111 IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-14628-2025
Date of Decision: 16.07.2025

MOHIT BAKSHI ...PETITIONER

Vs.

UNION BANK OF INDIA AND OTHERS ...RESPONDENTS

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

Present:- Mr. Ankit Bishnoi, Advocate
for the petitioner(s)

Mr. Gaurav Goel, Advocate (***through video conferencing***)
for the respondent(s)-Bank.

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VINOD S. BHARDWAJ, J. (ORAL)

1. Seeking setting aside of the inquiry report dated 24.11.2022; the order dated 30.12.2022 whereby the petitioner was removed from service and the subsequent dismissal of his appeal vide order dated 07.07.2023 by the Appellate Authority, dismissal of review petition vide Order dated 18.08.2023 as well as dismissal of mercy petition vide order dated 20.11.2023, the instant writ petition has been filed.

2. The learned counsel appearing on behalf of the petitioner has drawn the attention of this Court to the service history of the petitioner, who joined the respondent–Union Bank of India as a Single Window Operator at the Ludhiana Regional Office on 03.01.2011. The petitioner was successively promoted to the post of Assistant Manager on 01.03.2014, Branch Manager on 01.04.2017 and to the post of Senior Manager at the Nandgarh Bandi Branch, Bathinda, on 01.04.2021. It is asserted that the petitioner performed his duties with utmost diligence, for

which he was duly appreciated and awarded by the Bank. It is further submitted that during the financial year 2020–2021, the Bank introduced a One Time Settlement Scheme (hereinafter referred to as the "OTS Scheme") to facilitate the settlement of Non-Performing Asset (NPA) accounts, wherein loan defaulters were required to pay only 25% of the sanctioned loan amount. Respondent No.2–Kartik Gupta, who was posted as Recovery Officer for such NPA accounts, allegedly misused his position and, in connivance with certain senior officials of the Bank, defrauded approximately 20 customers of the Nandgarh Bandi Branch to the tune of ₹43.86 lakhs by collecting sums in excess of what was permissible under the OTS Scheme.

3. It is contended that respondent No.2 convinced the concerned borrowers, primarily farmers, that only the principal amount was required to be paid under the Scheme, and the interest component would be waived off and collected money illegally. On discovering the said fraudulent practices, the petitioner submitted a formal complaint against respondent No.2 to the Regional Head Office. However, instead of initiating any action against the said Recovery Officer, the petitioner was subjected to undue coercion by the officials of the Regional Office and was falsely implicated. It is averred that the petitioner was threatened with criminal prosecution and was compelled to submit a written confession dated 16.06.2024, wherein, under pressure, he was made to admit that he and respondent No.2 had equally shared the fraudulently collected amounts. Learned counsel thus submits that such confession was extracted under duress and is neither voluntary nor legally

sustainable.

4. The petitioner, following the allegations pertaining to financial irregularities, was placed under suspension. Subsequently, a show-cause notice dated 22.02.2022 was issued to the petitioner, to which a detailed reply was submitted on 16.03.2022. In the said reply, the petitioner categorically denied the allegations levelled against him and endeavoured to provide a satisfactory explanation in respect of each imputation. The petitioner, in particular, drew attention to the specific acts of omission and commission on the part of respondent No.2–Kartik Gupta, which, according to him, were the root cause of the fraud committed upon the customers of the Bank. However, finding the reply to be unsatisfactory, the respondent authorities proceeded to serve a formal charge-sheet upon the petitioner on 30.08.2022. A response thereto was submitted by the petitioner on 20.09.2022. Thereafter, a regular departmental inquiry was instituted. Upon conclusion of the inquiry, the Inquiry Officer submitted a report wherein the involvement of both the petitioner and respondent No.2–Kartik Gupta was established. Pursuant to the submission of the inquiry report, the petitioner was afforded an opportunity to respond. After considering the said response, the Disciplinary Authority proceeded to pass an order of dismissal from service against the petitioner vide order dated 30.12.2022.

5. Aggrieved by the order of dismissal dated 30.12.2022, the petitioner invoked the statutory remedy of appeal and preferred an appeal on 11.02.2023 before the Appellate Authority. However, the said appeal was dismissed vide order dated 07.07.2023, affirming the findings

recorded by the Disciplinary Authority. Undeterred, the petitioner availed the remedy of review, which too was declined by the competent authority vide order dated 18.08.2023. As a final recourse, the petitioner submitted a mercy petition, but the same was also dismissed vide order dated 23.11.2023.

6. Aggrieved thereof, the instant writ petition has been filed.

7. Learned counsel for the petitioner has reiterated his submissions and contends that the petitioner has been falsely implicated in the present case, whereas it was, in fact, respondent No.2-Kartik Gupta, the Recovery Officer, who had committed the misconduct and had recovered the amount in question. It is submitted that the confession made by the petitioner, which is heavily relied upon by the respondent(s), was extracted under threat and coercion, with the looming fear of being falsely implicated in a criminal case. Hence, the said confession ought not to be read against the petitioner. It is further argued with emphasis that the petitioner possesses an enviable service record, having been adjudged the top performer of the Bank in the years 2017 and 2018, and was also awarded appreciation for excellence in maintaining asset quality and a low level of stress for the period April–September, 2018. Additionally, he was granted a Certificate of Achievement under the SSS and LVSSS Settlements for the Financial Year 2018–2019. The petitioner's unblemished track record, it is contended, is indicative of the fact that he has consistently discharged his duties with diligence and integrity, and there exists no element of misconduct on his part. It is finally submitted that the disciplinary action against the petitioner has been orchestrated

solely with the intent to shield respondent No.2-Kartik Gupta.

8. Learned counsel further contends that the mitigating circumstances, as recorded by the Inquiring Authority, clearly reflect that the alleged illegalities began only after the transfer of respondent No.2–Kartik Gupta. It is submitted that the CCTV footage reveals that respondent No.2 was playing a dominant and controlling role, whereas the petitioner, functioning as the Chief Manager, appeared to be merely complying with his directions. It is further urged that respondent No.2–Kartik Gupta had been assigned supervisory responsibilities over four other branches in the Region, and in his own confession letter, he had admitted to indulging in similar activities at the Bhagwangarh Branch. Significantly, in the said confession, respondent No.2 also named two other Branch Heads who were allegedly complicit with him, thereby suggesting a wider network of malpractice beyond the petitioner.

9. No other argument has been raised nor any judgment cited.

10. I have heard the learned counsel appearing on behalf of the petitioner and have perused the record appended with the instant writ petition.

11. The submission of the confession letter dated 16.06.2021 is not denied by the petitioner. In the said letter, the petitioner has specifically admitted that the excess amount collected from the NPA account holders was retained in equal proportion by him and respondent No.2–Kartik Gupta. The petitioner further acknowledged having committed a lapse and unequivocally disclosed that the said act was carried out solely by him in collusion with respondent No.2–Kartik Gupta, with no other

persons being involved therein. It was on the discovery of the aforesaid illegalities that, the charge-sheet was served upon the petitioner for the following acts of omission and commission:-

> ➢ *He recovered amounts higher than the amount sanctioned under One Time Settlement Scheme from the NPA borrowers under Centenary Settlement Scheme for Doubtful and Loss Assets (CSSDL)/OTS Scheme for Doubtful & Loss Assets (OSDL) for adjustment/closure of their accounts.*
>
> ➢ *He convinced the borrowers for depositing the running ledger amount for settlement of their NPA loan accounts under CSSDL/OSDL scheme instead of the actual amount sanctioned under the scheme and informed them that the interest portion of the loan will be waived off. It is reported that though higher amounts as stated above were recovered from the NPA borrowers, only 25-30% of the running ledger was deposited in these NPA accounts. The excess amount was shared by him in equal proportion with the then Recovery Officer Shri Kartik Gupta.*
>
> ➢ *Shri Mohit Bakshi and Shri Kartik Gupta, the then Recovery Officer have deposited an amount of Rs.43.86 lakhs in cash at Regional Office, Bathinda on 18.06.2021, towards excess amount collected from 20 borrowers in 23 loan accounts. The details of the same are as under:*

Sr. No.	*Account No.*	*Name of the borrower*	*Actual amount paid by the borrower (A)*	*Amount sanctioned under OTS (B)*	*Excess amount collected (A-B)*
1.	*464505030061565 464506060000084*	*Shri Sukhvinder Singh*	*7.49*	*2.25*	*5.24*
2.	*464505030061106*	*Ms. Harbans Kaur*	*4.00*	*1.00*	*3.00*
3.	*464505030061190 464506060000035*	*Shri Gurdass Singh*	*3.40*	*0.86*	*2.54*
4.	*464505030061201*	*Shri Amarjit Singh*	*3.10*	*0.80*	*2.30*
5.	*464505030061603*	*Ms. Rani*	*2.00*	*0.62*	*1.38*
6.	*464505030061348*	*Ms. Chhinder Kaur*	*2.40*	*0.66*	*1.74*
7.	*464505030061243*	*Shri Makhan*	*2.10*	*0.63*	*1.47*

		Singh			
8.	*464505030061207*	*Shri Balwant Singh*	*2.00*	*0.58*	*1.42*
9.	*464505030061655*	*Shri Iqbal Singh*	*1.50*	*0.52*	*0.98*
10.	*464505030061621*	*Shri Gurmel Singh*	*2.05*	*0.50*	*1.55*
11.	*464505030061503*	*Shri Darshan Singh*	*1.92*	*0.50*	*1.42*
12.	*464505030061170*	*Shri Gurcharan Singh*	*1.76*	*0.46*	*1.30*
13.	*464505030061280*	*Shri Baldev Singh*	*1.35*	*0.35*	*1.00*
14.	*464505030061788*	*Shri Dhlan Singh*	*0.51*	*0.26*	*0.25*
15.	*464505030060987*	*Shri Sadhu Singh*	*0.93*	*0.22*	*0.71*
16.	*464505030060659*	*Shri Karnail Singh*	*0.25*	*0.07*	*0.18*
17.	*464505030061546*	*Shri Tarsem Singh*	*8.00*	*2.00*	*6.00*
18.	*464505030061691*	*Shri Pritam Singh*	*5.57*	*1.56*	*4.01*
19.	*464505030061363 464506060000042*	*Shri Balkaran Singh*	*5.45*	*1.31*	*1.14*
20.	*464505030061371*	*Shri Sukhdev Singh*	*4.26*	*1.04*	*3.23*
	Total				*43.86*

➢ *In all the 33 loan accounts, Shri Bakshi sent notices to borrowers for OTS which did not have any mention about the offer amount to be paid under the scheme and only contained running ledger balance amount.*

➢ *He did not provide the receipt for the deposited amount to the borrowers in 31 loan accounts, except in the accounts of Shri Nirmal Singh (A/c no.464505030061360) and Shri Gurlal Singh (A/c no.464505030061364), which were settled by transferring the amounts from the saving account of the borrower. Hence, it indicates that he used to take the amounts deliberately in cash.*

➢ *Shri Mohit Bakshi issued No Dues Certificate/Settlement Certificate to the borrowers, wherein only the sanctioned limit was mentioned instead of the settlement amount for the purpose of removal of Bank's charge from the revenue records in Sub-Registrar's Office. Moreover, OTS amount was*

> *not mentioned in the letters given to the respective borrowers, after settlement.*
>
> ➢ *In violation of the bank's guidelines on security/prudent measures, Shri Bakshi along with Shri Gupta, the then Recovery Officer formatted the CCTV hard disk of the Branch on 05.04.2021 at 09:25 AM when the said modus operandi was captured through CCTV footage of camera installed in the Branch Manager's cabin.*
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> *Shri Bakshi thus violated the Bank's rule & guidelines while discharging his duties as Branch Manager, Bandi Branch Dist. Bathinda), for personal gain. The lapses on his part have jeopardised the interest of the Bank.*

12. The reply submitted by the petitioner was found to be unsatisfactory, whereupon a regular departmental inquiry was instituted against the erring officials. The Inquiry Officer, after affording due opportunity, returned a finding of guilt against the petitioner, holding the charges to be duly proved.

13. As regards the mitigating circumstances noted by the Inquiry Officer and now heavily relied upon by the petitioner, this Court is of the considered view that the same, in the facts and context of the present case, would not enure to the petitioner's substantial benefit.

14. It is also not in dispute that the petitioner was serving as a Senior Manager and, therefore, occupied a position higher in rank and command than respondent No.2–Kartik Gupta, who held the post of Assistant Manager. The mitigating circumstance recorded by the Inquiry Officer merely notes that respondent No.2–Kartik Gupta appeared to play a dominant role, and that the charge-sheeted officers were ostensibly acting under his direction. However, given that the petitioner, being the charge-

sheeted officer, held a superior position in the official hierarchy, there can be no justification for an Assistant Manager to issue commands to him. It appears that respondent No.2–Kartik Gupta, being the operative hand in executing the unholy scheme, acted as the front, while the petitioner acquiesced to the methodology employed. The petitioner was under no compulsion to accept instructions from a subordinate; rather, it was incumbent upon him, in his capacity as Senior Manager, to take requisite and timely action to ensure that none of the account holders were deprived of the legitimate benefits conferred under the OTS Scheme.

15. Furthermore, the mere circumstance that the illegal activities appeared to have commenced after the transfer of respondent No.2–Kartik Gupta, who was admittedly and actively involved in executing the fraudulent scheme, does not, by itself, exonerate the petitioner. On the contrary, the material on record clearly reflects that the petitioner was an active and willing partner in the said misconduct. His complicity stands established through his own admission, and the findings of the Inquiry Officer. The fact that respondent No.2–Kartik Gupta is stated to have indulged in similar misconduct in other branches, in collusion with respective Branch Heads, only reinforces the conclusion that the initiative for earning illicit gains through deceitful means may have originated with respondent No.2. However, for seamless execution of such unlawful designs, he evidently solicited and secured the cooperation, or at the very least the acquiescence, of the Branch Managers and Senior Managers, including the petitioner, by offering a share in the misappropriated proceeds. Such conduct on the part of the petitioner, especially holding a

position of command and trust, cannot be condoned and clearly establishes his role in the conspiracy.

16. Even otherwise, the dominant role played by respondent No.2– Kartik Gupta in executing the illegal collections under the OTS Scheme does not absolve the petitioner of liability. The Inquiry Report must be construed in its entirety, and the mitigating circumstances noted therein cannot be isolated or treated as dispositive in favour of the petitioner. While such factors may serve to moderate the degree of culpability, they do not negate the petitioner's active involvement and complicity in the misconduct. The charges against the petitioner remain substantiated and must be viewed in the context of the overall findings, which affirm his participation alongside respondent No.2 in the wrongful acts. The findings recorded by the Inquiry Officer are extracted as under:-

> **<u>Findings Conclusion</u>**
>
> • *It is established herein above that CSO had recovered higher amounts from the NPA borrowers which was far more than the amount sanctioned under Centenary Settlement Scheme for Doubtful and Loss Assets (CSSDL)/OTS Scheme for Doubtful & Loss Assets (OSDL) for adjustment/closure of their accounts. CSO had confessed having recovered excess amount from the borrowers and also refunded the excess amount to the tune of Rs.43.86 lacs, jointly with his Assistant Manager (Recovery) Mr. Kartik Gupta. In violation of the scheme guidelines, he convinced the borrowers for depositing the running ledger amount for settlement of their NPA loan accounts under CSSDL/OSDL scheme instead of the actual amount sanctioned under the scheme and informed them that the interest portion of the loan will be waived off. It is reported that though higher amounts as stated above were recovered from the NPA borrowers, the actual settlement amount as per sanction advice i.e. 25-30% of the running ledger was deposited in these NPA accounts. The excess amount*

was shared by him in equal proportion with the then Recovery Officer, Shri Kartik Gupta. Perusal of the statement of accounts held with MEX-1 to MEX-30 reflects that the running ledger outstanding amount matches more or less with the accepted deposit amount referred in ZLCC note MEX-36/27-30. Proper acknowledgement slips for actual deposit of cash were not provided to the borrowers. CSO had issued Settlement Certificates to the borrowers, wherein only the sanctioned limit was mentioned instead of the settlement amount. Moreover, OTS amount was not mentioned in the letters given to the respective borrowers, after settlement which was against the extant guidelines. To erase the evidence CSO along with Shri Gupta, the then Recovery Officer formatted the CCTV hard disk of the Branch on 05.04.2021.

• *Out of the 31 accounts, as per list annexed, documents relating to two accounts at Sr. No.3 & 25 are not held on record of inquiry. Further in terms of ZLCC note MEX-36/27-30, refunds were made to 18 borrowers for 20 accounts held in their names. Excess amount were indentified, out of the claims made by BKU (MEX-36/35) and later the excess amount identified was refunded vide MEX-37. Account wise excess amount refunded is referred in the table below in separate column. In terms of MEX-36/27-30 which is ZLCC Note, the refunds made to the borrowers were out of the recovered amount from CSO & Mr. Kartik Gupta.*

Sr. No.	*Account No.*	*Name of the borrower*	*Refund made*
1.	*464505030060516*	*Shri Nachhatra Singh*	
2.	*464505030061358*	*Shri Gurdev Singh*	
3.	*464506060000026*	*Shri Balveer Singh*	*Doc not held*
4.	*464505030060933*	*Shri Gurdeep Singh*	
5.	*464505030061207*	*Shri Balwant Singh*	*142200*
6.	*464505030060987*	*Shri Sadhu Singh*	
7.	*464505030061371*	*Shri Sukhdev Singh*	*322500*
8.	*464506060000035*	*Shri Gurdas Singh*	*254000*
9.	*464505030061190*	*Shri Gurdas Singh*	
10.	*464505030061280*	*Shri Baldev Singh*	*100000*
11.	*464505030061503*	*Shri Darshan Singh*	*142500*

12.	*464505030061784*	*Shri Dhlan Singh*	*25500*
13.	*464505030061201*	*Shri Amarjit Singh*	*230000*
14.	*464505030061106*	*Ms. Harbahs Kaur*	*300000*
15.	*464505030061384*	*Ms. Chhinder Kaur*	*173962*
16.	*464505030061565*	*Shri Sukhvinder Singh*	*524000*
	464506060000084	*Shri Sukhvinder Singh*	
17.	*464505030061621*	*Shri Gurmet Singh*	*155000*
18.	*464505030061600*	*Shri Ramrakha Singh*	
19.	*464505030060813*	*Shri Gurdeep Singh*	
20.	*464505030061502*	*Shri Gurjant Singh*	
21.	*464505030061263*	*Shri Balkaran Singh*	*413750*
22.	*464506060000042*	*Shri Balkaran Singh*	
23.	*464505030061546*	*Shri Tarsem Singh*	*600000*
24.	*464505030061691*	*Shri Pritam Singh*	*400500*
25.	*464505030061243*	*Shri Makhan Singh*	*147400*
26.	*464505030060659*	*Shri Karnail Singh*	*Doc not filed*
27.	*464505030061603*	*Ms. Rani*	*137790*
28.	*464505030061655*	*Shri Iqbal Singh*	*97850*
29.	*464505030061622*	*Shri Sudha Singh*	
30.	*464505030061170*	*Shri Gurcharan Singh*	*130000*

Inquiry findings-Sh. Mohit Bakshi (U/S), Senior Manager Nandigarh Bandi Branch, Bathinda Region in terms of Article of Charge No.CO:ERD:OS:VIG:376:2022 dated 30th August, 2022.

Therefore, from the evidence on record of inquiry, both oral and documentary and on the basis of various allegations held as established or otherwise, my findings on the charges levelled against the CSO vide the aforesaid Articles of Charge are as under:

✔ *Failure to take all possible steps to ensure and protect the interest of the Bank.*	*Proved*
✔ *Failure to discharge his duties with utmost devotion and diligence.*	*Proved*

✔*Failure to discharge his duties with utmost honesty and integrity.*	*Proved*
✔*Acting otherwise than in his best judgment in the performance of his oficial.*	*Proved*

17. The scope of the mitigating factors noticed by the Inquiry Officer may at best be an aid while determining the punishment to be imposed upon the delinquent Officer. Such factors, however, cannot be construed or interpreted as negating the establishment of charges beyond reasonable doubt or probabilities. The fundamental question of culpability stands affirmed, as the allegation regarding the collection of excess amounts beyond the prescribed One Time Settlement (OTS) Scheme, and the consequent sharing thereof, thus has been proved.

18. Based upon the said Inquiry Report, the Disciplinary Authority passed the order of taking into consideration all the relevant contentions. Since the nature of the allegations and the fraud committed by the petitioner were grave and reflected compromised integrity, hence, the respondent(s)-Union Bank of India decided to impose the major penalty of removal from service. The subsequent appeals, review as well as mercy petition have also bee dismissed.

19. The charges and allegations proven against the petitioner, as upheld by the Departmental Authorities at every stage, clearly establish the commission of grave misconduct. The proven charge of dishonestly receiving undue benefits reflects moral turpitude and conduct unbecoming of a Senior Manager. The act of collecting excessive amounts and sharing the proceeds with the recovery agent constitutes a

serious breach of public trust and an abuse of authority. Such conduct defeats the very purpose of the One Time Settlement Scheme, resulting in the unjust deprivation of benefits meant for the customers, thereby constituting a flagrant violation of fiduciary duty.

20. So far as the argument of the petitioner about having submitted the confession letter under threat is concerned, the said argument does not inspire any confidence and seems to be an afterthought since the plea of having submitted the letter under compelling circumstances was raised by the petitioner for the first time in September, 2022 i.e. after an expiry of 10 months. Even the manner in which the petitioner has raised this plea, merely to test its efficacy, demonstrates that it is a calculated afterthought, advanced solely as a stratagem to evade punishment and to obtain absolution from the charges duly established against him.

21. It is well settled that the scope of interference by this Court, in matters of disciplinary action is circumscribed. Except where there is manifest illegality, perversity, impropriety, discrimination, or arbitrariness in the impugned action, or doctrine of proportionality is violated, the High Court, exercising its jurisdiction of judicial review, would not ordinarily act as an appellate authority to re-examine or overturn the decision rendered by the competent disciplinary authorities.

22. Finding no merit, **the instant writ petition is dismissed *in limine***.

(VINOD S. BHARDWAJ)
JUDGE

16.07.2025
Rahul Joshi

Whether Speaking/reasoned Yes/No
Whether Reportable Yes/No