

2025:PHHC:074929



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-21259-2014

JUDGMENTS RESERVED ON :14.05.2025

JUDGMENTS PRONOUNCED ON : 28.05.2025

ANIL SHARMA

.....Petitioner

VERSUS

STATE BANK OF INDIA AND OTHERS

.....Respondents

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

Present: - Ms. Anjali Kukar, Advocate
for the petitioner.

Mr. Kapil Kakkar, Advocate
for the respondent-Bank.

VINOD S. BHARDWAJ, J.

Challenge in the present petition is to the Enquiry Report dated 29/3/2010 (Annexure: P10), order of dismissal from service dated 27/4/2011 (Annexure: P12) passed by Respondent no. 3 (Appointing Authority), order dated 20/8/2011 (Annexure: P14) passed by Respondent no. 1 (Appellate Authority) as well as order dated 12/11/2012 (Annexure: P16) passed by the Reviewing Committee. A further prayer has been made directing the Respondents to take back the petitioner as Officer Jr. Management Grade Scale 1 with full back wages along with all consequential reliefs.

2. Learned Counsel for the Petitioner contends that the Petitioner was appointed as a Clerk with the Respondent bank on 22/11/1985. He



CWP-21259-2014

-2-

remained posted as a Clerk for 19 years and was thereafter promoted as Jr. Management Grade Scale-I on 15.03.2004 and was posted with SBI, Charna, District Sirmour(Himachal Pradesh). The Petitioner joined as a Manager with SBI, Charna,) on 11/8/2004. He worked to the satisfaction of his employers and several customers left other banks and started to do business with State Bank of India (SBI).

3. The petitioner was mainly catering with rural clients whose main business was related to Agriculture. A 'Loan Utsav' was held to commemorate petitioners good work and staff working under him. In this event, 75 loans were sanctioned on the same day amounting to Rs. 57.87 Lakhs.

4. It is further contended that the working of the manager who was posted after the transfer of the petitioner from the Charna Branch was not satisfactory and the same was foisted upon the petitioner despite he not working in the said branch and it being the responsibility of the incumbent Manager to ensure recovery of loan amounts and to not allow the loan accounts to slip as NPAs.

5. A complaint was however made against one Pardeep Aggarwal (who was clerk at Charna Branch when petitioner was Branch Manager at Didag) and the said complaint was signed by 15 people. Thereafter, two individual complaints one by Yashpal and another by Anil Kumar were purported to have been made in which name of Petitioner was mentioned for the first time. The petitioner states that both these persons were signatory to the earlier complaint, wherein they did not mention the name of petitioner but later mentioned his name on asking of certain bank officials.



6. Petitioner thereafter received a letter dated 18.03.2008 whereby petitioner was placed under suspension. He also received a preliminary inquiry report dated 26/27.03.2008 alongwith the said letter to which he duly replied on 12.04.2008. The petitioner was thereafter transferred to the Zonal Office, Punjab at Chandigarh from the branch on 11.09.2008.

7. A copy of chargesheet along with Articles of charges on 05.02.2009 were served upon the petitioner vide letter dated 02.03.2009 stating that the enquiry in terms of Rule 68 (2)(i)(ii) of the State Bank of India Officers service Rules shall be conducted and an Enquiry Officer was also appointed.

8. There were a total of 7 Charges against petitioner. Bare perusal of Chargesheet would state that there are 2 sets of allegations broadly. The 1st set of allegation is for having received illegal gratification in collusion with Pardeep Aggarwal, cashier of the Bank in sanctioning loans and other set of allegations is that accounts turned into NPAs due to above stated fact. Petitioner successfully cross examined witnesses and showed proof of his innocence but in the enquiry report none of the defenses taken by the petitioner were considered.

9. In enquiry report as regards Charge 1 (illegal gratification), it is written “party proved” with a finding that the bribe money has been accepted by the staff, may be by the assistant who completed the documentation in all these cases. It is contended that once the 1st charge is not proved or partially proved to hold that the staff might have taken illegal gratification and not the petitioner, rest of the charges based upon charge 1



should have also been held to be not proved but without discussing any of the defence pleas and documents given by the petitioner, all charges have been illegally, arbitrarily and without discussion been held to be proved. It was specifically brought to the notice of the enquiry officer that at the time when Petitioner was transferred, the figure of NPA accounts was Rs. 6.76 lakhs. It was during the tenure of subsequent manager that these accounts turned into NPAs for which petitioner was chargesheeted.

10. Acceptance of bribe money by the Assistant cannot be a ground to either chargesheet the petitioner or to hold him guilty as the petitioner cannot be held guilty of wrongdoing of a subordinate employee. Furthermore, as regards the allegation of handing cheque by petitioner to some person, no such cheque was brought on record during the evidence stage and none was put to the petitioner to either controvert or accept the same and if the document is not exhibited, the enquiry officer cannot give a finding on the basis of non- existent document.

11. Cross Examination of one Shri Durga Singh clearly reveals that the accounts turned NPA as the subsequent Branch Manager did not allow the account holders to withdraw money in off-season and therefore, they did not route the money through the accounts.

12. Punishing Authority without going into the merits of defence submitted by the petitioner passed the order of dismissal of service by order dated 27.04.2011. In the impugned order of dismissal, it has been wrongly mentioned by the punishing authority that 2 persons Yashpal Sharma and Anil Kumar had deposed against the Petitioner. Petitioner thereafter filed an appeal under Rule 69 of SBI Officers Services Rules. The Appellate



CWP-21259-2014

-5-

Authority vide its order dated 20.08.2011 dismissed the appeal of the petitioner. He filed a review application/memorandum before the reviewing committee, however, the reviewing Authority vide its order dated 12.11.2012 dismissed the said memorandum.

13. Aggrieved thereof, the present writ petition is filed.

14. On the last date of hearing, i.e. 06/03/2025 a preliminary objection was raised regarding Territorial jurisdiction by the Counsel for Respondents, in light of the fact that the petitioner was serving as Branch Manager in the State of Himachal Pradesh and the petitioner was terminated from his services in the State of Himachal Pradesh. Hence, no part of cause of action had arisen within the jurisdiction of this Hon'ble Court. The counsel for respondent prayed for dismissal of the present petition on this ground alone. The aforesaid order is reproduced as follows:-

'An objection with respect to the maintainability of the present writ petition has been raised by the counsel for respondents on the ground that at that time petitioner was serving in Himachal Pradesh and the proceedings from where the cause of action has accrued were also initiated there.

Learned Counsel appearing for the petitioner prays for some time to assist this court on the objection of maintainability of the present writ petition raised by the Counsel for the respondents.

On request, adjourned to 14.05.2025.'

15. On resumed hearing today, Learned Counsel for petitioner placed reliance on the judgment of Delhi High Court in W.P. (C) No.

**CWP-21259-2014**

-6-

10392/2015 titled as *PKS Shrivastava v Union of India & Anr* decided on 1/12/2016. In this case, the impugned termination order was issued at New Delhi but the order of termination was served upon the petitioner at Goa. The Delhi High Court dismissed the petition stating that the Cause of action would arise only on communication of order and the mere existence of file in Delhi would not give the Court jurisdiction. The extract of the same relied upon by the Counsel for the petitioner is reproduced hereunder:

“9. Therefore, the ratio of the judgment in the case of Sterling Agro Industries Ltd. (supra) will have no application and will not help the petitioner for holding that this Court has territorial jurisdiction. Even as per the case of Sterling Agro Industries Ltd. (supra) at least a part of cause of action has to arise in Delhi for this Court to have territorial jurisdiction to file a case, and no part of cause of action has arisen in Delhi in the present case because simply existence of an order in the file of the Government at Delhi does not create any right or liability, and which right or liability is created only on communication of the order, and which order dated 28.10.2015 in the present case was communicated to the petitioner at Goa.”

16. Petitioner claims the jurisdiction of this Court on the ground that conveyance of letter was within the territorial jurisdiction of this Court, hence, the jurisdiction would vest here. The impugned orders were passed by the Headquarters of SBI which is placed in Chandigarh which is well within the jurisdiction of the Court.

17. Petitioner has also placed reliance on the judgment of Karnataka High Court titled as *Arun Kumar Aggarwal v Chairman, State*



CWP-21259-2014

-7-

Bank of India and Anr arising out of W.P. no 25946 of 1991 decided on 26th November, 1999. In this case, the Petitioner was working at the State Bank of India's Lucknow Circle, but the said order was served upon the Petitioner at Bangalore. Since the order was communicated at Bangalore, it was held that Karnataka High Court has jurisdiction to entertain the same.

18. Before proceeding any further it is necessary to delve into the question of maintainability of present writ petition.

19. The undisputed facts which emerge from the present writ petition is that Petitioner was charge-sheeted for colluding with one Pardeep Aggarwal for taking money from prospective buyers as illegal gratification and a major penalty of 'Dismissal from service' was imposed on Petitioner in terms of Rule 67(j) of State Bank of India Officers Rules.

20. A perusal of the proceedings under challenge show that the order for holding Regular inquiry as well as charge-sheet shows that the same was served upon him at Hamirpur (H.P.) The address given of the communication of Inquiry report is also at Hamirpur. So much so, even in his own reply/comments in response show that the petitioner has himself mentioned his address at 'Office of SBI, Hamirpur'. The address for Communication of order of dismissal is also at Hamirpur. Even in the pleading, it is not the case of the petitioner that earlier orders or proceedings had taken place in Chandigarh merely because the Head Office is at Chandigarh and some departmental correspondence originated from here is not same as saying that the order is communicated at Chandigarh. The



CWP-21259-2014

-8-

judgments cited by the petitioner do not itself become applicable to the facts pleaded.

21. Article 226(2) of the Constitution of India states that : *The power conferred by clause (1) to issue directions, orders or writs to any Government, authority or person may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises for the exercise of such power, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories.*

22. It is clear from the bare reading of the provision that the High Court can exercise the jurisdiction in relation to the territory within which the cause of action, wholly or in part arises. The expression “cause of action” has not been defined in Constitution. However, the classic definition of “cause of action” given by Lord Brett in *Cooke v. Gill* , (1873) LR 8 CP 107 that “cause of action” means every fact which would be necessary for the plaintiff to prove, if traverse, in order to support his right to judgment of this Court”, which has been accepted by the Hon’ble Supreme Court. It has been observed by the Hon’ble Supreme Court in *State of Goa v. Summit Online Trade Solutions* reported as (2023) 7 SCC 791 that it is axiomatic that without a cause, there cannot be any action. In context of a writ petition, what would constitute such ‘cause of action’ is the material facts which are imperative for the writ petitioner’s to plead and prove to obtain relief as claimed.



23. In the case of *Navinchandra N.Majithia versus State of Maharashtra and others* reported as **AIR 2000 SC 2966** there was wide discussion on the phrase "Cause of Action". The relevant extract thereof reads as under:-

"18. In legal parlance the expression "cause of action" is generally understood to mean a situation or state of facts that entitles a party to maintain an action in a court or a tribunal; a group of operative facts giving rise to one or more basis for suing; a factual situation that entitles one person to obtain a remedy in court from another person. (Black's Law Dictionary)

19. In Stroud's Judicial Dictionary a "cause of action" is stated to be the entire set of facts that gives rise to an enforceable claim; the phrase comprises every fact, which, if traversed, the plaintiff must prove in order to obtain judgment.

20. In "Words and Phrases" (4th Edn.) the meaning attributed to the phrase "cause of action" in common legal parlance is existence of those facts which give a party a right to judicial interference on his behalf.

21. A Bench of three learned Judges of this Court in the case of Oil and Natural Gas Commission v. Utpal Kumar Basu reported as (1994) 4 SCC 711 considered at length the question of territorial jurisdiction under Article 226(2) of the Constitution of India. Some of the relevant observations made in the judgment are extracted hereunder: (SCC pp. 716-17, paras 5-6) "5. Clause (1) of Article 226 begins with a non obstante clause notwithstanding anything in Article 32- - and provides that every High Court shall have power throughout the



territories in relation to which it exercises jurisdiction', to issue to any person or authority, including in appropriate cases, any Government, 'within those territories' directions, orders or writs, for the enforcement of any of the rights conferred by Part III or for any other purpose. Under clause (2) of Article 226 the High Court may exercise its power conferred by clause (1) if the cause of action, wholly or in part, had arisen within the territory over which it exercises jurisdiction, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories. On a plain reading of the aforesaid two clauses of Article 226 of the Constitution it becomes clear that a High Court can exercise the power to issue directions, orders or writs for the enforcement of any of the fundamental rights conferred by Part III of the Constitution or for any other purpose if the cause of action, wholly or in part, had arisen within the territories in relation to which it exercises jurisdiction, notwithstanding that the seat of the Government or authority or the residence of the person against whom the direction, order or writ is issued is not within the said territories. In order to confer jurisdiction on the High Court of Calcutta, NICCO must show that at least a part of the cause of action had arisen within the territorial jurisdiction of that Court. This is at best its case in the writ petition.

6. It is well settled that the expression 'cause of action' means that bundle of facts which the petitioner must prove, if traversed, to entitle him to a judgment in his favour by the court. In Chand Kour v. Partab Singh Lord Watson reported as ILR (1889) 16 Cal 98 said: ... the cause of action has no relation whatever to the defence



which may be set up by the defendant, nor does it depend upon the character of the relief prayed for by the plaintiff. It refers entirely to the ground set forth in the plaint as the cause of action, or, in other words, to the media upon which the plaintiff asks the court to arrive at a conclusion in his favour.' Therefore, in determining the objection of lack of territorial jurisdiction the court must take all the facts pleaded in support of the cause of action into consideration albeit without embarking upon an inquiry as to the correctness or otherwise of the said facts. In other words the question whether a High Court has territorial jurisdiction to entertain a writ petition must be answered on the basis of the averments made in the petition, the truth or otherwise whereof being immaterial. To put it differently, the question of territorial jurisdiction must be decided on the facts pleaded in the petition. Therefore, the question whether in the instant case the Calcutta High Court had jurisdiction to entertain and decide the writ petition in question even on the facts alleged must depend upon whether the averments made in paragraphs 5, 7, 18, 22, 26 and 43 are sufficient in law to establish that a part of the cause of action had arisen within the jurisdiction of the Calcutta High Court."

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38. "Cause of action" is a phenomenon well understood in legal parlance. Mohapatra, J. has well delineated the import of the said expression by referring to the celebrated lexicographies. The collocation of the words a "cause of action, wholly or in part, arises" seems to have been lifted from Section 20 of the Code of Civil Procedure, which section also deals with the jurisdictional aspect of the courts. As per that section the



suit could be instituted in a court within the legal limits of whose jurisdiction the "cause of action wholly or in part arises". Judicial pronouncements have accorded almost a uniform interpretation to the said compendious expression even prior to the Fifteenth Amendment of the Constitution as to mean "the bundle of facts which would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the court".

39. In Read v. Brown (1888) 22 QBD 128 Lord Esher, M.R., adopted the definition for the phrase "cause of action" that it meant "every fact which it would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the court. It does not comprise every piece of evidence which is necessary to prove each fact, but every fact which is necessary to be proved"

40. The Privy Council has noted in Mohd. Khalil Khan v. Mahbub Ali Mian reported as AIR 1949 PC 78 that the aforesaid definition adopted by Lord Esher M.R. had been followed in India. Even thereafter the courts in India have consistently followed the said interpretation without exception for understanding the scope of the expression "cause of action".

41. Even in the context of Article 226(2) of the Constitution this Court adopted the same interpretation to the expression "cause of action, wholly or in part, arises" vide State of Rajasthan v. Swaika Properties (1985) 3 SCC 217. A three-Judge Bench of this Court in Oil and Natural Gas Commission v. Utpal Kumar Basu (supra) observed that it is well settled that the expression "cause of action" means that bundle of facts which the



petitioner must prove, if traversed to entitle him to a judgment in his favour. Having given such a wide interpretation to the expression Ahmadi, J. (as the learned Chief Justice then was) speaking for M.N. Venkatachaliah, C.J. and B.P. Jeevan Reddy, J., utilised the opportunity to caution the High Courts against transgressing into the jurisdiction of the other High Courts merely on the ground of some insignificant event connected with the cause of action taking place within the territorial limits of the High Court to which the litigant approaches at his own choice or convenience. The following are such observations. "If an impression gains ground that even in cases which fall outside the territorial jurisdiction of the court, certain members of the court would be willing to exercise jurisdiction on the plea that some event, however trivial and unconnected with the cause of action had occurred within the jurisdiction of the said court, litigants would seek to abuse the process by carrying the cause before such members giving rise to avoidable suspicion. That would lower the dignity of the institution and put the entire system to ridicule. We are greatly pained to say so but if we do not strongly deprecate the growing tendency we will, we are afraid, be failing in our duty to the institution and the system of administration of justice. We do hope that we will not have another occasion to deal with such a situation."

24. Admittedly, the counsel for petitioner has failed to point out any part of any cause of action which has arisen in the jurisdiction of this Court except origination of letters which have been issued by Respondent no.5. In the present case the Cause of action accrued in Charna Branch of State Bank



of India and mere receipt or communication of order is not sufficient to invoke jurisdiction under Article 226(2). The same view was taken in *CT Sanjay Singh v Union of India* and others arising out of CWP 13728 of 2010 decided on 20th August, 2010. The relevant paragraphs are extracted as follows:-

“2. For the purpose of deciding whether facts averred by the petitioner would or would not constitute a part of cause of action, one has to consider whether such facts constitute a material, essential or integral part of cause of action. In determining the said question the substance of the matter and not form thereof is to be considered. Even if a small fraction of the cause of action arises within the jurisdiction of the Court, the Court would have territorial jurisdiction to entertain the suit/petition, but it must be an integral part of cause of action, nothing less than that. The facts pleaded in the petition must form the part of integral cause of action.

3. The mere communication of the order would not give territorial jurisdiction to the Court to entertain and try the writ petition.

25. Even in the case of *Oil and Natural Gas Commission v Utpal Kumar Basu and others* reported as (1994) 4 SCC 711 Hon’ble Supreme Court held that averments in the petition did not disclose that even a part of cause of action arose within the territorial jurisdiction of the Calcutta High Court, therefore the Court had no jurisdiction to entertain the matter.

26. The judgments cited by the petitioner of Delhi High Court and Karnataka High Court are not binding on this Court and same only holds a

**CWP-21259-2014**

-15-

persuasive value whereas the judgment of CT Sanjay Kumar is from this Court and would thus be an enforceable precedent. The Hon'ble High Court of Delhi and Karnataka had no occasion to deal with judgment of this Court on the same issue. Counsel for the petitioner has failed to point out as to how the judgment in CT Sanjay Kumar (supra) does not lay down a good law. In the absence of the same, this Court becomes bound by the earlier view and if it does not agree to the same, the matter needs to be referred to a larger Bench. Since no such circumstances have been cited or argument raised, there is no compelling reason for this Court to take any different view.

27. The writ petition is therefore disposed of for want of territorial jurisdiction, with liberty to the petitioner to file the writ petition in the competent court having territorial jurisdiction to decide the present *lis*. As the matter is not being decided on merits, the same are not being commented upon lest it causes prejudice to the parties.

MAY 28, 2025
Vishal Sharma

(VINOD S. BHARDWAJ)
JUDGE

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