[2025] 8 S.C.R. 1084 : 2025 INSC 1010

State Bank of India & Others
v.
Ramadhar Sao

(Civil Appeal No. 10680 of 2025)

20 August 2025

[Rajesh Bindal* and Manmohan, JJ.]

Issue for Consideration

The respondent was removed from services. The order of punishment was set aside by the Single Bench of the High Court and the respondent was directed to be reinstated with back wages. By the impugned judgment intra-court appeal filed by the Bank was dismissed against the order passed by the Single Bench of the High Court.

Headnotes†

Service Law – Removal from Service – Respondent joined the Bank as a messenger – Complaints were received against the respondent for taking bribe for coordination in sanction of loans – Inquiry Officer submitted his report by holding the respondent guilty of acting as a middleman for sanction and disbursement of loans at the branch by taking illegal gratification and his unauthorized absence from duty was also proved – Accepting the report, punishment of 'dismissal from service' was imposed upon the respondent – However, the Appellate Authority vide order dated 07.12.2012, reduced the penalty from 'dismissal' to 'removal from service' with superannuation benefits – Writ Petition filed by the respondent before the Single Bench of the High Court was allowed and he was reinstated with back wages – Intra-Court appeal preferred by the Bank was dismissed – Correctness:

Held: There was no violation of Principles of Natural Justice – Due process was followed during the course of inquiry – The Inquiry Officer appreciated the evidence led by five loanees who categorically deposed that they had paid money to the respondents for coordinating sanction of their loans despite their documents being deficit – The opinion expressed by the Single Bench that the finding recorded by the Inquiry Officer and the Disciplinary Authority were based on conjuncture and surmises, cannot be

* Author

legally sustained – It is for the reason that if entire evidence is perused, there was no error in the findings record – These were based on preponderance of probabilities and strict proof of evidence beyond reasonable doubt was not required – The proved charge against the respondent was that he was working as a conduit in getting the loans sanctioned – Further, the fact which has been recorded by the Disciplinary Authority, when respondent appeared in response to a show cause notice before imposition of penalty, points towards the direction where he apparently admitted his guilt – Thus, the impugned orders passed by the Single Bench and the Division Bench of the High Court cannot be legally sustained – The same are liable to be set aside – The order passed by the Appellate Authority dated 07.12.2012 imposing punishment of 'removal from service' with superannuation benefits stands restored. [Paras 14, 14.1, 14.2, 14.3, 15]

Case Law Cited

SBI v. Ajai Kumar Srivastava, **2021 INSC 7 : [2021] 1 SCR 51 : (2021) 2 SCC 612;** *Boloram Bordoloi v. Lakhimi Gaolia Bank and Others,* **2021 INSC 66 : [2021] 1 SCR 858 : (2021) 3 SCC 806 – referred to.**

List of Keywords

Service Law; Removal from service; Sanction of loans; Unauthorised absence from duty; Illegal gratification; Principles of natural justice; Preponderance of probabilities; Conjuncture and surmises; Dismissal; Superannuation benefits.

Case Arising From

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 10680 of 2025

From the Judgment and Order dated 14.12.2022 of the High Court of Judicature at Patna in LPA No. 1283 of 2018

Appearances for Parties

Advs. for the Appellants:
Sanjay Kapur, Surya Prakash, Ms. Shubhra Kapur, Ms. Mahima Kapur, Ms. Akanksha Bhatia, Ms. Annu Mishra.

Advs. for the Respondent:
Devashish Bharukha,Sr.Adv., Ms. Sarvshree, Ms. Rita Jha.

Judgment / Order of the Supreme Court

Judgment

Rajesh Bindal, J.

1. The present appeal has been filed by the appellants[1] aggrieved by the judgment of the Division Bench of the High Court[2] in appeal[3] filed by them. By the impugned judgment intra-court appeal filed by the Bank was dismissed against the order[4] passed by the Single Bench of the High Court.

2. The respondent had approached the High Court by filing writ petition[5] challenging order dated 07.12.2012 passed in statutory appeal filed by him before the Appellate Authority, by which his punishment was reduced from 'dismissal' to 'removal from service' with superannuation benefits.

3. Briefly the facts available on record are that the respondent joined the Bank as a messenger in the year 1997. In April 2008, complaints were received against the respondent for taking bribe for coordination in sanction of loans. Vide notice dated 15.11.2008, the Bank called upon the respondent to explain his absence from duty and that he had been executing some loan documents at his residence and bank branch as well.

4. Not being satisfied with the reply of the respondent, the Bank issued a formal Memo of Charge to the respondent on 05.01.2010 regarding allegation of his being a conduit for getting the loans sanctioned and taking illegal gratification. The respondent, on 12.02.2010, submitted his reply to the chargesheet. On 10.03.2010, the Disciplinary Authority appointed inquiry officer to enquire into the truthfulness of the allegations made against the respondent. On 04.10.2010, the Inquiry Officer submitted his report by holding the respondent guilty of acting as a middleman for sanction and disbursement of loans at

1 For short, 'the Bank'

2 High Court of Judicature at Patna

3 LPA No.1283 of 2018

4 Dated 16.05.2018 in C.W.J.C. No.3594 of 2013

5 C.W.J.C. No.3594 of 2013

the branch by taking illegal gratification and his unauthorized absence from duty from 20.04.2008 to 25.04.2008 was also proved. Copy of the report was supplied to the respondent and show cause notice was issued on 29.12.2010, before imposition of penalty. He appeared before the Disciplinary Authority on 08.01.2011 claimed innocence and sought forgiveness for any mistake committed.

5. Vide order dated 08.01.2011, accepting the report of the Inquiry Officer, punishment of 'dismissal from service' was imposed upon the respondent. Aggrieved against the same, the respondent preferred statutory appeal. Taking a compassionate view, the Appellate Authority vide order dated 07.12.2012, reduced the penalty from 'dismissal' to 'removal from service' with superannuation benefits. Still not satisfied with the order of the Appellate Authority, the respondent preferred writ petition[6] before the High Court. The same was allowed by the Single Bench. The order of punishment was set aside and the respondent was directed to be reinstated with back wages. The Single Bench also granted liberty to initiate fresh proceeding against the petitioner therein including all other persons involved in the said misconduct. Aggrieved against the order passed by the Single Bench, the Bank preferred intra-court appeal[7] which was dismissed[8] by the Division Bench of the High Court. Aggrieved against the same, the present appeal has been filed before this Court.

6. Learned counsel for the appellants submitted that the Division Bench of the High Court has failed to take notice of the facts of the case correctly. Reference was made to the show cause notice issued to the respondent, which was the initial notice. By treating the same as the chargesheet for initiating disciplinary proceedings, the matter was examined. In fact, subsequently disciplinary proceedings were initiated on an independent chargesheet detailing out the allegations. It is a case in which the Appellate Authority had already taken a compassionate view while reducing the penalty from 'dismissal' to 'removal from service' with superannuation benefits. The Single Bench, while allowing the aforesaid writ petition, wrongly emphasized

---

6 C.W.J.C. No.3594 of 2013

7 L.P.A. No.1283 of 2018

8 Dated 14.12.2022

that as per the allegations there were other officers involved and only the respondent was singled out while others have not been punished. In fact, two other officers, the Branch Manager and Field Officer involved with the respondent were punished with removal from service.

6.1 It was further argued that the scope of interference in a writ petition against the departmental proceedings is not like an appeal. In judicial review, only procedural aspect could be examined. It is not the case of the respondent that there was any violation of principles of natural justice as he participated in the inquiry and cross-examined the witnesses. The customers of the Bank, in whose cases the respondent had coordinated with other bank officials for sanction of loan, have also deposed against him. Their loan accounts had become irregular. The respondent has already attained the age of superannuation on 30.06.2022. If the Disciplinary Authority agrees with the report of the Inquiry Officer, detailed reasons are not required to be recorded. It is only when the report is not accepted. In support of the arguments, reliance has been placed upon the judgments of this Court in **SBI v. Ajai Kumar Srivastava**[9] and **Boloram Bordoloi v. Lakhimi Gaolia Bank and Others**[10]**.**

7. On the other hand, learned counsel for the respondent submitted that the respondent has been made a scapegoat in the case. He was merely a class IV employee at lowest level. His primary job was printing of passbooks. He had no authority either to file, process or sanction any loan. If any irregularity was there, for that senior officers in the Bank could be held responsible and not the respondent. It had come on record in cross-examination of PW-6/Dilip Kumar Mehta, the field officer in the Bank, that the loan documents are to be filled up by the field officer. It came in the evidence of PW-7/Ajay Demta that the work and behaviour of the respondent had been satisfactory, and he was one of the dependable staff members. It is evident from a letter dated 20.09.2010, i.e. after the alleged incident, the respondent was promoted to the post of Assistant. This shows that his work and conduct was good.

9 (2021) 2 SCC 612 : 2021 INSC 7

10 (2021) 3 SCC 806 : 2021 INSC 66

7.1 It was further argued that the Single Bench had given liberty to the Bank to initiate fresh inquiry. The said order was passed on 16.05.2018. More than seven years have passed and the Bank could have initiated fresh inquiry instead of taking the litigation further. It was submitted that there is no error in the order passed by the Single Bench as well as Division Bench of the High Court and the appeal deserves to be dismissed. Even now, to put closure to the litigation, seeing the plight of the respondent who was a class IV employee, the relief granted to him can be moulded, may be by reducing the back wages.

8. Heard learned counsel for the parties and perused the relevant referred record.

9. Some facts in brief have already been noticed in the earlier part of the judgment, hence we do not deem it appropriate to narrate the same again. What emerges from the documents is that a show cause notice was issued to the respondent by the Bank on 15.11.2008 seeking his explanation on following two grounds:

> *"(a) You were on leave for 5 days upto 19.04.2008, but did not turn up to the Branch till the completion of the investigation i.e. 28.04.2008. There was no notice to the Branch in this regard.*
>
> *(b) It has been alleged that you have been executing loan documents at your residence and at Bank Branch also."*

10. In response to the said letter, no satisfactory explanation was submitted by the Respondent. Chargesheet was issued to the respondent by the Bank on 05.01.2010 alleging that there were serious irregularities in his discharge of duties in the Bank. He acted as a middleman in sanction of loans. The relevant paras thereof are extracted below:

> ***"Charge Sheet:***
>
> *During the year 2007-2008, when you were working as a messenger in Agriculture Development Branch, Ramnagar, there were serious irregularities in the sanction and disbursement of loans to the customers mentioned in the following table in the branch, in which there are serious allegation of your involvement.*

Sl. No.	*Name (Mr)*	*Account no.*	*Loan Amount (Rs)*
01	*Fakruddin*	*30287568733*	*50,000.00*
02	*Bali Yadav*	*30337461081*	*40,000.00*
03	*Arun Kumar Mani Mishra*	*30310977071*	*50,000.00*
04	*Chandsi Shah*	*30358112002*	*40,000.00*
05	*Gharbharan Prasad*	*30358122134*	*50,000.00*
06	*Krishna Prasad Ram*	*30358122098*	*50,000.00*

For your dereliction of duty and for acts & omissions, show cause is issued with purpose that why not departmental proceeding in terms of service rules of award staff and bi-partite settlement dated 10.04.2002, under provisions of para (5), sub-para (J & K), amounting to gross misconduct, should be initiated against you for the below-mentioned charges:

a) You were allegedly acting as a middleman in loan sanction and disbursement at the branch. You are charged of taking illegal gratification from a customer of the Bank (Account No. 30287568733, 30337461081, 30310977071, 30358112002, 30358122134, 30358122098) in lieu thereof.

b) You allegedly used to take loan proposals at branches as well as at your residence from the above mentioned customers (i.e. Account No. 30287568733, 30337461081, 30310977071, 30358112002, 30358122134, 30358122098) for documentation, after which only the sanction was possible.

c) You remained absent from the branch without permission from 20.04.2008 to 25.04.2008 during the course of investigation of irregularities, so as to deliberately evade the process of investigation."

10.1 As emerged from the record, the respondent filed reply to the same vide letter dated 12.02.2010, however, finding the same to be unsatisfactory, Inquiry Officer was appointed.

11. During the course of inquiry, the respondent denied the charges and sought to defend his case. He even selected a defence counsel. The Inquiry Officer recorded evidence of multiple witnesses. The loanees of the Bank appeared as departmental witnesses in the Inquiry.

    11.1 PW-1/Fakruddin stated that he was forced to pay ₹ 5000/- to the respondent for getting his loan sanctioned without even proper documents. Similar were the statements made by PW-2, PW-3. PW-4 and PW-5, all of whom had stated about giving several thousands to respondent in order to get their loans sanctioned. PW-6/Dilip Kumar Mehta, Field Officer merely stated about the normal procedure followed for filling the loan applications and not what was done in the case in hand. The aforesaid process of inquiry clearly established the fact that due opportunity of hearing was afforded to the respondent during the course of inquiry.

    11.2 After the inquiry report was submitted, following due process a show cause notice along with inquiry report was sent to the respondent, which was duly received by him. He appeared before the Disciplinary Authority on 08.01.2011 and submitted as follows:

> *"I am innocent. Knowingly or unknowingly whatever mistake I have made, please forgive me. One of my son is handicapped and one of my daughter is of marriageable age. I have always served the Bank with utmost satisfaction. I don't have any other source of income."*

    11.3 The aforesaid statement established the fact that indirectly the respondent had admitted what he had done. He pleaded mercy. As it was a case of corruption, the Disciplinary Authority imposed punishment of 'dismissal from service' upon the respondent.

    11.4 The respondent preferred statutory appeal. He reiterated what he had stated earlier during the course of inquiry. Still, finding that it was a case of gross misconduct, the Appellate Authority, by taking a compassionate view, reduced the penalty from 'dismissal' to 'removal from service' with superannuation benefits. In fact, the respondent could be satisfied with a light

punishment imposed upon him. However, he challenged the aforesaid order before the High Court.

12. The apparent reason assigned by the Single Bench is that the respondent was a class IV employee. He did not have any power to sanction loan. The Bank should have proceeded against other officers, which it did not do. It was further opined that the orders were passed against the respondent on conjunctures and surmises. There was no application of mind by the Disciplinary or the Appellate Authority. The Division Bench of the High Court, in an appeal filed by the Bank, has not referred to correct facts and upheld the order. Instead of referring to the chargesheet, initial show cause notice was extracted in the impugned order. The merits were not touched and only issue discussed was the objection raised by the appellants regarding maintainability of the writ petition filed by the respondent before the High Court.

13. The legal position with regard to interference in inquiries or the orders passed by the Disciplinary Authority in exercise of powers of judicial review is well-settled. This court in **SBI's** case (supra) observed as under:

> ***"22.*** *The power of judicial review in the matters of disciplinary inquiries, exercised by the departmental/ appellate authorities discharged by constitutional courts under Article 226 or Article 32 or Article 136 of the Constitution of India is circumscribed by limits of correcting errors of law or procedural errors leading to manifest injustice or violation of principles of natural justice and it is not akin to adjudication of the case on merits as an appellate authority which has been earlier examined by this Court..."*
>
> *(emphasis supplied)*

13.1 Law on the issue, that disciplinary authority is not required to record reason in detail if report of inquiry officer, is accepted. Reference can be made to judgment of this Court in **Boloram Bordoloi's** case (supra). Relevant para thereof is extracted below:

> *11. ... it is well settled that if the disciplinary authority accepts the findings recorded by the enquiry officer*

and passes an order, no detailed reasons are required to be recorded in the order imposing punishment. The punishment is imposed based on the findings recorded in the enquiry report, as such, no further elaborate reasons are required to be given by the disciplinary authority. As the departmental appeal was considered by the Board of Directors in the meeting held on 10-12-2005, the Board's decision is communicated vide order dated 21-12-2005 in Ref. No. LGB/I&V/Appeal/31/02/2005-06. In that view of the matter, we do not find any merit in the submission of the learned counsel for the appellant that the orders impugned are devoid of reasons."

(emphasis supplied)

14. It is not the case of the respondent that there was violation of principles of natural justice. Meaning thereby, due process was followed during the course of inquiry. The Inquiry Officer appreciated the evidence led by five loanees who categorically deposed that they had paid money to the respondents for coordinating sanction of their loans despite their documents being deficit. At the time of recording of his statement, PW-6/Dilip Kumar Mehta, Field Officer stated that all the accounts were irregular.

    14.1 The opinion expressed by the Single Bench that the finding recorded by the Inquiry Officer and the Disciplinary Authority were based on conjuncture and surmises, cannot be legally sustained. It is for the reason that if entire evidence is perused, there was no error in the findings record. These were based on preponderance of probabilities and strict proof of evidence beyond reasonable doubt was not required.

    14.2 Another reason assigned by the Single Bench is that the respondent has been made the scapegoat and other senior officers have not been proceeded against, is also wrong as the stand taken by the Bank is that the Branch Manager and the Field Officer against whom allegations were leveled along with the respondent, were removed from service. It was further opined by the Single Bench that the respondent being a Class IV employee had no role to play in sanctioning and disbursement of loan. The proved charge against the respondent was that he was working as a conduit in getting

the loans sanctioned. We are referring to the findings of the Single Bench as Division Bench did not record any reason in detail.

14.3 Further, the fact which has been recorded by the Disciplinary Authority, when respondent appeared in response to a show cause notice before imposition of penalty, points towards the direction where he apparently admitted his guilt and had sought mercy. The words stated by him have been extracted in para '11.2'. In fact, leniency was shown by the Appellate Authority by reducing the penalty from 'dismissal' to 'removal from service' with superannuation benefits.

15. For the reasons mentioned above, in our opinion, the impugned orders passed by the Single Bench and the Division Bench of the High Court cannot be legally sustained. The same are liable to be set aside. Ordered accordingly. The order passed by the Appellate Authority dated 07.12.2012 imposing punishment of 'removal from service' with superannuation benefits stands restored.

16. The appeal is accordingly allowed with no order as to costs.

17. Pending applications, if any, shall also stand disposed of with no order as to costs

Result of the case: Appeal allowed.

†*Headnotes prepared by:* Ankit Gyan