



CWP-7572-2013 AND CWP-14094-2013

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

**(I) CWP-7572-2013
Reserved on: 16.09.2025
Pronounced on: 04.12.2025
Uploaded on: 09.12.2025**

THE CHIEF GENERAL MANAGER, STATE BANK OF INDIA

-PETITIONER

VERSUS

**PRESIDING OFFICER, CENTRAL GOVERNMENT
INDUSTRIAL TRIBUNAL CUM LABOUR COURT-I,
CHANDIGARH AND ANR.**

-RESPONDENTS

(II) CWP-14094-2013

DARSHAN SINGH

-PETITIONER

V/S

STATE BANK OF INDIA AND OTHERS

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

**Present: Mr. Vikas Chatrath, Advocate, and
Mr. Abhishek Sharma, Advocate
for the petitioner (in CWP-7572-2013) and
for the respondent No.1 (in CWP-14094-2013).**

**Mr. Tara Chand Dhanwal, Advocate
for the petitioner (in CWP-14094-2013) and
for the respondent No.2 (in CWP-7572-2013).**

KULDEEP TIWARI, J. (ORAL)

1. The amenability of both these writ petitions for being decided through a common verdict generates from theirs encompassing challenge to a common award dated 23.06.2010, whereby the Central Government

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Industrial Tribunal-cum-Labour Court-I, Chandigarh (hereinafter referred to as the “Industrial Tribunal”) has set aside the termination order of the workman/Darshan Singh and directed the management/State Bank of India to reinstate him within one month from the date of publication of the award. The management was, however, granted liberty to conduct a regular inquiry regarding unauthorized absence of the workman. To be precise, CWP-7572-2013 has been instituted by the management being aggrieved by the reference becoming answered in favour of the workman, while CWP-14094-2013 has been instituted by the workman seeking enforcement of the impugned award.

2. In essence, the entire controversy inhering these writ petitions hinges upon the authority of the management to terminate the services of the workman, who absented himself from service for a long duration of time. In the case at hand, the workman’s continuous absence for 90 consecutive days led the management to invoke Clause 17 of the 5th Bipartite Settlement to declare him “deemed to be voluntarily retired w.e.f. 26.01.1999”, vide order dated 08.02.1999.

3. Learned counsel for the management contends that the reference has been answered in favour of the workman solely on the ground that no inquiry was conducted. It is contended that the impugned award is legally untenable because Clause 17 expressly empowers the management to deem an employee voluntarily retired upon his absence exceeding 90 consecutive days without leave or intimation. The case at hand is voluntary abandonment of services by the workman, and hence

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the management was not under any statutory obligation to conduct an inquiry, particularly when the workman was served with the statutory notice to join duty. Therefore, the principles of natural justice stand complied with, and the action taken in terms of Clause 17 is legally unimpeachable.

4. To lend vigour to his arguments, learned counsel for the management places reliance upon the judgment dated 08.05.2023, rendered by a Co-ordinate Bench of this Court in ***RSA-1274-2013 (State Bank of Patiala and others vs. Bhagwan Dass Ahuja)***, wherein it has been held that the direction to hold an enquiry is to be given keeping in view the facts and circumstances of a particular case, and in all cases, the rules of natural justice cannot be made strictly applicable and that too by ignoring the relevant facts of a particular case and rules and circulars governing the service. Reliance is also placed upon the judgment dated 25.04.2000, drawn by the Hon'ble Supreme Court in ***"Syndicate Bank vs. The General Secretary, Syndicate Bank Staff Association and another", 2000 AIR (Supreme Court) 2198***, wherein it has been held that no inquiry is required where services are terminated by operation of the bipartite settlement treating long unauthorized absence as voluntary retirement.

5. Finally, learned counsel for the management contends that the Industrial Tribunal lacked jurisdiction because the dispute pertained to voluntary cessation of service. It is argued that the Industrial Tribunal travelled beyond the terms of reference, which were confined to examining whether the termination was legal and justified, whereas the

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case was one of willful abandonment and voluntary cessation of employment. Therefore, the impugned award is unsustainable in the eyes of law.

6. Refuting the arguments pitched by learned counsel for the management, learned counsel for the workman, at the outset, submits that Clause 17 of the 5th Bipartite Settlement stood deleted w.e.f. 01.11.1997 by virtue of Clause 33 of the 7th Bipartite Settlement. Therefore, invoking Clause 17 after its deletion, to declare the workman as voluntarily retired w.e.f. 26.01.1999 is wholly illegal. To fortify this submission, reliance is placed upon the judgment dated 22.01.2010, drawn by a Co-ordinate Bench of this Court in ***RSA-1631-2007***, titled ***“State Bank of India and ors. vs. Ram Singh”***.

7. Advancing arguments on merits, learned counsel for the workman contends that there has even been complete violation of Clause 17 while serving the workman with the notice, inasmuch as it has been alleged that the workman remained absent w.e.f. 21.10.1998 and the statutory notice was served on 26.12.1998, i.e. before completion of the requisite 90 days period of consecutive absence. Therefore, issuance of the statutory notice prematurely, in violation of Clause 17, renders the same invalid. Consequently, the order dated 08.02.1999 declaring the workman as “deemed to be voluntarily retired w.e.f. 26.01.1999” is vitiated in law.

8. This Court has heard the submissions advanced by learned counsel for the parties and made a studied survey of the record.

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9. The primary issue warranting determination is “*whether Clause 17 of the 5th Bipartite Settlement remained operative on the date of the termination order dated 08.02.1999*”.

10. Although learned counsel for the workman relies upon the judgment dated 22.01.2010 passed in *Ram Singh’s case (supra)*, to contend that Clause 17 stood deleted w.e.f. 01.11.1997, vide Clause 33 of the 7th Bipartite Settlement, learned counsel for the management submits that the judgment dated 22.01.2010 has already been set aside by the Hon’ble Supreme Court through its penning down the judgment dated 28.07.2022 in case titled “*State Bank of India and ors. vs. Ram Singh*”, **2022(3) S.C.T. 834**. The Hon’ble Supreme Court has specifically held that Clause 17 was deleted only on the date when the settlement was signed on 27.03.2000, and that it was valid and operative on the date when the termination order (in that case dated 28.12.1999) was passed. The relevant paragraphs embodying the above observations are extracted hereunder:-

“19. Such settlements do not deal with Clause 17 of the Bipartite Settlement arrived at on 10.04.1989. It was only in the settlement signed on 27.03.2000, Clause 17 was deleted. Therefore, on the date of the deemed cessation of service, i.e. vide Registered Notice dated 28.12.1999, Clause 17 was valid and operative clause. Therefore, the services of the respondent could be terminated in terms of the Bipartite Settlement.

20. In view of the said fact, we find the argument raised by Mr. Aggarwal, on the basis of 7th Bipartite Settlement, to be not tenable as on the date of notice of cessation of service in terms of the Bipartite Settlement sent, the services could be terminated by one month’s notice.”

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11. In view of the authoritative pronouncement (*supra*), the contention of workman's counsel that Clause 17 was invalidly invoked is devoid of merit and is rejected. The management was competent to invoke Clause 17 while issuing the termination order dated 08.02.1999.

12. Now, the second issue emerging for consideration is ***“whether the action of the management in terminating the services of the workman was in conformity with Clause 17 of the 5th Bipartite Settlement”***. To pen down an answer to this issue, certain crucial facts and Clause 17 warrant attention, which are alluded to hereinafter.

13. It is deemed imperative to begin with making a survey of Clause 17 of the 5th Bipartite Settlement, which formed the basis of the termination. Clause 17 reads as under:-

“17. Voluntary Cessation of Employment by the Employee

The earlier provisions relating to the voluntary cessation of employment by the employee in the earlier settlements shall stand substituted by the following:

a) When an employee absents himself from work for a period of 90 or more consecutive days, without submitting any application for leave or for its extension or without any leave to his credit or beyond the period of leave sanctioned originally/subsequently or when there is a satisfactory evidence that he has taken up employment in India or when the management is reasonably satisfied that he has no intention of joining duties, the management may at any time thereafter give a notice to the employee at his last known address calling upon him to report for duty within 30 days of the date of the notice, stating inter alia the grounds for coming to the conclusion that the employee has no intention of joining duties and furnishing necessary evidence, where available. Unless the employee reports for duty within 30

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days of the notice or gives an explanation for his absence within the said period of 30 days satisfying the management that he has not taken up another employment or avocation and that he has no intention of not joining duties, the employee will be deemed to have voluntarily retired from the bank's service on the expiry of the said notice. In the event of the employee submitting a satisfactory reply, he shall be permitted to report for duty thereafter within 30 days from the date of the expiry of the aforesaid notice without prejudice to the bank's right to take any action under the law or rules of service.

b) When an employee goes abroad and absents himself for a period of 150 or more consecutive days without submitting any application for leave, or for its extension or without any leave to his credit or beyond the period of leave sanctioned originally/subsequently or when there is a satisfactory evidence that he has taken up employment outside India or when the management is reasonably satisfied that he has no intention of joining duties, the management may at any time thereafter give a notice to the employee at his last known address calling upon him to report for duty within 30 days of the date of the notice, stating, inter alia the grounds for coming to the conclusion that the employee has no intention of joining duties and furnishing necessary evidence, where available. Unless the employee reports for duty within 30 days of the notice or gives an explanation for his absence within the said period of 30 days satisfying the management that he has not taken up another employment or avocation and that he has no intention of not joining duties, the employee will be deemed to have voluntarily retired from the bank's service on the expiry of the said notice. In the event of the employee submitting a satisfactory reply, he shall be permitted to report for duty thereafter within 30 days from the date of the expiry of the aforesaid notice without prejudice to the bank's right to take any action under the law or rules of service.

c) If an employee again absents himself within a period of 30 days without submitting any application after reporting for duty in

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response to the notice given after 90 days or 150 days absence, as the case may be, the second notice shall be given after 30 days of such absence giving him 30 days time to report. If he reports in response to the second notice, but absents himself a third time from duty within a period of 30 days without application, his name shall be struck off from the establishment after 30 days of such absence under intimation to him-by registered post deeming that he has voluntarily vacated his appointment.”

14. A perusal of Clause 17 makes graphic emergence that when an employee absents himself from work for a period of 90 or more consecutive days, without submitting any application for leave or intimation or when the management is reasonably satisfied that he has no intention of joining duties, the management may at any time thereafter give a notice to the employee at his last known address calling upon him to report for duty within 30 days of the date of the notice, stating, *inter alia*, the grounds for coming to the conclusion that the employee has no intention of joining duties and furnishing necessary evidence, where available. If the employee, upon receipt of such notice, does not join within a period of 30 days, he will be deemed to have voluntarily retired from the bank’s service on the expiry of the said notice.

15. In the present case, the workman absented himself from duty from 21.10.1998 without leave or intimation, whereupon he was served with the statutory notice on 07.11.1998, requiring him to report for duty within 03 days. Upon his failure to do so, a second notice dated 26.12.1998 was served, calling upon him to join duty within 30 days, failing which he would be deemed to have voluntarily retired. His continued absence culminated in issuance of a third notice dated

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08.02.1999, thereby declaring him as “deemed to be voluntarily retired from service w.e.f. 26.01.1999”.

16. Since the workman, despite being served with two notices by the management, which were undisputedly received by him, chose neither to reply to those notices by offering any explanation for his prolonged absence, nor to make any effort to rejoin duty, and instead reported to the bank for the first time only on 20.10.1999, it is evident that the management’s decision to declare him “deemed to be voluntarily retired from service” was in conformity with Clause 17 of the 5th Bipartite Settlement.

17. It is also significant to record here that the workman, during his cross-examination, admitted that he had absented himself from duty on 04.07.1998, whereupon he was earlier also served with notices dated 24.08.1998 and 30.09.1998, and the first statutory notice was served upon him on 07.11.1998. The management thus had sufficient basis to record its satisfaction that the workman has no intention to join duty.

18. The final issue surging forth for determination is “*whether, despite conclusion under Clause 17 that the workman remained absent for over 90 consecutive days without any leave or intimation and failed to report for duty despite statutory notice, the management was still required to conduct a departmental enquiry before deeming him voluntarily retired*”.

19. This issue is no more *res integra*. The Hon’ble Supreme Court, while delivering the verdict in *Syndicate Bank’s case (supra)*, has

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dealt with this issue in extenso and specifically held that once an opportunity to explain is given by issuing a show cause notice and to join duty within 30 days, but the workman still does not respond, the action of the management removing him from service in terms of Bipartite Settlement would be just, fair and reasonable in conformity with the principles of natural justice. The apposite paragraphs are extracted hereunder:-

“14. In the present case action was taken by the Bank under Clause 16 of the Bipartite Settlement. It is not disputed that Dayananda absented himself from the work for a period of 90 or more consecutive days. It was thereafter that the Bank served a notice on him calling upon to report for duty within 30 days of the notice stating therein the grounds for the Bank to come to be conclusion that Dayananda had no intention of joining duties. Dayananda did not respond to the notice at all. On the expiry of the notice period Bank passed orders that Dayananda had voluntarily retired from the service of the Bank.

15. Now what are the requirements of principles of natural justice, which are required to be observed? These are : (1) workman should know the nature of the complaint or accusation; (2) an opportunity to state his case; and (3) the management should act in good faith which means that the action of the management should be fair, reasonable and just. All these three criteria have been fully met in the present case. Principles of natural justice are inbuilt in Clause 16 of the Bipartite Settlement. When evidence was led before the Tribunal, Bank produced the registered covers, which had been received back with the endorsement "refused" and the addressee "not found during delivery time". Dayananda said he never refused to receive the notice. In these circumstances Tribunal thought it necessary to hold that notice was not served on Dayananda as the Bank did not examine the postman. The notice was sent on the correct

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address of Dayananda and it was received back with the postal endorsement "refused". A clear presumption arose in favour of the Bank and against Dayananda. Yet the Tribunal held that no notice was given to Dayananda as postman was not produced by the Bank. This appears to us to be rather an incongruous finding by the Tribunal. Unfortunately, High Court did not go into this question at all. Considering the conduct of Dayananda all this period and after three years of his having voluntarily retired from the Bank in terms of Clause 16 of the Bipartite Settlement his statement that he did not receive the notice was a sheer lie. His whole edifice was built on falsehood and yet the Tribunal was there to give him relief on the platter though at the same time criticised his conduct during his employment with the Bank.

16. It is no point laying stress on the principles of natural justice without understanding their scope or real meaning. There are two essential elements of natural' justice which are : (a) no man shall be judge in his own cause; and (b) no man shall be condemned, either civilly or criminally, without being afforded an opportunity of being heard in answer to the charge made against him. In course of time by various judicial pronouncements these two principles of natural justice have been expanded, e.g., a party must have due notice when the Tribunal will proceed; Tribunal should not act on irrelevant evidence or shut out relevant evidence; if the Tribunal consists of several members they all must sit together at all times; Tribunal should act independently and should not be biased against any party; its action should be based on good faith and order and should act in just, fair and reasonable manner. These in fact are the extensions or refinements of the main principles of natural justice stated above.

17. Bank has followed the requirements of Clause 16 of the Bipartite Settlement. It rightly held that Dayananda had voluntarily retired from the service of the Bank. Under these circumstances it was not necessary for the Bank to hold any inquiry before passing the order. An inquiry would have been necessary if Dayananda had submitted his explanation which was

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not acceptable to the Bank or contended that he did report for duty but was not allowed to joint by the Bank. Nothing of the like has happened here. Assuming for a moment that inquiry was necessitated, evidence led before the Tribunal clearly showed that notice was given to Dayananda and it is he who defaulted and offered no explanation of his absence from duty and did not report for duty within 30 days the notice as required in Clause 16 of the Bipartite Settlement.

18. This undue reliance on the principles of natural justice by the Tribunal and even by the High Court has certainly led to miscarriage of justice as far as Bank is concerned. Conduct of Dayananda as an employee of the Bank has been astounding. It was not a case where the Tribunal should have given any relief to Dayananda and yet the Bank was directed to reinstate him with continuity of service and mercifully the latter part of the relief High Court struck down. There was no occasion for the Tribunal to direct that Dayananda be reinstated in service or for the High Court not to have exercised its jurisdiction under Article 226 of the Constitution to set aside the Award.”

20. Similarly, in **“Regional Manager, Bank of Baroda vs. Anita Nandrajog”, 2009(9) SCC 462**, this issue was again dealt with by the Hon’ble Supreme Court and the action of the management bank in terminating the services of employee by invoking the Bipartite Settlement was held to be legal. The relevant observations read as under:-

“12. Under clause 17(b) of the Bipartite Settlement it is clear that if an employee is absent without leave for more than 150 days and has no more leave to his/her credit then the Bank can validly order voluntary cessation of employment. Also, under clause 17(b), when the management is reasonably satisfied that the employee has no intention of joining duty, it may call upon the employee to report for duty within 30 days failing which action could be taken under clause 17(b). In the present case such a



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notice was given by the Bank on 26.6.1989 but the respondent wanted leave till April, 1990 i.e. for another eight months. It is thus clear that she had no intention of resuming duty within 30 days. Hence we are of the opinion that the action of the Bank in terminating her service on the ground of voluntary cessation of employment vide order dated 26.8.1989, annexure P-4 to this appeal, was valid.”

21. Furthermore, the verdict rendered by a Co-ordinate Bench of this Court in ***Bhagwan Dass Ahuja’s case (supra)***, also deals with this issue in extenso. It has been held that there is no necessity to hold a departmental enquiry in each and every case, specifically when the principles of natural justice have been complied with by serving show cause notice, and decision has been taken in consonance with the rules and regulations regulating the service condition of the workman. The paragraphs embodying these observations are extracted hereunder:-

*“40. Law on the issue in hand also needs to be noticed. Hon’ble Supreme Court of India in somewhat similar circumstances while passing order in **SLP (C) No.24220-24221-2007** titled as **Vijay S. Sathaye vs. Indian Airlines Ltd. and others** decided on 06.09.2013 held that there is a difference between termination of service and abandonment of job and the factum of abandonment of service is to be ascertained keeping in view the unilateral action of an employee concerned and where abandonment of service is proved in treating an employee as having resigned and ceased to be in service, no enquiry proceeding needs to be initiated. Relevant paragraphs of the judgment are as under:-*

“9.It is a settled law that an employee cannot be termed as a slave, he has a right to abandon the service any time voluntarily by submitting his resignation and alternatively, not joining the duty and remaining absent for long. Absence from duty in the beginning may be a misconduct



but when absence is for a very long period, it may amount to voluntarily abandonment of service and in that eventuality, the bonds of service come to an end automatically without requiring any order to be passed by the employer.

10. In M/s. Jeewanlal (1929) Ltd., Calcutta v. Its Workmen, AIR 1961 SC 1567, this Court held as under: “.....there would be the class of cases where long unauthorised absence may reasonably give rise to an inference that such service is intended to be abandoned by the employee.” 6 Page 7 (See also: Shahoodul Haque v. The Registrar, Co-operative Societies, Bihar & Anr., AIR 1974 SC 1896).

11. For the purpose of termination, there has to be positive action on the part of the employer while abandonment of service is a consequence of unilateral action on behalf of the employee and the employer has no role in it. Such an act cannot be termed as ‘retrenchment’ from service. (See: State of Haryana v. Om Prakash & Anr., (1998) 8 SCC 733).

12. In Buckingham and Carnatic Co. Ltd. v. Venkatiah & Anr., AIR 1964 SC 1272 while dealing with a similar case, this Court observed : “Abandonment or relinquishment of service is always a question of intention, and normally, such an intention cannot be attributed to an employee without adequate evidence in that behalf.” A similar view has been reiterated in G.T. Lad & Ors. v. Chemicals and Fibres India Ltd., AIR 1979 SC 582. 7 Page 8.

13. In Syndicate Bank v. General Secretary, Syndicate Bank Staff Association & Anr., AIR 2000 SC 2198; and Aligarh Muslim University & Ors. v. Mansoor Ali Khan, AIR 2000 SC 2783, this Court ruled that if a person is absent beyond the prescribed period for which leave of any kind can be granted, he should be treated to have resigned and ceases to be in service. In such a case, there is no need



to hold an enquiry or to give any notice as it would amount to useless formalities. A similar view has been reiterated in V.C. Banaras Hindu University & Ors. v. Shrikant, AIR 2006 SC 2304; Chief Engineer (Construction) v. Keshava Rao (dead) by Lrs., (2005) 11 SCC 229; and Regional Manager, Bank of Baroda v. Anita Nandrajog, (2009) 9 SCC 462.”

41. Not only this, the same view was reiterated by the Supreme Court of India while passing order in **Civil Appeal No.4588-2014** titled as **State of M.P and others vs. B.S. Bhadoriya** decided on 16.04.2014 wherein, by placing reliance on Vijay S. Sathaye (*supra*), it was held that where the absence is of long period, the same amounts to voluntary abandonment of service and the bonds of service come to an end automatically without requiring any order to be passed by the employer.

43. Further, as per the settled principle of law the direction to hold an enquiry is to be given keeping in view the facts and circumstances of a particular case. In all the cases, the rules of natural justice cannot be made strictly applicable and that too by ignoring the relevant facts of a particular case and rules and circulars governing the service. In the case of abandonment of job, where the plea was raised to hold an enquiry, where the fact *qua* absence was not disputed, the Hon'ble Supreme Court of India while passing order in Civil Appeal No. 9676 of 2003 titled as **Viveka Nand Sethi Vs. Chairman, J & K Bank Ltd. and others**, decided on 03.05.2005, held as under :-

“21. The principle of natural justice, it is trite, is no unruly horse. When facts are admitted, an enquiry would be an empty formality. Even the principle of estoppel will apply. [See Dr. Gurjeewan Garewal (Mrs.) vs. Dr. Dumitra Dash (Mrs.) and Others [(2004) 5 SCC 263]. The principles of natural justice are required to be complied with having regard to the fact situation obtaining therein. It cannot be put in a straitjacket formula. It cannot be applied in a vacuum without reference to the relevant facts and



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circumstances of the case. [See State of Punjab vs. Jagir Singh (2004) 8 SCC 129] and Karnataka State Road Transport Corporation & Anr. Vs. S.G. Koturappa & Anr. 2005 (2) SCALE 493].””

22. Consequently, this Court has no hesitation to hold that once the management concluded that the workman had remained absent for more than 90 consecutive days without leave or intimation and had failed to join duty despite statutory notice, no departmental inquiry was necessary before declaring him as deemed voluntarily retired.

23. In summa, this Court holds that the impugned award does not pass the test of legality, and, therefore is **set aside**. The **writ petition filed by the management (CWP-7572-2013) is allowed** and the **writ petition filed by the workman (CWP-14094-2013) is dismissed**.

24. A photocopy of this order be placed on file of connected case.

December 04, 2025
devinder

(KULDEEP TIWARI)
JUDGE

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