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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 11582/2017

SH. RUBAL KHANNA .....Petitioner

Through: Mr. Anuj Aggarwal, Ms. Kritika Matta, Mr. Pradeep Kumar, Ms. Shreya Gupta, Ms. Tanya Rose and Mr. Shubham Bahl, Advocates.

versus

PUNJAB NATIONAL BANK (HEAD OFFICE) AND ANR. .....Respondents

Through: Mr. Abhishek Vikas & Mr. Utkarsh Bhushan, Advocates for R-1.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% **05.02.2026**

1. This writ petition under Article 226 of the Constitution assails (i) the order dated 7th April, 2017 passed by the Disciplinary Authority imposing the major penalty of "dismissal which shall ordinarily be a disqualification for future employment", and (ii) the appellate order dated 28th August, 2017 affirming the said penalty, communicated thereafter.

Facts in brief:

2. The Petitioner joined Punjab National Bank on 5th February, 2013 as Manager (Credit) at Central Staff College, Civil Lines, Delhi. He was thereafter promoted as Senior Manager (Credit) and posted at Branch Office, Civil Lines, Delhi. The disciplinary action traces its origin to an audio-visual clipping aired on 20th December, 2016 on "Aaj Tak" and "India Today", in

which the Petitioner was shown interacting with two individuals in the backdrop of demonetisation, and purportedly offering to facilitate exchange of specified bank notes for new currency.

3. On 20th December, 2016, the Bank placed the Petitioner under suspension. On the next day, the Petitioner furnished a written explanation. The explanation does not deny the interaction. In the letter, he asserts that two persons approached him under the pretext of a loan, and later started speaking about exchange of notes. He "pretended" to agree, spoke "vaguely", and referred to commission only to "trap" them, with the asserted intention of getting them caught "red handed". He further asserts that he had no role in cash operations, and that the branch itself did not have adequate cash supply.

4. The Bank served a charge sheet dated 2nd February, 2017. The solitary article of charge premised on the televised sting operation is that the Petitioner offered to exchange bank notes in violation of RBI and Bank guidelines, thereby tarnishing the image of the Bank and causing reputational loss, amounting to misconduct under Regulation 3(1) read with Regulation 24 of the Punjab National Bank Officer Employees' (Conduct) Regulations, 1977.

5. The Petitioner participated in the departmental enquiry and denied the charge. The Presenting Officer relied upon three documents, marked as MEx-1 to MEx-3. These were supplied to the Petitioner on 3rd March, 2017. The parties filed written briefs and the enquiry culminated in a report dated 21st March, 2017 holding the charge proved. The Disciplinary Authority accepted the findings and imposed dismissal by order dated 7th April, 2017. The departmental appeal was rejected by the Appellate Authority by order

dated 28th August, 2017.

Petitioner's Submissions:

6. The Petitioner challenges the disciplinary proceedings and urges that the enquiry suffers from foundational procedural illegality, is unsupported by legally sustainable material, and has resulted in a punishment that is, in any event, wholly disproportionate. The contentions are summarised as follows:

6.1. The principal challenge is founded on Regulation 6(17) of the Punjab National Bank Officer Employees' (Discipline and Appeal) Regulations, 1977. It is submitted that the Regulation imposes a mandatory obligation upon the Inquiring Authority to generally question the charged officer on the circumstances appearing in evidence so as to enable an explanation. This is a substantive safeguard and not a mere formality; its non-compliance vitiates the fairness of the enquiry.

6.2. It is urged that Regulation 6(17) is *pari materia* to Rule 14(18) of the CCS (CCA) Rules, 1965. Reliance is placed on the DoPT Office Memorandum dated 18th February 2015 emphasising strict compliance with the corresponding rule. The Petitioner submits that denial of opportunity contemplated under the Regulation renders the enquiry legally vulnerable.

6.3. The omission to comply with Regulation 6(17) has caused real prejudice. The Petitioner submits that he was deprived of an effective opportunity to explain the circumstances arising from the audio-visual clipping and the inferences sought to be drawn from it. The Petitioner would have explained (i) the context in which the two individuals approached him, (ii) the manner in which the conversation was steered, (iii) the Petitioner's true intention behind the interaction, and (iv) the incompleteness and editing of the audio visual material. Reliance is placed on decisions including ***Moni Shankar v. Union of India,***[1] ***Union of India v. D.S. Manchanda***,[2] ***Delhi Tourism & Transportation Development Corporation Ltd. v. Azad Singh***,[3] ***Satya Prakash v. Union of India***,[4] and ***The Chief Secretary v. Jitender Kumar Bhatia***,[5] to contend that breach of such a requirement vitiates the enquiry.

6.4. The second limb of the challenge is that the finding rests on "no evidence". The Presenting Officer led no oral evidence and examined no witness to prove the relied upon documents. Where documents are disputed, mere production does not constitute proof. The audio-visual clipping was consistently disputed as to authenticity, completeness and inference. In the absence of witness testimony establishing its reliability, the conclusion of guilt is said to be unsustainable. Reliance is placed on ***A.K. Saxena v. Union of India***,[6] ***Sita Ram v. State of U.P.***,[7] ***Narendra Kumar Pandey v. State Bank of India***,[8] and ***State of U.P. v. Saroj Kumar Sinha***.[9]

6.5. The Petitioner assails reliance on sting material conducted by a private news channel. Such material, particularly when unproved, cannot by itself constitute reliable evidence of misconduct. Reliance is placed on ***Government of NCT of Delhi v. Jai Bhagwan***[10] and ***Government of NCT of Delhi v. Ex. ASI Surinder Kumar***.[11]

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[1] (2008) 3 SCC 484.
[2] 011 SCC OnLine Del 1263.
[3] 2013 SCC OnLine Del 811.
[4] 2015 SCC OnLine Del 12161.
[5] 2016 SCC OnLine Del 5118.
[6] 2016:DHC:5711-DB.
[7] MANU/UP/2069/2014.
[8] MANU/UP/2212/2011.
[9] MANU/SC/0082/2010.
[10] 2010:DHC:3851-DB.
[11] 2008:DHC:1440-DB.

6.6. It is further urged that the relied upon documents were not supplied with the charge sheet. Non-supply at the inception impaired his ability to submit an effective reply and amounted to violation of natural justice, particularly where the charge was rooted in specific audio-visual material.

6.7. On merits, the Petitioner contends that the findings are perverse. There is a clear distinction between admission of fact and admission of guilt. He maintains that there was never any admission of misconduct. His consistent stand has been that the clipping was edited and incomplete, and that the explanation dated 21st December, 2016 was not an admission of wrongdoing but a contextual clarification.

6.8. The Petitioner emphasises that he was posted as Senior Manager (Credit) and had no role in cash operations. He was not in a position to facilitate currency exchange. He further relies on the prevailing shortage of new currency and asserts that the branch lacked the cash availability consistent with the alleged promise, supporting his case that the interaction was not a genuine offer of exchange but an attempt to expose the individuals who approached him.

6.9. The Enquiry Officer and the disciplinary authorities failed to appreciate that suspicion, however strong, cannot substitute proof. Reliance is placed on ***Roop Singh Negi v. Punjab National Bank***[12] to submit that a finding of guilt must rest on probative evidence and not conjecture.

6.10. The Enquiry Officer wrongly rejected his request to have the audio-visual clipping tested for authenticity and completeness. Given that the clipping formed the principal basis of the charge, fairness required independent verification once its integrity was disputed.

6.11. The independence of the Enquiry Officer is also questioned. The Assistant General Manager of the Bank, being the Enquiry Officer, lacked the detachment required, resulting in bias and violation of natural justice.

6.12. The allegation of "tarnishing the image" of the Bank is unproved. No material was led to demonstrate any specific reputational loss attributable to the Petitioner. It is urged that the charge is framed in broad and vague terms, yet no evidence was led to establish the alleged reputational injury as a fact.

6.13. In any event, the penalty of dismissal is assailed as shockingly disproportionate. The Petitioner relies on his age, length of service and asserted clean record, and submits that mitigating circumstances were ignored. Dismissal, which ordinarily disqualifies future employment, is an excessive penalty violative of Articles 14, 16, 21 and 311 of the Constitution and the governing Regulations.

Respondents' submissions:

7. The Respondent Bank submits that the disciplinary proceedings were conducted in accordance with the Punjab National Bank Officer Employees' (Discipline and Appeal) Regulations, 1977 and the Punjab National Bank Officer Employees' (Conduct) Regulations, 1977. The charge pertains to serious misconduct during the demonetisation period, involving a bank officer being recorded offering to facilitate exchange of specified bank notes for new currency, in violation of RBI and Bank instructions. It is urged that the misconduct directly undermined public confidence in the institution and exposed the Bank to reputational harm. The Bank's contentions are as follows:

7.1. The Petitioner was placed under suspension on 20th December, 2016

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[12] (2009) 2 SCC 570.

following the telecast of the audio-visual clipping. His written reply dated 21st December, 2016, does not deny the core interaction. The Bank submits that the reply acknowledges statements conveying readiness to facilitate exchange for commission, and the subsequent plea of "trapping" the individuals is an afterthought.

7.2. The Petitioner's posting in the credit department is immaterial. The misconduct lies in the assurance given by a bank officer that illegal exchange could be facilitated. Even if no exchange ultimately occurred, the representation itself is sufficient to constitute misconduct under Regulation 3(1) read with Regulation 24 of the Conduct Regulations and to damage the Bank's reputation.

7.3. The allegation of tampering is contested. The Bank submits that it had no role in the creation or broadcast of the clipping. In any event, the Petitioner does not deny his presence in the video or the conversation; he only seeks to reinterpret it. In these circumstances, the request for forensic testing is characterised as irrelevant and dilatory.

7.4. On Regulation 6(17), the Bank submits that there was no procedural violation. The Petitioner participated in the enquiry and was afforded opportunity to defend. No specific circumstance has been identified wherein he was prevented from advancing his defence. The record, therefore, reflects substantial compliance and fairness.

7.5. On the absence of "oral evidence", the Bank contends that there is no legal requirement that each document must be supported by oral testimony in every domestic enquiry. The test is fairness and opportunity. Documentary material can validly be relied upon, particularly where it is in the public domain, originates from the employee himself, or is not disputed in substance.

7.6. The complaint regarding non-supply of documents with the charge sheet is without merit. The relied upon documents were supplied on 3rd March, 2017, well before the enquiry report dated 21st March, 2017, and the Petitioner filed his defence thereafter. Hence, no prejudice is shown.

7.7. It is further submitted that the plea of prejudice is illusory in light of the nature of the documents. The telecast CD was in the public domain, the operational circular during demonetisation was widely circulated, and the third document is the Petitioner's own letter. The Petitioner cannot claim disadvantage from non-supply of material already within his knowledge.

7.8. On the argument that sting material by a private agency is "no evidence", the Bank submits that the Petitioner incorrectly imports criminal trial standards into a departmental context. The applicable standard is preponderance of probability. Strict criminal rules of admissibility do not apply. Sting material can legitimately form part of the evidentiary basis, particularly where the employee admits the interaction and disputes only its interpretation.

7.9. The allegation of bias is devoid of merit. Departmental enquiries are routinely conducted by officers designated under service rules, and bias cannot be presumed from designation alone. Further, no such objection was raised during the enquiry or in appeal, which itself undermines the plea.

7.10. On the allegation of failure to prove reputational damage, the Bank submits that the telecast on national television during demonetisation inherently establishes harm to the Bank's image. Separate proof is unnecessary where reputational injury flows directly from the public airing of the incident.

7.11. The misconduct is grave in the context of an integrity-sensitive institution. Conduct suggesting that bank processes could be misused for illegal exchange strikes at public trust. Dismissal, in these circumstances, is neither excessive nor shocking, and is therefore, proportional. The disciplinary and appellate authorities acted within jurisdiction and the penalty does not warrant interference under Article 226.

Analysis and findings:

8. Having considered the aforenoted facts and contentions, the controversy essentially gives rise to the following issues:

(i) Whether the enquiry stands vitiated for non-compliance with Regulation 6(17);

(ii) Whether the finding of guilt suffers from "no evidence" or perversity warranting interference in writ jurisdiction;

(iii) Whether the reliance on the audio visual clipping and allied material is legally impermissible in a departmental enquiry;

(iv) Whether the penalty of dismissal calls for interference on proportionality.

Scope of judicial review

9. Writ review over departmental proceedings is limited. Interference is justified where the enquiry is vitiated by breach of natural justice, patent procedural illegality causing prejudice, findings based on no evidence, or perversity of the kind that no reasonable person could reach on the record. The Court does not reweigh evidence or substitute its own view on factual sufficiency merely because another view may be possible.[13]

Regulation 6(17)

10. Regulation 6(17) provides that the Inquiring Authority "may" after the officer employee closes his evidence, and "shall" if the officer employee has not got himself examined, generally question him on the circumstances appearing against him in evidence, to enable an explanation. The object is to ensure that an employee is not condemned on circumstances that he had no opportunity to explain.

11. Even where a procedural requirement is couched in mandatory terms, the enquiry does not automatically vitiate on a mere recital of infraction. The question remains whether non-compliance has occasioned real prejudice. This "prejudice" discipline well recognised in service jurisprudence. (see ***State Bank of Patiala v. S.K. Sharma***.)[14]

12. The Petitioner's own case demonstrates why the objection does not carry the petition far. The "circumstances" which the Petitioner says he would have explained are not only known to him, but were affirmatively placed by him on record at the earliest. The contemporaneous letter dated 21st December, 2016 sets out the full narrative the Petitioner wishes to advance: that he pretended to agree, spoke about commission only to trap the persons, and that cash exchange was in any event not feasible through the branch. The Petitioner thereafter participated in the enquiry, received the relied upon material on 3rd March, 2017, and filed his defence. The disciplinary record also reflects that the authorities considered and rejected the "trap" explanation as implausible and unsupported by contemporaneous conduct.

13. Put differently, it is not a case where an incriminating circumstance

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[13] ***Deputy General Manager (Appellate Authority) v. Ajai Kumar Srivastava*** (2021) 2 SCC 612.
[14] (1996) 3 SCC 364.

surfaced in evidence, unknown to the employee, and remained unexplained because the Inquiring Authority never put it to him. The Petitioner's explanation stood disclosed and remained constant in theme. The grievance is really about rejection of that explanation, not about absence of opportunity to offer it. In these circumstances, even assuming that Regulation 6(17) was not adhered to in the precise manner urged, the Petitioner has not demonstrated what additional, tangible explanation he was prevented from furnishing, or how the outcome would plausibly have changed. The procedural ground, therefore, does not vitiate the enquiry.

"No oral evidence", proof of documents, and the "no evidence" argument

14. Domestic enquiries are not bound by the strict rules of the Evidence Act. The enquiry must still be fair, and the material relied upon must have a reasonable nexus to the charge, but proof is tested on preponderance of probability, not proof beyond reasonable doubt.[15] A departmental finding is not assailable merely because no witness was examined, if the relevant facts are demonstrable from admitted or reliable documentary material, and the employee had an effective opportunity to respond.

15. Here, the enquiry record rests on three broad planks: (i) the audio-visual clipping aired on national television; (ii) the governing circular/instructions issued in the wake of demonetisation; and (iii) the Petitioner's own contemporaneous letter dated 21st December, 2016. The third plank alone materially answers the "no evidence" argument. The Petitioner admits that he engaged the persons, discussed exchange, and spoke about commission. The Petitioner's attempt is to convert that admission into innocence by attributing a benevolent intent. That is a

defence on merits. It does not erase the factual substratum that the Petitioner held out facilitation of an act which, on any reasonable view, was contrary to the regulatory regime during demonetisation.

16. The submission that the audio-visual clipping was "tampered" also remains at the level of bare assertion. The Petitioner does not take the case to its logical end by denying presence, identity, voice, or the substance of the interaction. The Petitioner accepts the meeting and seeks to explain the tenor of conversation. Where the employee admits the core interaction and advances a justificatory narrative, the enquiry does not become a case of "no evidence" merely because the employee adds that the clip was incomplete.

17. The Court also does not accept the proposition that absence of oral evidence, by itself, renders documentary material unusable in a domestic enquiry. The question is whether the employee had notice, access to the material, and opportunity to contest it. Those conditions were satisfied.

Non-supply of documents with the charge sheet

18. The Petitioner was supplied MEx-1 to MEx-3 on 3rd March, 2017. He thereafter submitted his defence before the enquiry report dated 21st March, 2017. The Petitioner's own pleadings do not set out a convincing case of prejudice of the kind recognised in service law, namely that the defence was materially disabled or that the employee was ambushed by documents only at the stage of findings. On the contrary, the Petitioner's defence, including the "trap" explanation, had already been articulated in writing on 21st December, 2016, even before the charge sheet was issued. In these circumstances, the objection remains technical and does not warrant interference.

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[15] ***Union of India and Ors. v. Dalbir Singh*** 2021 SCC OnLine 768.

Reliance on sting operation material

19. The contention that sting material is "no evidence" proceeds on a criminal trial paradigm. For reasons already noted above, that standard cannot be imported disciplinary enquiries. The relevant question is whether the material is reliable for administrative fact-finding and whether the employee had a fair opportunity to respond. Where the employee admits the interaction and seeks to justify it, the objection to the private origin of the sting loses much of its force.

20. The disciplinary charge is not that the Petitioner actually exchanged currency through bank channels. The gravamen is that a responsible officer of the Bank, during an extraordinary regulatory period, was seen and heard offering facilitation of illegal exchange for commission, thereby eroding public trust and exposing the Bank to reputational harm. In banking service, integrity and public confidence are not ornamental values. They are the foundation of the relationship between the institution and the public. The Supreme Court has consistently recognised the special standard expected of bank officers, and that conduct which undermines confidence can justify severe action, including dismissal.[16]

Bias and refusal to send the clipping for testing

21. The plea that the Enquiry Officer was biased merely because he was an officer of the Bank is misconceived. Departmental enquiries in institutional employment are routinely conducted by officers designated under the service regulations. Bias must be pleaded and established on facts, not presumed. There is also force in the Bank's submission that this

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[16] ***Chairman and Managing Director, United Commercial Bank and Ors. v. P.C. Kakkar*** (2003) 4 SCC 364; ***Union Bank of India v. Vishwa Mohan*** (1998) 4 SCC 310.

objection was not contemporaneously pursued in the manner expected, either during the enquiry or in departmental appeal.

22. On the refusal to send the clipping for forensic testing, the enquiry record, as placed, does not show a foundational case laid by the Petitioner demonstrating why such testing was necessary to meet the charge. The Petitioner did not deny the meeting or the conversation. The defence was justification, not denial. In that situation, the enquiry cannot be faulted for declining an open-ended fishing exercise, particularly when the Petitioner's own letter supplies a contemporaneous narrative that the disciplinary authorities were entitled to evaluate.

Proportionality

23. Interference with penalty lies within a narrow campus. Unless the punishment shocks the conscience or is wholly disproportionate to the misconduct proved, writ courts do not substitute their own view for that of the disciplinary authority.[17]

24. The misconduct here is not a minor lapse. It pertains to a bank officer being shown offering unlawful exchange for commission during demonetisation, a period when public confidence in banking operations was under intense scrutiny. Even if the Petitioner claims he had no access to cash operations, the act of holding out such facilitation as a bank officer, in public glare, corrodes the trust reposed in the institution. In that setting, dismissal cannot be characterised as shockingly disproportionate. The submission founded on the Petitioner's age and short service also does not assist him. Where the proved misconduct goes to integrity and public confidence,

[17] ***Jai Bhagwan v. Commissioner of Police*** (2013) 11 SCC 187; ***Dev Singh v. Punjab Tourism Development Corpn. Ltd.*** (2003) 8 SCC 9.

length of service is immaterial.

Conclusion:

25. The impugned orders do not disclose procedural illegality causing prejudice, nor do they suffer from perversity or absence of evidence warranting interference under Article 226. The disciplinary action is founded on material which the Petitioner was aware of, had opportunity to meet, and in substantial measure admitted, albeit with an attempted justification. The justification was considered and rejected on reasons which cannot be termed irrational or arbitrary. No ground is made out for judicial review.

26. The writ petition is dismissed, along with pending application(s), if any.

SANJEEV NARULA, J

FEBRUARY 5, 2026/as