documents he would like to inspect for preparing his defence.*

Due to other Enquiry Assignment, the Enquiry was therefore adjourned to 12.02.1996 for the same purpose. On 12.02.1996, the Defence Assistant stated that, they will admit the EXM-1 and EXM-3 to 13 only after seeing the original documents. Since, the documents were under the custody of CBI authorities the presenting Officer stated that he will tie up with the CBI authorities and will get the documents inspected. The Original documents were got inspected and the next date of hearing was fixed for 04.03.1996.

On 04.03.1996, the CS0E/Defence Assistant confirmed having inspected the documents as Defence Assistant has stated that they deny the documents at Sr. No. 5,6,7,11 and 12 and Credit Report of Sh. Rajinder Kumar Singla, Kiran Singla & Vijay Kumar Singla which are part of document NO. EXM-13 because there is variation as fluids have been made on the following line of each of the Credit Report:

"which is in my opinion is still on very high side."

7. It is thus submitted that the petitioner was granted access to all the documents that had been asked for but for the copy of charge-sheets pertaining to certain other officials which had no concern or relevance with the issue involved. The same were also not being relied upon by the Bank for proving the charge or allegations against the petitioner.

8. While adverting to the contention of the petitioner that the proposal was initiated by the Zonal Office and was being monitored by them, Counsel for the respondent-Bank submits that the Enquiry Officer has

specifically taken note of the objections raised by the petitioner in this regard and on consideration, the Enquiry Officer specifically recorded his finding that there was nothing on record to support that the Deputy General Manager impressed or compelled the petitioner to forward and recommend the case for sanction to the Zonal Office without completing/verifying all the bare necessities of the credit proposal which was required to be dealt with by the Senior Branch Manager, as per the credit guidelines that had been issued. The Counsel contends that the credit worthiness of the borrower was not properly reported. As a prudent Banker, it was essential for the petitioner to have verified the claims made by a borrower. In the present case, the borrower had submitted a proposal about the order having been placed on him by HMT Ltd. The verification of the same was not got done from HMT Ltd. She further contends that the earlier line of credit availed by the petitioner from Punjab National Bank had also not been verified which during the course of enquiry was revealed to be not promising. Instead, the petitioner only forwarded the proposal for the credit facility on the strength of the deposits made by him which are insignificant for prudent banking since credit worthiness of a borrower is more crucial than the assets/documents that may be furnished by him. The relevant of the Enquiry report reads thus:-

> "*From the above. I observe that it is quite possible that the proposal and the credit reports etc., were prepared before it was handed over to the Sr. Manager of 22-D, Chandigarh Branch, for necessary action for sending the proposal to the Competent Authority for sanction. I do not find any*

record in support of this that the then Dy. General Manager, stressed or compelled the Sr. Manager (CSOE) to forward and recommend the same for sanction to the Zonal Office without completing/verifying all the bare necessities of the Credit Proposal to be dealt with, as per credit guidelines being issued from time to time by the higher authorities and as per Mannual of Instructions. From the proceedings and witnesses in this regard it can be assumed that the party first approached the Zonal Manager and also requested them for the credit facilities. It can also be agreed that Mr. Jindal (CSOE) visited zonal Office, in the month of August 1990 and the Zonal Manager, introduced the Director of the company of M/S. SUMAC ENGG. PVT. LTD., to him. In such of the case, it is not the first case that for the credit facilities of such a huge amount the party has approached the sanctioning authority but in other cases also the parties are approaching the Branch Manager, Divisional Manager and zonal Manager etc., and no one can stop them to go to higher authorities but on the other hand it is the responsibility of the Branch Manager how to process and submit the facts to the higher authorities in regard to the credit proposal, The subject case is the same that the Directors of M/S. SUMAC ENGG. PVT. LTD., approached higher authorities for certain credit facilities and Mr. Jindal was called at Zonal Office and was introduced with the directors of the company. Mr. Jindal (CSOE) has also confirmed in his letter dated 06.09.1990 that he has secured substantial *deposits of Rs. 40.75 lacs with the help of the Directors of the company and also confirmed that he is expecting more deposits with their help and in recommending the proposal, he has taken the support of deposit oriented proposal and hence it has been recommended by the CSOE and sent to Zonal Office with his recommendations for sanction of the same at the earliest. The CSOE has not taken the basic principle of lending i.e. the credit worthiness of the party, its past dealings with our Bank or if not dealing with our Bank, with the other Bank, since the party was enjoying the credit facilities from PUNJAB NATIONAL BANK, this point was very pertinent to enquire about their past dealings with the PUNJAB NATIONAL BANK and to know the reasons why the party i.e. M/S. SUMAC ENGG. PVT. LTD., wants to shift from PUNJAB NATIONAL BANK to our Bank. As per statement of Mr. Jindal (CSOE) that the subject proposal was recommended to zonal Office on the pressure of the then Zonal Manager, then it would have been very easier for him i.e. CSOE, to give the adverse remarks about the credit worthiness of the party by getting the information from PUNJAB NATIONAL BANK or from HMT Ltd., which he was supposed to get the information other wise also about the dealings, status, credit worthiness and projected orders etc., which he did not care to take and took it very lightly totally based on deposit oriented account.*

From the above after looking to the briefs of both the sides. i.e. P. O. and CSOE and also from the *documents submitted from the Management and the defence, it has been observed that Mr. J.P. Jindal, the C.S.O.E. had recommended the proposal of M/S. SUMAC ENGG. PVT. Ltd., for early sanction.*

9. It is argued by her that the petitioner failed to adhere to the guidelines to be followed by the branches while forwarding the proposal of the existing borrowers and proposals of ad hoc limits and in having failed to do so, the petitioner committed an irregularity. She further contends that since some part of the proposal had emanated from the Zonal Office, hence, a lenient view had been taken by the disciplinary authority and the substantive punishment of stoppage of two increments with cumulative effect was imposed on him.

10. Referring to the argument about the delayed release of the pensionary benefits, Counsel for the respondent-Bank refers to the additional affidavit of Ankush Dev, Chief Manager, UCO Bank dated 01.08.2024 wherein it has been averred that the Bank had issued Circular dated 14.10.1995 calling upon the employees to exercise an option to switch from CPF to GPF Scheme. The closing date for exercising of such an option was 25.01.1996, however, the petitioner never submitted his option. Consequently, the CPF amount was released to him in November, 1998. Thereafter, in terms of bipartite settlement entered into between the Bank and the Employees on 27.04.2010, a fresh option was sought for from the retired employees. The petitioner thereafter submitted an option for availing the pensionary benefits and made good the deposits as assessed. The pension was thereafter sanctioned and disbursed to the petitioner w.e.f. 21.05.2012.

Hence, the delay was not on account of any lapse or omissions attributable to the respondent-Bank. The relevant extract of the additional affidavit reads thus:-

> *4. That it is submitted here that the petitioner superannuated on 01/10/1998. The respondent bank had issued circular dated 14/10/1995 vide which pension scheme was extended to the employees of the respondent bank. Under the pension scheme, the employees were required to exercise their option to opt for the pension scheme. However the petitioner failed to exercise the said option within time and accordingly he was not granted pension at the time of his superannuation. The superannuation benefits of CPF and gratuity to which he was entitled were duly paid to the petitioner in the year 1998 itself, the details of which are as under:-*
>
> *MCPF amount of Rs 3,71,360.72 paid on 18/11/1998*
>
> *BCPF amount of Rs 2,92,127.07 paid on 18/11/1998*
>
> *Gratuity amount of Rs 2,97,309/-paid on 18/11/1998.*
>
> *5. That the bank had again sought options from the retired employees for opting for pension scheme in terms of 9th Bipartite Settlement/Joint Note dated 27/04/2010. The petitioner opted for the pension scheme and accordingly the Pension Disbursement Order dated 21/05/2012 was issued to the petitioner. As per the said option exercised, the*

> *employee opting for pension was required to refund the bank's contribution to Provident fund. In order to receive pension, the petitioner was required to refund an amount of Rs 39227/- to the bank as per the Pension Disbursement Order. The petitioner refunded the said amount vide cheque number 972855 dated 23/03/2012. Thereafter the petitioner has been receiving pension regularly. The copies of the Pension Disbursement Order dated 21/05/2012 and the account statement of the petitioner are appended herewith as Annexure R-1. Thus, the submission made by the petitioner that the superannuation benefits/pension has not been granted to him is factually incorrect.*

11. No other arguments have been raised or judgment cited.

12. I have heard learned Counsel appearing on behalf of the respective parties and have gone through the documents appended alongwith the present writ petition.

13. It transpires from a perusal of the said documents that the Bank had issued certain guidelines for processing of the credit applications and as per the said guidelines, the obligation to furnish all supporting documents/papers including the project reports/cash books/financial statement etc. was to be submitted by the Branch in its report based on market price and records including credit report of the party. The petitioner was found wanting in complying with the guidelines and ensuring the best practice for protection of the interest of the Bank whereupon disciplinary proceedings were initiated and charge sheet was served upon him. The regular Enquiry Officer noticed the contentions and the defence raised by the

petitioner to various allegations and recorded a finding about the charges being partly proved and the same is reported as under:-

> *1. He failed to take all possible steps to ensure and protect the interests of the Bank and discharge his duties with utmost integrity, honesty, devotion and diligence. His acts are unbecoming of a Bank Officer. This is violative of Regulation 3(1) of UCO BANK Officer Employees (Conduct) Regulations. 1976 as amended.*
>
> *CHARGE NO.1: <u>PARTLY PROVED</u>.*
>
> *2. In performance of his official duties and in exercise of powers conferred upon him he acted otherwise than in his best judgement with is violative of Regulation 3(3) OF UCO BANK Officer Employees (Conduct) Regulations. 1976 as amended.*
>
> *CHARGE NO. 2 <u>PARTLY PROVED</u>.*
>
> *3. That he failed to take all possible steps to ensure the integrity and devotion to duty of staff for the time being under his control and authority. This is violative of Regulation 3(4) of UCO BANK Officer Employees (Conduct) Regulations, 1976 as amended.*
>
> *CHARGE NO. 3 <u>PARTLY PROVED</u>.*
>
> *14. That Shri J.P. Jindal violated the rules and regulations of the Bank, prescribed procedures and instructions of the higher authorities and exceeded the financial powers vested in him. He acted in a careless and negligent manner and exposed the Bank to grave financial risk and loss.*
>
> *CHARGE NO. 4 : <u>PARTLY PROVED</u>.*

14. It is evident from the above that all the four charges leveled against the petitioner were reported as partly proved. A copy of the said Enquiry report was duly furnished by the petitioner so as to respond to the same and an opportunity of hearing was also granted. The disciplinary authority recorded that even though it is quite possible that a proposal may be submitted originally at the Branch office, however, there was no evidence to suggest that the office as the zonal office stressed or compelled the petitioner to forward and recommend the proposal for sanction to the Zonal Office without completing/verifying the bare necessities of a credit proposal to be dealt with. It was specifically noticed that as a matter of common practice, various parties approach the higher authorities/offices for availing credit facilities but the same should not be construed as a cause sufficient for the senior Branch Manager to absolve himself from the responsibilities and to plead exemption from the requirement to submit the facts to the higher authority with respect to the credit proposal. It was noted by the Zonal Manager that the petitioner confirmed that he secured substantial deposit of Rs. 40.75 lacs with the help of Directors of the Company and hence recommended a deposit oriented proposal but in doing so, he failed to report the past financial dealings of the borrower or to assign reasons as to why the borrowers wanted to shift from the Punjab National Bank to the UCO Bank.

15. Further, it was also noticed that the petitioner did not take care to find out the credit worthiness of the borrowers and their dealings/standing in the market particularly from HMT Limited, Pinjore as well and did not verify the credit worthiness of the party before recommending the proposal thus violating the fundamental principles of lending. It was also noticed that

the credit limits of the company/borrowers depicted distorted picture of the credit worthiness and grossly inflated value of the landed property. Had an independent Enquiry been conducted by the petitioner, the correct value of the property could have been ascertained. It was also recorded that the petitioner also did not carry out the post sanction inspection and thus failed to exercise due care to safeguard the Bank's interest. The authorities specifically noticed that the petitioner could not be held solely responsible and hence a lenient view was taken in imposing the punishment of reduction by two stages in the basic pay with cumulative effect and by denying pay beyond subsistence allowance for the period during which the petitioner remained under suspension. The appeal filed by the petitioner against the same was also dismissed by the Appellate Authority.

16. The settled position of law in matters of disciplinary proceedings are that the High Court, in exercise of its powers of judicial review under Article 226 of the Constitution of India does not sit as a Court of Appeal to re-appreciate the evidence adduced during disciplinary proceedings or to substitute its reasoning or conclusion for that of the Enquiry Officer. In the matters of commercial discipline, the instruction as floated by a Bank would be of vital significance. Even though an institution may not suffer an immediate direct loss, however, the same by itself cannot be a ground to ignore or violate the administrative instructions and guidelines for prudent practices that have been notified to all the officials and have been mandated to be followed to safeguard the Bank's interest. Any undue laxity in adherence to the said guidelines may have the potential of causing an immense loss to a financial institution. The Enquiry Officer

having established the charges leveled against the petitioner to be partly proved by noticing the arguments advanced by the Counsel for the petitioner and extracted as above, it is evident that the entire defence of the petitioner had been considered not only by the Enquiry Officer but also by the disciplinary authority as well as the Appellate Authority. They have concurrently found no merit in the contentions advanced by the petitioner. There being no procedural illegality or impropriety in the order that has been passed in the conclusion drawn by the authorities being probable and plausible, the High Court would not ordinarily substitute its own opinion for the opinion of the departmental authorities.

17. It is also well settled that in such like matters, the scope of judicial review is restricted only to a procedural impropriety or illegality or to the extent where the punishment imposed shocks the conscience of the Court and is highly disproportionate to the charge that has been proved. In the facts of the present case, the punishment imposed upon the petitioner cannot be said to be shockingly disproportionate.

18. Further, it is also noticed that as far as the contention of the petitioner about the principles of natural justice not being complied with by the Enquiry Officer and the authorities is concerned, the same stands duly countered as per the findings recorded by the Enquiry Officer to establish that the petitioner had been granted all opportunities to examine the documents as asked for, the original of which were in the office of the CBI. The only documents to which the petitioner was not granted access was the Enquiry Report pertaining to certain other officers. Petitioner has failed to

show any nexus of the said document with the enquiry initiated against him. Hence, a person cannot claim himself to be prejudiced or allege non-compliance to the principles of natural justice solely on account of being denied access to certain documents, the relevance whereof has not been established and in the absence of any relevance or significance of the said documents for the purposes of the ensuing enquiry, the authorities would be within their rights to deny access of such documents to the charged employee.

19. So far as the contention of the petitioner that the pension had been disbursed to him belatedly is concerned, the averments contained in the additional affidavit filed by the respondents remain uncontroverted. The petitioner himself in his letter of 18.03.1998 specifically admitted that he did not exercise his option to switch to GPF. He has although assigned a reason that the said option could not be exercised as he was not in a fit state of mind owing to the disciplinary proceedings to exercise such an option but he has nowhere pleaded that he was not aware of the option having been put-forth to the employees. Such a defence cannot be considered at this stage to give an entitlement to the petitioner and to consider the letter submitted on 18.03.1998 as exercise of an option pursuant to the decision taken by the respondents notwithstanding that the cut-off date for exercise of such option was fixed at 25.01.1996. The CPF benefits stood released immediately in the month of November, 1998. Hence, there was no delay. The respondent-authorities asked for the options again in the year 2010 pursuant to bipartite settlement executed between the Bank and the officials whereupon the option was exercised by the petitioner for seeking benefits under the GPF

Scheme which was processed after the petitioner had deposited the assessed amount and complied with the terms and conditions of the said scheme. It was in the said circumstances that the Pension Payment Order was issued in the year 2012. It cannot thus be said that the retiral dues of the petitioner had been wrongly withheld or had not been released by the respondents. The claim of an employee for the benefits of retirement has to be considered in accordance with the scheme(s) as were applicable at the time of superannuation. Since the petitioner was covered under the CPF Scheme in October, 1998, hence, the CPF benefits were released to him in November, 1998 and it was much later i.e. after nearly 12 years that the subsequent scheme was notified by the respondent-authorities by seeking option from the employees of the Bank pursuant to the GPF scheme. Hence, I find that there is no merit in the case of the petitioner. The orders passed by the respondent-authorities cannot be held to be illegal, perverse or suffering from any procedural impropriety. The writ petition is accordingly **dismissed.**

20. All the pending miscellaneous application(s), if any, are also disposed of.

(VINOD S. BHARDWAJ)
JUDGE

06.05.2025
Vishal Sharma

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No