

Shabnoor

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO.11337 OF 2023

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M/s. SPM Auto Comp Systems Pvt. Ltd.
F-32, Industrial Area, Nagar Road, MIDC
Ranjangaon, Taluka Shirur,
District Pune – 412 210.

... Petitioner

V/s.

Ramdas Tukaram Thite
At/Post Kendur (Thitemala).
Taluka Shirur, District Pune – 412 403.

... Respondent

**WITH
WRIT PETITION NO.11841 OF 2024**

Ramdas Tukaram Thite
At/Post Kendur (Thitemala).
Taluka Shirur, District Pune – 412 403.

... Petitioner

V/s.

M/s. SPM Auto Comp Systems Pvt. Ltd.
F-32, Industrial Area, Nagar Road, MIDC
Ranjangaon, Taluka Shirur,
District Pune – 412 210.

... Respondent

Mr. Aumkar V. Joshi, for the Petitioner in
WP/11337/2023, and for Respondent in
WP/1184/2024.

Mr. Avinash H. Fatangare, for the Petitioner in
WP/11841/2024, and for Respondent in
WP/11337/2023.

CORAM : AMIT BORKAR, J.

RESERVED ON : FEBRUARY 20, 2026

PRONOUNCED ON : FEBRUARY 27, 2026

JUDGMENT:

1. Both the Writ Petitions arise from a common Judgment and Award passed by the learned Labour Court and, in view of the commonality of issues involved, are being decided together by this common judgment.
2. Writ Petition No.11337 of 2023 challenges Part II of the Award dated 21 April 2023 rendered by Labour Court No.4, Pune, in Reference (IDA) No.45 of 2017, whereby the Reference came to be partly allowed and the Respondent therein was directed to reinstate the workman with continuity of service, together with 50% back wages and consequential benefits.
3. Writ Petition No.11841 of 2024 arises out of Part I of the said Award dated 21 April 2023, whereby the Labour Court held that the domestic enquiry conducted against the Petitioner was legal, fair and proper and that the findings recorded therein were not perverse. The said Petition also questions Part II of the Award insofar as it denies the remaining 50% back wages.
4. For the sake of convenience, Writ Petition No.11841 of 2024 is treated as the lead Petition and the parties are referred to in accordance with their nomenclature in the said Petition.
5. The case of the Petitioner is that he was employed in the Quality Department of the Respondent Company in the capacity of

Final Inspector. One Mr. Pravin Pratap Singh was serving as Senior Engineer in the same department and was the immediate superior of the Petitioner. On 20 January 2015, the said Mr. Pravin Singh lodged a written complaint with the Human Resources Department alleging that one Mr. Rama Sambhre, along with certain associates, had assaulted him. In the said complaint, it was further alleged that the Petitioner had earlier extended threats in connection with the complainant's transfer to his original department, and an apprehension was expressed regarding the Petitioner's involvement in the alleged incident. It further appears from the record that one Mr. Amit Ahir submitted a written statement before the Respondent Company stating that on 20 January 2015 at about 7:10 p.m., Mr. Rama Sambhre had inquired from him regarding the time at which Mr. Pravin Singh would leave the company premises and had requested that such information be conveyed. It is alleged that after Mr. Pravin Singh left the premises, the said information was communicated to Mr. Rama Sambhre.

6. The Petitioner contends that on the basis of the aforesaid complaint and statements, the Respondent Company initiated disciplinary proceedings against him and, pending enquiry, placed him under suspension by order dated 30 January 2015.

7. Thereafter, a chargesheet dated 4 February 2015 came to be issued to the Petitioner alleging, inter alia, that although he was not physically present at the time of the alleged assault, he was responsible for the incident on account of alleged prior threats extended to Mr. Pravin Singh. The chargesheet was issued under Standing Order 24(k)(1). The Petitioner submitted his reply dated

13 February 2015 denying the allegations in toto. A copy of the said reply is annexed as Exhibit “D”. The Enquiry Officer thereafter conducted the domestic enquiry and, after affording opportunity to both sides, submitted his report dated 30 June 2016 holding the Petitioner guilty of the charges.

8. Upon receipt of the Enquiry Report, the Petitioner submitted his defence statement contending that material admissions of witnesses were ignored and that no evidence existed to sustain the findings of guilt. According to the Petitioner, without proper consideration of his representation, the Respondent terminated his services by order dated 20 July 2016. It is further contended that the order of termination was passed without issuance of a separate show cause notice proposing dismissal and without granting an opportunity to make a representation on the quantum of punishment. The Petitioner submits that Clause 25 of the Model Standing Orders contemplates several lesser punishments such as censure, warning, withholding of increments or promotion, reduction in rank, wage deductions or short suspension. However, the show cause notice did not disclose the proposed punishment and was silent regarding the contemplated penalty of termination.

9. Being aggrieved by the said action, the Petitioner raised an industrial dispute before the Deputy Commissioner of Labour. Conciliation proceedings having failed, the Conciliation Officer submitted a Failure Report under Section 12(4) of the Industrial Disputes Act, 1947 on 21 December 2016.

10. Pursuant thereto, the appropriate Government referred the dispute for adjudication to the Labour Court at Pune. The Petitioner filed his Statement of Claim contending that he had joined the Respondent Company on 20 May 2011 and had rendered more than five years of clean and unblemished service till his termination on 20 July 2016. He denied any involvement in the alleged assault and alleged that the action was motivated, particularly in view of his participation in union activities and strike. It was further contended that there was no legal evidence before the Enquiry Officer to sustain the finding of guilt. The Petitioner accordingly sought reinstatement with continuity of service and full back wages.

11. The Respondent entered appearance and filed its Written Statement denying the averments made in the claim. It was contended that the Petitioner was employed in a supervisory capacity and therefore did not fall within the definition of “workman” under Section 2(s) of the Industrial Disputes Act, 1947. It was further contended that the enquiry was conducted strictly in accordance with law and that the findings recorded therein were justified. Dismissal of the Reference was accordingly sought.

12. The Labour Court framed preliminary issues for determination, namely, whether the domestic enquiry was legal, fair and proper, and whether the findings recorded by the Enquiry Officer were perverse. Upon hearing the parties, the Labour Court held that the departmental enquiry was legal, fair and proper and that the same had been conducted in consonance with the

principles of natural justice. It further held that the findings recorded by the Enquiry Officer were not perverse.

13. The Petitioner states that after the Part I Award, he examined himself before the Labour Court and reiterated that the allegations levelled against him were false and baseless. He deposed that despite sincere efforts, he was unable to secure alternate employment after termination and was therefore entitled to full back wages. He further contended that his past service record was clean and unblemished and that the punishment of dismissal was harsh, disproportionate and unsustainable. According to the Petitioner, nothing adverse was elicited in cross-examination to discredit his claim regarding his service record. The Respondent did not adduce any additional evidence before the Labour Court. Upon final hearing, the Labour Court, by Judgment and Award dated 21 April 2023, held that the order of termination was illegal and consequently directed reinstatement of the Petitioner with continuity of service and 50% back wages.

14. Learned Counsel appearing for the Petitioner employee submitted that, according to the case set up by the Management, the alleged assault occurred between approximately 7:00 p.m. and 10:30 p.m. It was contended that the Management seeks to infer the Petitioner's involvement in planning the incident solely on the basis that at about 10:30 p.m. the Petitioner telephoned his superior to inquire about his health and that, according to the Management, only the Petitioner and the co-employee alleged to have committed the assault were aware of the incident. It was submitted that such an inference is purely speculative and cannot

be sustained in law.

15. Inviting attention to the statement of the Watchman dated 20 January 2015, learned Counsel submitted that the said statement itself indicates prior knowledge of the incident on the part of persons other than the Petitioner. As per the statement, the co-employee alleged to have assaulted the superior had instructed the Watchman to inform another co-employee when the superior left the company premises, and in pursuance thereof the Watchman had telephoned the said co-employee after the superior departed. It was therefore submitted that the premise that knowledge of the incident was confined only to the Petitioner and the alleged assailant is factually untenable.

16. Learned Counsel further referred to the statements of witnesses examined on behalf of the Management and submitted that the evidence on record indicates that other employees were aware of the incident even prior to 10:30 p.m., namely before the Petitioner allegedly made the call to inquire about the superior's health. It was argued that the mere act of making a telephone call to inquire about the health of a superior cannot, by itself, lead to an inference that the Petitioner was privy to or involved in planning the assault. On the question of motive arising from the alleged grievance regarding transfer, it was submitted that the Management has failed to produce cogent material to establish that the Petitioner had avoided work or that his transfer was occasioned by any misconduct attributable to him.

17. Learned Counsel then invited attention to the findings recorded in the Enquiry Officer's report and submitted that the Enquiry Officer proceeded mainly on the premise that the statements of the Management witnesses were consistent insofar as they suggested that the Petitioner had repeatedly approached the superior for cancellation of his transfer and was under the impression that the transfer had been effected on the basis of a report submitted by Mr. Praveen Singh. On that basis, the Enquiry Officer inferred participation of the Petitioner in planning the assault. It was submitted that the alleged telephone call was made at about 11:00 p.m. and that the Enquiry Officer himself records that the superior had not informed anyone about the assault. Hence, the conclusion that the said call necessarily implied prior knowledge and participation was contended to be based on conjectures and surmises, unsupported by direct or substantive evidence, and therefore amounting to a finding based on no evidence.

18. Learned Counsel further relied upon Clause 24(k) and Clause 24(l) of the Model Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946. It was submitted that Clause 24(k) contemplates misconduct relating to drunkenness or riotous, disorderly or indecent behaviour within the premises of the establishment, whereas Clause 24(l) concerns acts subversive of discipline or good behaviour committed on the premises of the establishment.

19. It was submitted that the material on record clearly indicates that the alleged assault did not occur within the employer's

premises, nor is there any evidence to establish that the alleged planning of the incident took place within such premises. Consequently, it was argued that the essential ingredients of misconduct contemplated under the aforesaid clauses of the Model Standing Orders are not satisfied and that the charges are therefore unsustainable in law.

20. In support of the aforesaid submissions, reliance was placed on the judgments of the Hon'ble Supreme Court in *Anil Kumar v. Presiding Officer and Others*, (1985) 3 SCC 378; *Kranti Associates Private Limited and Another v. Masood Ahmed Khan and Others*, (2010) 9 SCC 496; *Roop Singh Negi v. Punjab National Bank and Others*, (2009) 2 SCC 570; and *M/s. Glaxo Laboratories (I) Ltd. v. Presiding Officer, Labour Court, Meerut and Others*, (1984) 1 SCC 1.

21. Per contra, learned Counsel appearing for the Management invited attention to the material on record and submitted that the co-employee had assaulted the superior, Mr. Praveen Singh, pursuant to a plan allegedly conceived by the Petitioner and the said co-employee, the motive being the Petitioner's grievance regarding his transfer, which according to him was based on a report prepared by Mr. Praveen Singh. It was submitted that the assault occurred at around 7:00 p.m., whereas the Petitioner telephoned Mr. Praveen Singh at about 11:00 p.m. to inquire about his health. It was further contended that Mr. Praveen Singh had not disclosed the incident to any person prior to the said call and that, therefore, the very act of the Petitioner calling to inquire about his health demonstrates prior knowledge and involvement in

the planning of the incident. Learned Counsel further referred to the cross-examination of witnesses before the Enquiry Officer. It was submitted that Mr. Praveen Singh stated in cross-examination that the Petitioner had called him on 20 January 2015 to inquire about his health. According to the Management, the Petitioner denied in his own cross-examination that he had made such a call on that night, thereby exposing inconsistency in his defence. On that basis, it was contended that the Enquiry Officer rightly concluded that the Petitioner, along with two other employees, had conspired to assault their superior and that, despite the alleged absence of knowledge on the part of others, the Petitioner's call at about 11:00 p.m. on 20 January 2015 clearly indicated his involvement in planning and execution of the misconduct. In support of the aforesaid submissions, reliance was placed on the judgments in *Tata Engineering and Locomotive Co. Ltd. v. N.K. Singh*, 2007 (1) CLR 193; *R. Madaswamy and Another v. Indian Express Newspaper*, 2014 (5) Bom.C.R. 342; and *Bajaj Auto Limited v. Kalidas Devram Patil*, 1999 (3) Mh.L.J. 857.

Reasons and analysis:

I) On the conduct and scope of the domestic enquiry:

22. The conclusion reached by the Enquiry Officer essentially proceeds on a chain of inferences drawn from the sequence of events rather than on direct evidence. The Tribunal has noticed that the Enquiry Officer treated the statements of management witnesses as broadly consistent to the extent that they referred to earlier disagreements between the petitioner and his superior

regarding transfer and to the petitioner repeatedly approaching the superior for cancellation of the transfer. These circumstances may indicate dissatisfaction or strained relations. They may also show that the petitioner felt aggrieved. However, in law, such background circumstances by themselves do not establish participation in a planned assault. Workplace friction is not uncommon. Unless supported by clear material showing preparation, communication, or active involvement, it cannot automatically be converted into proof of conspiracy.

23. The emphasis placed on the telephone call made by the petitioner to his superior also requires careful scrutiny. The Enquiry Officer treated this call as a significant circumstance, drawing an inference that the petitioner must have had prior knowledge of the assault. When examined closely, the call only establishes that the petitioner contacted his superior at a late hour and inquired about his health. The content of the call, as recorded, is neutral. A telephone call, without accompanying evidence showing intent or prior coordination, cannot by itself become proof of planning or participation. The inference drawn from this circumstance becomes weak when it is not supported by any independent material showing that the petitioner had knowledge unavailable to others.

24. Further, the statement of the Watchman assumes importance because it introduces a different factual possibility. According to that statement, the alleged assailant had instructed the Watchman to inform him when the superior left the premises, and the Watchman accordingly communicated that information to alleged

assailant. This part of the record indicates that information about movements of the superior and about the surrounding events was not confined to the petitioner and the alleged assailant alone. Other witness statements also suggest that employees including watchmen had knowledge of the incident before the time at which the petitioner is said to have made the telephone call. Once such material exists, the foundation of the inference drawn by the Enquiry Officer becomes less certain.

25. In disciplinary proceedings, an inference can be drawn only when the surrounding circumstances reasonably point in one direction and exclude equally plausible alternatives. Here, the record presents more than one explanation. One explanation is the one accepted by the Enquiry Officer, namely that the petitioner's call indicates prior knowledge. The other explanation, equally plausible on the material available, is that knowledge of the incident had already spread among employees and that the petitioner's call was merely an inquiry made after learning of the event through ordinary workplace communication. When two explanations are reasonably possible, fairness requires that the more serious conclusion, particularly one suggesting conspiracy or planned misconduct, should not be accepted without stronger supporting evidence.

26. It cannot be denied that the Enquiry Officer had before him certain circumstances which were capable of creating suspicion against the petitioner. The prior disagreements regarding transfer, the allegation of threats, and the timing of the telephone call were all treated as surrounding circumstances pointing towards possible

involvement. These factors may legitimately raise doubt or suspicion in the mind of an enquiry authority. However, the law draws a clear distinction between circumstances that merely create suspicion and material that actually establishes guilt. The movement from suspicion to a finding of guilt requires a clear and reliable link supported by evidence. That link, on close examination, remains missing in the present case.

27. The conclusion of guilt reached by the Enquiry Officer rests largely on inference. The reasoning proceeds on the assumption that because the petitioner called his superior late at night and because there was earlier ill-feeling, he must have been aware of or involved in the planning of the assault. This line of reasoning is essentially circumstantial. No witness has stated that the petitioner was seen planning the incident. No document, message, or communication has been produced showing coordination between the petitioner and the alleged assailant. There is no direct evidence demonstrating that the petitioner instructed, encouraged, or participated in the alleged act. The enquiry record therefore does not contain material that directly connects the petitioner with the planning or execution of the assault.

28. When the foundation of a finding rests mainly on assumptions drawn from a telephone call and from previous workplace disputes, the conclusion becomes legally fragile. Past ill-feeling may explain motive, but motive alone cannot substitute proof of participation. Similarly, a telephone call, without more, remains an ambiguous circumstance. It can support multiple interpretations, and unless corroborated by stronger material, it

cannot be treated as decisive evidence of guilt. For this reason, if the order of dismissal were to stand solely on such reasoning, the finding would remain open to serious legal challenge.

29. At the same time, it is necessary to distinguish between the fairness of the procedure adopted and the strength of the evidence produced. The enquiry proceedings show that witnesses were examined, the petitioner was given opportunity to cross-examine them, and a formal record of proceedings was maintained. The Labour Court was therefore justified in concluding that the enquiry, as a matter of procedure, satisfied the formal requirements of natural justice. The petitioner was heard. He had opportunity to contest the allegations. The process itself cannot be said to be arbitrary or one-sided.

30. However, compliance with procedure does not automatically validate the ultimate conclusion. Natural justice ensures fairness in the method by which a decision is reached. It does not supply missing evidence or strengthen weak inferences. Even a procedurally fair enquiry must rest on material that reasonably supports the conclusion arrived at. Where substantive evidence is lacking, the mere fact that the enquiry followed proper steps cannot cure that deficiency. In other words, procedural fairness and evidentiary sufficiency are two separate requirements, both of which must exist together before a serious finding of misconduct can safely stand.

31. Therefore, while the enquiry may be procedurally sound, the evidentiary foundation supporting the gravest inference against

the petitioner remains insufficient. The material on record may justify suspicion, but it falls short of establishing guilt with the degree of certainty required to sustain a finding that the petitioner planned or participated in the assault.

II. On applicability of Clauses 24(k) and 24(l) of the Model Standing Orders:

32. Clause 24(k) of the Model Standing Orders deals with specific forms of misconduct such as drunkenness, riotous behaviour, disorderly conduct, or indecent acts committed on the premises of the establishment. Clause 24(l) similarly refers to acts which are subversive of discipline or good behaviour, again with a clear emphasis on conduct taking place on the premises. A plain reading of both clauses shows that it is intended to regulate behaviour that directly affects order, discipline, and working conditions within the workplace itself. The essential element in both provisions is the connection between the misconduct and the premises of the establishment, because the purpose of these clauses is to preserve discipline where employees work and interact.

33. When the facts of the present case are examined, certain aspects become clear. The alleged assault, according to the material placed on record and as admitted by both sides, did not take place within the employer's premises. The incident is stated to have occurred outside the workplace after working hours. Equally, there is no evidence showing that any planning or preparation for the alleged assault took place inside the company premises. The

charges framed against the petitioner are therefore based mainly on conduct said to have occurred outside the establishment and on allegations of prior threats arising out of workplace disputes.

34. This distinction is important because misconduct under the Standing Orders cannot be read in an unlimited manner. The employer is entitled to regulate conduct affecting workplace discipline, but the scope of disciplinary action must remain within the boundaries of the clauses invoked. Both Clause 24(k) and Clause 24(l) require a clear nexus between the act complained of and the establishment, either by reason of place or by reason of direct impact on discipline within the workplace. An incident occurring outside the premises may, in some cases, still justify disciplinary action if there is credible evidence showing that it directly disturbed workplace discipline or that the planning and execution were closely connected with the functioning of the establishment. But such a conclusion cannot be presumed. It must be supported by specific material.

35. In the present case, that connecting material is absent. The record does not show that the alleged planning was done inside the company premises. No witness has stated that meetings, discussions, or preparations relating to the incident took place at the workplace. There is also no evidence that the petitioner engaged in any riotous, disorderly, or indecent conduct on the premises, which is the precise conduct contemplated under Clause 24(k). Similarly, the record does not disclose any act on the premises that can be described as directly subversive of discipline within the meaning of Clause 24(l). The allegations, at their

highest, relate to events outside the establishment and to inferred intentions rather than to misconduct within the workplace.

36. The employer's argument appears to proceed on the assumption that because the parties involved were employees and because the alleged motive arose from workplace issues, the incident automatically falls within the scope of the Standing Orders. Such an approach cannot be accepted without caution. If the requirement of connection with the premises or with workplace discipline is diluted, the scope of disciplinary jurisdiction would become unlimited. The Standing Orders must therefore be interpreted in accordance with their language and purpose, which is to regulate conduct affecting the internal discipline of the establishment.

37. Viewed from this perspective, the reliance placed by the employer on Clause 24(k) and Clause 24(l) suffers from a legal infirmity. The factual matrix does not satisfy the essential ingredients of either clause. The incident occurred outside the premises. The alleged planning is not shown to have occurred within the workplace. There is no proven on-premises misconduct of the nature contemplated by the provisions. In the absence of such foundational facts, the charges framed under these clauses cannot be sustained in law.

38. On the point of grant of 50% back wages, it becomes necessary to examine the relief in the light of the principles laid down by the Supreme Court in *Deepali Gundu Surwase v. Kranti Junior Adhyapak Mahavidyalaya*, (2013) 10 SCC 324. The said

judgment authoritatively clarifies that in cases of wrongful termination, reinstatement with continuity of service and full back wages is the normal rule. Departure from this rule is permissible only where the facts of the case justify reduction, and such departure must rest on clear reasons supported by material on record.

39. In the present case, the Labour Court has already held the termination to be illegal and has directed reinstatement with continuity of service. The reasons recorded in the earlier analysis show that the finding of guilt against the petitioner was based mainly on inference and suspicion. The enquiry may have satisfied procedural requirements, but substantive evidence linking the petitioner to the alleged planning or participation in the assault was not established with certainty. There is no finding that the petitioner committed proved misconduct warranting major penalty. Equally, this is not a case where the Labour Court exercised power under Section 11-A only to reduce punishment while accepting proved misconduct. The effect of the findings is that the dismissal could not legally stand.

40. Once this position is accepted, the principles in *Deepali Gundu Surwase* assume direct relevance. The Supreme Court has clearly held that where the employee is not proved guilty of misconduct, or where the action of the employer is found unjustified, there is ample justification for grant of full back wages. The burden then shifts to the employer to establish that the employee was gainfully employed during the intervening period and earning wages comparable to those drawn earlier. In the

present matter, the petitioner has specifically deposed that despite efforts he could not secure alternative employment after termination. The respondent management did not lead any evidence to show gainful employment or comparable earnings. No material has been placed on record to dislodge the petitioner's statement. In law, once the employee makes such a statement, the burden lies on the employer to prove the contrary, and failure to discharge that burden ordinarily results in award of full back wages.

41. The Supreme Court has also cautioned that denial of full back wages in cases of wrongful termination effectively grants a premium to the employer's unlawful action, because the employee remains out of service without fault while litigation proceeds. The delay in adjudication cannot be used against the workman. The present case travelled through conciliation, reference, enquiry findings, and writ proceedings over a considerable period. The petitioner cannot be penalised for systemic delay.

42. In this background, the operative part requires modification. The direction limiting back wages to 50% does not align with the settled legal position governing wrongful termination where misconduct is not proved and where the employer has failed to establish gainful employment of the workman. The normal rule must therefore apply.

ORDER

(i) Writ Petition No.11841 of 2024 is allowed and Writ Petition No.11337 of 2023 is dismissed.

(ii) The Judgment and Award dated 21 April 2023 passed by Labour Court No.4, Pune in Reference (IDA) No.45 of 2017 is modified to the extent indicated herein.

(iii) The order of termination dated 20 July 2016 issued by the Respondent Management is quashed and set aside.

(iv) The Petitioner employee shall be reinstated in service with continuity of service for all purposes.

(v) The Petitioner shall be entitled to full back wages from the date of termination till the date of actual reinstatement, together with all consequential monetary and service benefits.

(vi) The Respondent Management shall compute and pay the arrears of back wages and consequential benefits within a period of twelve weeks from the date of this order.

(vii) Rule is made absolute in the above terms. No order as to costs.

43. Both the writ petitions stand disposed of in the above terms. There shall be no order as to costs.

(AMIT BORKAR, J.)