

The Supreme Court while affirming the Order passed by the Disciplinary Authority, reiterated that compulsory retirement of an employee from the services does not mean that the employee is not entitled to retirement benefits. A Civil Appeal was filed by the General Manager of Canara Bank, challenging the Judgment of the Karnataka High Court, which upheld the award of the Central Government Industrial Tribunal (CGIT), Labour Court. The two-Judge Bench comprising Justice J.K. Maheshwari and Justice Vijay Bishnoi observed, “It is well settled that compulsory retirement of an employee from the services does not mean that the employee is not entitled to retirement benefits, which can only be denied in a case of dismissal from service. Unfortunately, the High Court without taking into consideration the settled principle of law in the matter of judicial review in the disciplinary proceedings, and while adding its irrelevant reasons, confirmed the order passed by the Tribunal.”

The Bench further reiterated that strict rules of evidence are not applicable in the departmental proceedings and the charge against the delinquent can be proved on preponderance of probabilities.

The Bench further reiterated that strict rules of evidence are not applicable in the departmental proceedings and the charge against the delinquent can be proved on preponderance of probabilities. AOR Rajesh Kumar Gautam represented the Appellant while AOR Chand Qureshi represented the Respondent. Facts of the Case The Respondent had joined the service of the Appellant-Bank as a daily wage Sub-Staff in 1990. Subsequently, his service was confirmed as Duftery-cum Cash Peon as Sub-Staff Leader in 1992. The then Manager submitted an investigation report in 2004, alleging serious irregularities at the branch office when the Respondent and other staff members were posted there. The Respondent in the preliminary enquiry admitted that certain loans were advanced to his wife which were availed by coercing the Manager and without obtaining any sanction from the Controlling Officer. He also accepted that he made unauthorised entries in the bank accounts of one man and his father, thereby tampering with the official records. He was then put under suspension and thereafter, a chargesheet was issued to him. The Enquiry Officer after conclusion of the enquiry, submitted a report, concluding that all the charges levelled against the Respondent stands proved.

The Respondent alleged that the enquiry was not fair as two relevant witnesses were not examined. The Disciplinary Authority issued a Show-Cause Notice (SCN) to him, proposing the punishment of compulsory retirement. After affording personal hearing to the Respondent, the authority imposed the punishment of compulsory retirement upon him. Being aggrieved, he filed an Appeal and the Appellate Authority rejected the same. Pursuant to the dispute raised by the Respondent before the Central Government, a reference was made to the Tribunal. The Tribunal concluded that the enquiry was fair and directed the Appellant to reinstate him into his original post with continuity of service without back wages. The Appellant filed a Writ Petition and the High Court dismissed the same. Hence, the Appellant approached the Apex Court.

Reasoning The Supreme Court in view of the facts and circumstances of the case, remarked, “We are at pain to say that the Tribunal as well as the High Court had failed to take into consideration the settled principal of law in respect of judicial review in disciplinary matters.” The Court noted that when a Disciplinary Enquiry against a delinquent for alleged misconduct is initiated and in

the said Disciplinary Enquiry, he/she is found guilty and subsequently punished, the Court before which a challenge is made by the delinquent, is required to examine and determine the following aspects –

- (i) Whether the enquiry was held by the competent authority?
- (ii) Rule of natural justice has been complied with or not; Also Read - Verified Claim Incorporated In Published List Of Creditors Acquire Recognition Within CIRP : Supreme Court Grants Relief To Flat Buyers
- (iii) The conclusions arrived by the Disciplinary Authority are based on no evidence or the findings are perverse. “We cannot ignore the fact that the Enquiry Officer as well as the Disciplinary Authority were bank officers and they might be in practice of comparing the signature of customers with naked eyes in routine and therefore, could have gained sufficient experience in identifying the signatures of customers and their fellow employees from the perspective of “banker’s eye”, it said. The Court also observed that the Tribunal had acted as an Appellate Authority and despite concluding that it is highly possible that the irregularities as alleged in the chargesheet were committed by the Manager at the insistence of the Respondent, and he was the direct beneficiary of the irregular loan sanction, had illegally interfered with the punishment order passed by the Disciplinary Authority. “The Tribunal had also erred in observing that the punishment of compulsory retirement imposed upon the Respondent is too harsh and disproportionate as it may result in denial of the retirement benefit to him”, it added. The Court clarified that as punishment of compulsory retirement is imposed upon the Respondent, he is entitled for gratuity and other pensionary benefits in accordance with law. Accordingly, the Apex Court disposed of the Appeal, set aside the High Court’s Judgment, and affirmed the Disciplinary Authority’s Order.

Cause Title- The General Manager (P) Canara Bank v. Ganganarasimhaiah (Neutral Citation: 2025 INSC 1088)

Appearance: Appellant: AOR Rajesh Kumar Gautam, Advocates Anant Gautam, Rishi Chauhan, Deepanjal Chudhary, and Likvi K Jhakalu. Respondent: AOR Chand Qureshi and Advocate Mujahid Ahmad.