



IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

208-2

CWP-6207-2020(O&M)

Date of decision: 29.07.2025

Hardayal Sidhu

...Petitioner

VERSUS

UCO Bank and others

...Respondents

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

Present :- Mr. Naresh Kumar, Advocate for
Mr. K.S. Dadwal, Advocate for the petitioner(s).

Mr. Nonish Kumar, Advocate for the respondent(s).

VINOD S. BHARDWAJ, J. (Oral)

1. Assailing the order dated 16.09.2013 passed by respondent No.4- the Deputy General Manager (Disciplinary Authority), UCO Bank, Zonal Office, Jalandhar; the appellate order dated 02.01.2017 passed by the General Manager and Circle Head (Appellate Authority) as well as the review order dated 23.11.2017 passed by respondent No.2- the Executive Director (Reviewing Authority), the instant writ petition has been filed.

2. The petitioner impugns these orders primarily on the ground that while imposing the major penalty of dismissal from service, due consideration was not accorded to the long and unblemished service tenure of the petitioner, hence, the impugned orders suffer from non-application of mind, arbitrariness, and lack of objective and cogent reasoning.

3. Learned counsel has urged that the petitioner initially joined the services of the respondent-Bank in August 1983 as a Clerk/Cashier and, over the years, served the institution in various capacities at different locations.



208-2

CWP-6207-2020 (O&M)

The petitioner was eventually posted as Senior Manager at the Branch Office, Hoshiarpur, on 29.10.2013. At the time of his posting, the branch had been maintaining a stagnant business level of approximately ₹85 crores for several years. Owing to the dedicated efforts of the petitioner, the business of the said branch saw a significant rise and reached ₹121 crores by the year 2015. It is further submitted that, despite the aforesaid professional accomplishments, the petitioner was served with a charge-sheet dated 14.03.2016, alleging certain procedural and financial irregularities committed during the period from 25.11.2013 to 08.01.2015 in relation to the sanction and disbursal of certain credit facilities. A departmental inquiry was accordingly initiated and an Inquiry Officer was appointed to conduct a regular disciplinary proceeding. The Inquiry Officer, after conducting the inquiry, submitted a report wherein the charges were held to be proved.

4. The learned counsel submits that the core allegation against the petitioner pertained to the alleged overvaluation of properties offered as collateral security and the sanction of credit facilities allegedly beyond permissible limits. The disciplinary authority, upon considering the inquiry report, proceeded to pass the impugned order dated 16.09.2016, thereby imposing the penalty of dismissal from service upon the petitioner.

5. Articles of charges proved against the petitioner are extracted under:-

“1) Shri Hardayal Sidhu (Emp. No 35215) had failed to take all possible steps to ensure and protect the interests of the bank and discharge his duties with utmost integrity,



208-2

CWP-6207-2020 (O&M)

*honesty, which is violative of Regulation 3(1) of UCO Bank Officer Employees' (Conduct) Regulations, 1976, as amended. _____ **Proved***

- 2) *Shri Hardayal Sidhu (Emp. No. 35215) had failed to discharge his duties with utmost devotion and diligence, which is violative of Regulation 3(1) of UCO Bank Officer Employees' (Conduct) Regulations, 1976, as amended. _____ **Proved***
- 3) *Shri Hardayal Sidhu (Emp No 35215) has acted otherwise than in his best judgement In the exercise of powers conferred upon him which is violative of Regulation 3(3) of UCO Bank Officer Employees' (Conduct) Regulation, 1976 as amended. _____ **Proved***
- 4) *Shri Hardayal Sidhu (Emp No 35215) has failed to take all possible steps to ensure and protect the interest of the bank and acted in a manner unbecoming of a Bank Officer, which is violative of regulation 3(4) Of UCO BANK Officer Employees' (Conduct) Regulation, 1976 as amended. _____ **Proved”***

6. Based upon the findings recorded in the inquiry report, the Disciplinary Authority concluded that the petitioner was guilty of dereliction of duty in as much as he failed to exercise due diligence and did not act in accordance with the standards of prudent banking and judgment. It was further held that the petitioner failed to safeguard the financial interests of



208-2

CWP-6207-2020 (O&M)

the Bank and exhibited conduct lacking integrity and honesty expected of a senior functionary in a financial institution. Accordingly, the Disciplinary Authority formed the opinion that the petitioner had rendered himself unfit for further retention in the service of the Bank. Consequent thereto, the penalty of dismissal from service was imposed upon the petitioner.

7. The appeal as well as the review petitions filed by the petitioner against the same were also dismissed. Hence the present petition.

8. Learned counsel appearing on behalf of the petitioner has submitted, with a measure of restraint and fairness, that the petitioner confines his challenge in the present writ petition solely to the quantum of punishment imposed. It is urged that the petitioner has rendered an unblemished service of over 33 years with the respondent-Bank, a factor which, it is submitted, has not been duly appreciated or considered by the Disciplinary, Appellate, or Reviewing Authorities at the time of imposing the extreme penalty of dismissal. Counsel has drawn attention to paragraph No.17 of the writ petition, wherein a categorical assertion has been made to the effect that no financial loss whatsoever has occasioned to the Bank as a result of the petitioner's alleged lapses. It is further contended that this specific averment has not been specifically rebutted by the respondents, who have chosen instead to offer a vague and evasive denial. In such circumstances, it is submitted that in the absence of any proven financial loss to the Bank and considering that the alleged irregularities pertain more to procedural or ministerial oversight rather than to acts of moral turpitude or dishonest intent, the punishment of dismissal from service, which results in



208-2

CWP-6207-2020 (O&M)

the forfeiture of all retiral and pensionary benefits, is grossly excessive and shockingly disproportionate to the gravity of the charges proved.

9. Per contra, learned counsel appearing on behalf of the respondent-Bank submits that the disciplinary proceedings conducted against the petitioner were in strict conformity with the procedure prescribed under the applicable Service Rules and that no procedural infirmity has been alleged, much less established. It is contended that the petitioner was found guilty of serious irregularities in the matter of sanction and disbursement of loans, wherein substantial sums of money were advanced against inadequately valued properties, thereby exposing the Bank to significant financial risk and compromising its security interests.

10. It is further submitted that the specific assertion made by the petitioner regarding the absence of financial loss to the Bank has been categorically denied in the written statement filed by the respondent-Bank. Counsel emphasizes that the disciplinary authority, after considering the Inquiry Report, recorded a definitive finding that the petitioner had acted in a manner inconsistent with the standards of integrity, diligence, and prudence expected of a senior banking official, thereby rendering him unfit for continued service in a public financial institution.

11. It is also contended that the Appellate Authority as well as the Reviewing Authority have, upon an independent appraisal of the record, affirmed the findings and the penalty imposed by the disciplinary authority and that there is no occasion for this Court to record a satisfaction/opinion other than what has been held by the employer.



208-2

CWP-6207-2020 (O&M)

12. I have heard the learned counsel appearing on behalf of the respective parties and have gone through the documents appended with the instant petition, with their able assistance.

13. It is not in dispute that the petitioner specifically raised a categorical plea that no financial loss had been occasioned to the respondent-Bank on account of the alleged excess credit facilities sanctioned by him. It is further not in dispute that although the respondent-Bank, in its reply, has denied the said averment, no particulars or quantification of any actual financial loss allegedly suffered have been disclosed. The only justification advanced by the Bank is that the recovery of such accounts has become protracted and difficult. However, such a submission, unsupported by any concrete actual figures or evidence of any crystallized loss, cannot by itself be accepted as indicative of financial prejudice to the Bank. It was incumbent upon the respondent-Bank to respond specifically and substantively to the said plea raised by the petitioner. The failure to do so, particularly in the context of a serious punishment of dismissal from service imposed upon an employee with more than three decades of unblemished service, renders the plea of the Bank inadequate and unconvincing. Moreover, a perusal of the charge-sheet served upon the petitioner reveals that no charge had even been levelled in respect of any quantified or even estimated financial loss to the Bank. The charges are confined only to alleged procedural lapses, overvaluation, and extension of excessive credit without due diligence. In the absence of a specific charge of financial loss, the argument now sought to be raised by the respondent-Bank at the stage of



208-2

CWP-6207-2020 (O&M)

adjudication must be rejected as *dehors* the record and hence impermissible in law.

14. Considering the matter from either of the above, it is evident that the contention of the petitioner that no financial loss ever occurred to the respondent-Bank deserves acceptance. In the absence of any specific charge or substantiated rebuttal disclosing actual loss, the said plea raised by the petitioner stands uncontroverted and is liable to be accepted as correct.

15. It is further evident from a perusal of the reply filed by the respondents as well as the impugned orders that there is a conspicuous absence of any reference to the petitioner's long and unblemished service spanning over a period of 33 years, which should have been taken into account while assessing his overall conduct and suitability for continued service. There is nothing on record to suggest that during this substantial tenure, the petitioner was ever found guilty of any major misconduct or that he had otherwise conducted himself in a manner unbecoming of an officer of the respondent-Bank. In such circumstances, it would be reasonable to infer that the petitioner, by virtue of his long-standing service, did establish his professional worth to the respondent-organisation.

16. Needless to observe, it is a well-settled principle that while imposing any punishment, the entire service record of the delinquent employee assumes considerable relevance. Hon'ble Supreme Court in the case of ***Pyare Mohan Lal v. State of Jharkhand*** reported as (2010) 10 SCC 693, has held that where an employee is under assessment by the reviewing authority to determine whether he is fit for continued service or ought to be



208-2

CWP-6207-2020 (O&M)

compulsorily retired, the Committee entrusted with such evaluation is required to consider the employee's entire service record in its true perspective, weighing all aspects of his past conduct, performance, and integrity before arriving at a conclusion regarding his suitability for retention or otherwise.

17. In a case where the petitioner has rendered more than three decades of reasonably satisfactory and blemish-free service, the alleged irregularities, even if established, ought to be weighed against the backdrop of his overall service conduct. The charges in the present case pertain at best to certain procedural lapses or irregularities in the sanction of credit facilities, and there is neither any allegation nor proof of any pecuniary gain to the petitioner or actual financial loss to the Bank. In such circumstances, imposition of the extreme penalty of dismissal from service appears wholly disproportionate. The gravity of the misconduct, viewed in light of the petitioner's long-standing service and absence of any antecedents, does not justify such a harsh penalty.

18. Hon'ble Supreme Court in the case of ***Krishna District Coop. Central Bank Ltd. v. K. Hanumantha Rao*** reported as (2017) 2 SCC 528 has observed that where the penalty imposed is found to be "shockingly disproportionate," the High Court's appropriate course is to remit the matter to the disciplinary authority for reconsideration regarding the imposition of a lesser punishment. It is then left to the discretion of the disciplinary authority to determine and impose such lesser penalty as deemed fit and just in the circumstances of the case upon the delinquent employee. The relevant



208-2

CWP-6207-2020 (O&M)

extract of the judgment is as under :

7.3. The impugned order is also faulted for the reason that it is not the function of the High Court to impose a particular punishment even in those cases where it was found that penalty awarded by the employer is shockingly disproportionate. In such a case, the matter could, at the best, be remanded to the disciplinary authority for imposition of lesser punishment leaving it to such authority to consider as to which lesser penalty needs to be inflicted upon the delinquent employee. No doubt, the administrative authority has to exercise its powers reasonably. However, the doctrine that powers must be exercised reasonably has to be reconciled with the doctrine that the Court must not usurp the discretion of the public authority. The Court must strive to apply an objective standard which leaves to the deciding authority the full range of choice. In Lucknow Kshetriya Gramin Bank v. Rajendra Singh [Lucknow Kshetriya Gramin Bank v. Rajendra Singh, (2013) 12 SCC 372 : (2013) 3 SCC (L&S) 159] , this principle is formulated in the following manner : (SCC pp. 380-81, paras 13-14)

“13. Indubitably, the well-ingrained principle of law is that it is the disciplinary authority, or the appellate authority in appeal, which is to decide the nature of punishment to be given to a delinquent employee keeping in view the seriousness of the misconduct committed by such an employee. Courts cannot assume and usurp the function of the disciplinary authority. In



208-2

CWP-6207-2020 (O&M)

Apparel Export Promotion Council v. A.K. Chopra [Apparel Export Promotion Council v. A.K. Chopra, (1999) 1 SCC 759 : 1999 SCC (L&S) 405] this principle was explained in the following manner : (SCC p. 773, para 22)

‘22. ... The High Court in our opinion fell in error in interfering [Apparel Export Promotion Council v. A.K. Chopra, 1997 SCC OnLine Del 973 : (1997) 77 FLR 918] with the punishment, which could be lawfully imposed by the departmental authorities on the respondent for his proven misconduct. ... The High Court should not have substituted its own discretion for that of the authority. What punishment was required to be imposed, in the facts and circumstances of the case, was a matter which fell exclusively within the jurisdiction of the competent authority and did not warrant any interference by the High Court. The entire approach of the High Court has been faulty. The impugned order of the High Court cannot be sustained on this ground alone.’

14. Yet again, in State of Meghalaya v. Mecken Singh N. Marak [State of Meghalaya v. Mecken Singh N. Marak, (2008) 7 SCC 580 : (2008) 2 SCC (L&S) 431] , this Court reiterated the law by stating : (SCC pp. 584-85, paras 14 and 17)

‘14. In the matter of imposition of sentence, the scope of interference is very limited and restricted to exceptional cases. The jurisdiction of the High Court, to interfere with the quantum of punishment is limited and cannot be exercised without sufficient reasons. The High Court, although has jurisdiction in



208-2

CWP-6207-2020 (O&M)

appropriate case, to consider the question in regard to the quantum of punishment, but it has a limited role to play. It is now well settled that the High Courts, in exercise of powers under Article 226, do not interfere with the quantum of punishment unless there exist sufficient reasons therefor. The punishment imposed by the disciplinary authority or the appellate authority unless shocking to the conscience of the court, cannot be subjected to judicial review. In the impugned order of the High Court no reasons whatsoever have been indicated as to why the punishment was considered disproportionate. Failure to give reasons amounts to denial of justice. The mere statement that it is disproportionate would not suffice.

17. Even in cases where the punishment imposed by the disciplinary authority is found to be shocking to the conscience of the court, normally the disciplinary authority or the appellate authority should be directed to reconsider the question of imposition of penalty. The High Court in this case, has not only interfered with the punishment imposed by the disciplinary authority in a routine manner but overstepped its jurisdiction by directing the appellate authority to impose any other punishment short of removal. By fettering the discretion of the appellate authority to impose appropriate punishment for serious misconducts committed by the respondent, the High Court totally misdirected itself while exercising jurisdiction under Article 226.



208-2

CWP-6207-2020 (O&M)

Judged in this background, the conclusion of the Division Bench of the High Court cannot be regarded as proper at all. The High Court has interfered with the punishment imposed by the competent authority in a casual manner and, therefore, the appeal will have to be accepted.’’

(Emphasis supplied)

19. In view of the above, the present writ petition is **allowed** and the impugned order dated 16.09.2013 passed by respondent No.4-Dy. General Manager (Disciplinary Authority), UCO Bank, Zonal Office, Jalandhar; order dated 02.01.2017 passed by respondent No.3-General Manager and Circle Head (Appellate Authority), UCO Bank, Chandigarh and order dated 23.11.2017 passed by respondent No.2-Executive Director (Reviewing Authority), UCO Bank, Kolkata, are **set aside**. The matter is remanded to the disciplinary authority to re-consider the case of the petitioner to the quantum of punishment and to pass a fresh order as per law.

(VINOD S. BHARDWAJ)
JUDGE

29.07.2025

Mangal Singh

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No