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Orissa HC

Case No: Writ Petition (C) No. 12113 Of 2013

Nagesh Bharat		APPELLANT
	Vs	
UCO Bank And Ors		RESPONDENT

Date of Decision: Dec. 17, 2025

Acts Referred:

- Constitution Of India, 1950-Article 14, 226, 227
- UCO Bank Officer Employees' (Discipline And Appeal) Regulations, 1976-Rule 10
- UCO Bank Officer Employees' (Conduct) Regulations, 1976- Regulation 3(1), 3(3), 6

Hon'ble Judges: Dr. S.K. Panigrahi, J

Bench: Single Bench

Advocate: D.K. Panda, S.K. Mohanty

Final Decision: Allowed

Judgement

Dr. S.K. Panigrahi, J

1. The petitioner challenges the order dated 27.08.2011 imposing penalty of dismissal from service, the appellate authoritys rejection letter dated 26.02.2010, and the revisional authority's rejection order dated 30.06.2010, alleging arbitrariness, illegality, and violation of natural justice.

I. FACTUAL MATRIX OF THE CASE:

2. The brief facts of the case are as follows:

(i) On 13.10.2010, a formal set of charges was framed against the petitioner, alleging misconduct and irregularities during their tenure as the manager of the Bhandaripokhari Branch of the Respondent Bank from 2003 to 2006. These alleged actions were purported to have caused a financial loss of RS.445.42 lakhs to the Opposite Party Bank. The allegations are listed as follows:

Allegation 1: The petitioner is alleged to have failed to obtain Pre/Post Sanction Visit Reports (PSVR) in the prescribed format, leading to 135 out of 159 UCO HIKY Scheme loans becoming potential NPAs, with most declared NPAs. Certain loans were sanctioned outside the service area without NOC, while others were sanctioned without obtaining Encumbrance Certificates (EC) before creating equitable mortgages. Property valuations were not conducted by an approved valuer, and there was no involvement of a second-in-command in loan processing or sanctioning. Furthermore, eleven loans were hastily sanctioned/disbursed within two days while the petitioner was under transfer orders, reflecting a lack of due diligence.

Allegation 2: The petitioner sanctioned multiple credit facilities to borrowers despite impaired earlier accounts, extended credits for varied purposes to single borrowers in violation of prudent financing principles, and misinterpreted KCC loan closures under the debt waiver scheme as repayments. These actions caused a probable loss of Rs. 14.26 lakhs to the Bank and other parties, as outlined under Allegation No. 2.
Allegation 3: The petitioner renewed and enhanced several cash credit limits without adhering to Bank norms, including pre- and post- sanction supervision, PSUR reports, valuation certificates, and EMTD Register entries. These lapses exposed the Bank and other parties to a loss of Rs. 23.12 lakhs.

Allegation 4 & 5: The petitioner failed to obtain IRAC reports for Tapan Chicken Farm and Surya Traders in the prescribed IBA format and did not submit compliance with sanction terms to ZO before disbursement. Additionally, the petitioner disbursed a term loan to Tapan Chicken Farm without ensuring end use, exceeded delegated powers by enhancing the limit for Surya Traders, and violated ZO instructions by approving the enhancement.

(ii) The Inquiry Officer concluded that the charges against the petitioner were proven, citing multiple irregularities. These included failure to obtain pre/post sanction reports, PSVR, legal opinions, and ECs for UHIKY loans before EMTD creation. The petitioner sanctioned loans beyond the service area without NOC, excluded second-in-command involvement, and engaged in reckless financing, including disbursing 11 loans before transfer. Additional violations included sanctioning loans despite impaired earlier accounts, lack of follow-up on irregular loans, non-compliance with sanction terms, exceeding delegated powers, failure to ensure end use, and extending undue favors to borrowers, exposing the Bank to significant risks and losses.

(iii) The allegations against the petitioner assert that he failed to safeguard the Bank's interests or perform his duties with integrity, honesty, devotion, and diligence, violating Regulation 3(1) of the UCO Bank Officer Employees' (Conduct) Regulations, 1976. Additionally, he is accused of exercising his powers without sound judgment, breaching Regulation 3(3) of the same.

(iv) After the explanation was submitted by the petitioner, one Sri A.C. Sahu, DCO of the Zone was appointed as the enquiry officer and one Sri L. Behera, ACO, Zonal Office was appointed as the presenting Officer vide order dated 27.11.2010.

(v) Be that as it may, the enquiry officer submitted his report to the Opp. Party No.3, who on receipt of the same forwarded it to the petitioner and asked the petitioner to make his submission against the pressed charges. Thus, the petitioner submitted his representation. However, the submissions made by the petitioner could not satisfy the Opp. Party No.3 and passed the order in dismissing the petitioner from service.

(vi) Aggrieved by the order of punishment, the petitioner pursued an appeal, followed by a revision petition. However, both were dismissed, as conveyed through the rejection letter dated 26.02.2010 and the revision rejection order dated 30.06.2010, respectively.

II. SUBMISSIONS ON BEHALF OF THE PETITIONER:

3. Learned counsel for the Petitioner earnestly made the following submissions in support of his contentions:

(i) The petitioner denied all allegations as baseless and asserted that the charges were in violation of the Bank's NPA Management Policy 2009-10 and CVC guidelines, which prohibit investigating complaints older than five years unless fraud or criminality is involved. He requested that the charges be dropped.

(ii) He further argued that the Security Register, a critical document for verifying loan compliance, was not made available, and its production would have disproved most charges.

(iii) Despite repeated requests, the NPA statements (RB-5, 6, 7) were withheld under the pretext of their unavailability in branch records, violating principles of natural justice. As mandated by the RBI, these statements track NPA for loan accounts categorized into Part-C (up to ₹25,000), Part-B (up to ₹1 crore), and Part-A (above ₹1 crore). Submitted quarterly to the RBI/ they are integral to the banks balance sheet/ containing essential details such as sanction dates, credit limits, NPA classification, security and insurance particulars, document status, and loss provisions. These records, forming a permanent database for loan review and monitoring, are indispensable and cannot reasonably be missing. Given that the allegations against the petitioner rest on multiple loan accounts turning NPA, access to these statements was vital for verifying the claims and constructing a defense.

(iv) The petitioner further raised concerns of bias, noting that the Zonal Manager, who issued the charge sheet and initiated the inquiry, acted as the Disciplinary Authority and appointed a subordinate officer as the Enquiry Officer, thus violating the fundamental principle that no one should judge their own cause.

(v) While the charge sheet and the Enquiry Officer's report did not allege fraud, the Appellate Authority later introduced this claim, demonstrating prejudice. The petitioner maintained that any errors in his actions were judgmental rather than fraudulent.

(vi) The Disciplinary Authority, the Zonal Manager, has acknowledged that three high-value loans were sanctioned by the Zonal Office, Cuttack, to a single borrower under the names M/s Japan Chicken Firm, M/s Surya Traders, and M/s Japan Feeds. These loans were directed to the Branch Office at Bhandaripokhari for disbursal and were subsequently disbursed by the petitioner in their capacity as Branch Manager. These accounts, now classified as NPAs or irregular, are central to the departmental inquiry, alongside other allegedly irregular loan accounts purportedly sanctioned and disbursed solely by the petitioner. However, the involvement of more than one officer in the sanctioning and disbursal of these loans is evident, with responsibility shared between the Zonal Manager at the Zonal Office and the petitioner at the Branch Office. Consequently/ the Zonal Managers role as both the sanctioning authority and the Disciplinary Authorityissuing the charge sheet and initiating the inquiryconstitutes a violation of natural justice, as it breaches the principle that no one should be a judge in their own cause.

(vii) Additionally, ambiguities in the charges further undermined the process. For instance, Allegation No. 1 cited irregularities in 132 accounts but provided details for only 36, leaving the remaining charges vague and unsupported. The petitioner contended that this lack of clarity impeded his ability to mount a defense.

(viii) The petitioner also invoked Rule 10 of the UCO Bank Officer Employees' (Discipline & Appeal) Regulation, 1976, arguing that the allegations involved multiple officers, including the Zonal Manager, and required joint proceedings, which were not conducted. The petitioner submitted that the Enquiry Officer's report and subsequent orders failed to address fundamental objections, including violations of natural justice, statutory rules, and the ambiguities in the charges, rendering the entire process flawed.

III. SUBMISSIONS ON BEHALF OF THE OPPOSITE PARTIES:

4. Per contra, learned counsel for the Opposite Parties earnestly made the following submissions in support of his contentions:

(i). The penalty of dismissal from service is supported by strong, undeniable, and authentic evidence of serious misconduct committed by the petitioner while serving as Manager at Bhandaripokhari Branch of Opp. Party No.1/Bank.

(ii). Through letter CZ/I&V/2010-11/375, dated 13.10.2010, the petitioner was informed of an inquiry under Regulation-6 of UCO Bank Officer Employees' (Discipline & Appeal) Regulation, 1976, and was given 10 days to submit a written defense. Corrections were later made to the Statement of Allegations through

corrigenda dated 30.11.2010 and 19.02.2011.

(iii). The petitioner failed to mention the specific period of misconduct (25.06.2003 to 14.08.2006) and misrepresented the charges against him, which were distinct from those stated in the Statement of Allegations.

(iv). The Enquiry Officer's report dated 25.06.2011 conclusively found the petitioner guilty, supported by ample evidence and documentation supplied to him.

(v). Although certain loans and credit facilities were sanctioned by the office of Opp. Party No.3, the petitioner is found guilty of reckless disbursement of sanctioned limits without proper post-sanction verification. The legal principle of No one should be the judge in his own cause is not applicable in the instant case. The explanation offered by the petitioners Defense Counsel does not stand as the final word in the matter of gross misconduct committed by the petitioner during the relevant period. The petitioners reply to the Enquiry Report and the observations of Opp. Party No.3, as contained in the petitioners letter dated 15.07.2011, fail to provide a satisfactory justification for exonerating the petitioner from the charges leveled against him.

(vi). The observations made by the petitioner in his letter dated 15.07.2011 were duly considered by Opp. Party No.3, but were found unsatisfactory. While disputing the contention that the NPA management policy of 2009 prohibited investigations into complaints or cases older than five years, Opp. Party No.3 asserts that relevant CVC guidelines did not bar the investigation into allegations regarding the sanctioning of 11 loans by the petitioner under the UCO JHKY scheme on 14.08.2006, mere days before his transfer. Although charges and allegations were drawn up four years after the misconduct, the complaints were raised within the five-year period, supporting the validity of the disciplinary proceedings.

(vii). The credit facilities mentioned in the statement of allegations were sanctioned in earlier years, but the irregularities only surfaced upon scrutiny of loan accounts and loan documents, leading to the initiation of disciplinary proceedings. Hence, the petitioner is not entitled to the protection of CVC guidelines concerning the time period during which staff responsibility can be examined. The disciplinary authority, Opp. Party No.3, considered all submissions made by the petitioner in response to the enquiry report and the appeal made to Opp. Party No.2 reiterating the same issues raised in the show cause and enquiry report. In the appeal, the petitioner submitted legally untenable and factually unsustainable arguments against Opp. Party No.3 and the Enquiry Officer.

(viii). The inherent elements of fraud are evident in all decisions related to the sanction and disbursement of the enumerated loans. The Appellate Authority, Opp. Party No.2, thoroughly scrutinized the allegations and charges, juxtaposing them with the facts and findings from the disciplinary proceedings conducted by the Enquiry Officer. The petitioner admitted to having committed judgmental errors

while sanctioning and disbursing loans, which constitute acts of omission and commission punishable under the DA Regulations. Such reckless decisions, without adhering to prescribed norms, hinder recovery efforts.

(ix). The facts of the case provide no justification for interference with the order dated 27.08.2011 of Opp. Party No.3 imposing the penalty of dismissal from service, as well as the order of the Appellant Authority dated 26.09.2012, confirming the imposition of the major penalty on the petitioner. Therefore, the writ petition lacks merit and is liable to be dismissed summarily.

IV. EXAMINATION OF LEGAL MATRIX:

5. It is trite in law that Power of judicial review exercised by a Court or a Tribunal against the orders of a departmental enquiry committee is only limited to ensuring that the individual receives fair treatment and not to ensure that the conclusion which the authority reaches is necessarily correct in the eye of the Court.

6. In case of State of Orissa v. Bidyabhushan Mohapatra,[AIR 1963 SC 779] the Constitutional Bench of the Supreme Court noted that, considering the seriousness of the proven misconduct, the disciplinary authority possessed the authority and jurisdiction to impose the corresponding penalty. This penalty was not subject to review by the High Court under Article 226. The relevant excerpts are produced hereinbelow:

If the conditions of the constitutional protection have been complied with, is not justiciable. Therefore if the order may be supported on any finding as to substantial misdemeanour for which the punishment can lawfully be imposed, it is not for the Court to consider whether that ground alone would have weighed with the authority in dismissing the public servant. The Court has no jurisdiction if the findings of the enquiry officer or the Tribunal Prima facie make out a case of misdemeanour, to direct the authority to reconsider that order because in respect of some of the findings but not all it appears that there had been violation of the rules of natural justice.

7. In B.C. Chaturvedi v. Union of India,[(1995) 6 SCC 749] the Supreme Court also held that judicial review is not an appeal from a decision but a review of the manner in which the decision is made. Power of judicial review is meant to ensure that the individual receives fair treatment and not to ensure that the conclusion which the authority reaches is necessarily correct in the eye of the Court. The relevant excerpt is produced here in below:

Judicial review is not an appeal from a decision but a review of the manner in which the decision is made. Power of judicial review is meant to ensure that the individual receives fair treatment and not to ensure that the conclusion which the authority reaches is necessarily correct in the eye of the court. When an inquiry is conducted on charges of misconduct by a public servant, the

Court/Tribunal is concerned to determine whether the inquiry was held by a competent officer or whether the inquiry was held by a competent officer or whether rules of natural justice are complied with. Whether the findings or conclusions are based on some evidence, the authority entrusted with the power to hold inquiry has jurisdiction, power and authority to reach a finding of fact or conclusion. But that finding must be based on some evidence. Neither the technical rules of Evidence Act nor of proof of fact or evidence as defined therein, apply to disciplinary proceeding. When the authority accepts that evidence and conclusion receives support therefrom, the disciplinary authority is entitled to hold that the delinquent officer is guilty of the charge. The Court/Tribunal in its power of judicial review does not act as appellate authority to re- appreciate the evidence and to arrive at its own independent findings on the evidence. The Court/Tribunal may interfere where the authority held the proceedings against the delinquent officer in a manner inconsistent with the rules of natural justice or in violation of statutory rules prescribing the mode of inquiry or where the conclusion or finding reached by the disciplinary authority is based on no evidence. If the conclusion or finding be such as no reasonable person would have ever reached, the Court/Tribunal may interfere with the conclusion or the finding, and mould the relief so as to make it appropriate to the facts of each case.

8. When an inquiry is conducted on the charges of misconduct, the Court or Tribunal would be concerned only to the extent of determining whether the inquiry was held by a competent officer or whether the rules of natural justice and statutory rules were complied with.

9. In the case of Union of India and others v. P. Gunasekaran,[(2015) 2 SCC 610] the Supreme Court provided comprehensive guidelines for High Courts in matters pertaining to departmental inquiries. The judgment outlined the scope and limits of judicial review, emphasizing the procedural framework and standards of fairness that High Courts must adhere to when addressing such cases. The Court articulated the principles as follows:

12. Despite the well-settled position, it is painfully disturbing to note that the High Court has acted as an appellate authority in the disciplinary proceedings, re-appreciating even the evidence before the enquiry officer. The finding on Charge no. I was accepted by the disciplinary authority and was also endorsed by the Central Administrative Tribunal. In disciplinary proceedings, the High Court is not and cannot act as a second court of first appeal. The High Court, in exercise of its powers under Article 226/227 of the Constitution of India, shall not venture into re-appreciation of the evidence. The High Court can only see whether:

(a) the enquiry is held by a competent authority;

(b) the enquiry is held according to the procedure prescribed in that behalf;

(c) there is violation of the principles of natural justice in conducting the proceedings;

(d) the authorities have disabled themselves from reaching a fair conclusion by some considerations extraneous to the evidence and merits of the case;

(e) the authorities have allowed themselves to be influenced by irrelevant or extraneous considerations;

(f) the conclusion, on the very face of it, is so wholly arbitrary and capricious that no reasonable person could ever have arrived at such conclusion;

(g) the disciplinary authority had erroneously failed to admit the admissible and material evidence;

(h) the disciplinary authority had erroneously admitted inadmissible evidence which influenced the finding;

(i) the finding of fact is based on no evidence.

13. Under Article 226/227 of the Constitution of India, the High Court shall not:

(i) re-appreciate the evidence;

(ii) interfere with the conclusions in the enquiry, in case the same has been conducted in accordance with law;

(iii) go into the adequacy of the evidence; (iv) go into the reliability of the evidence;

(v) interfere, if there be some legal evidence on which findings can be based;

(vi) correct the error of fact however grave it may appear to be;

(vii) go into the proportionality of punishment unless it shocks its conscience.

10. In Om Kumar & Others v. Union of India,[(2001) 2 SCC 386] the Supreme Court had also after considering the Wednesbury Principles and the doctrine of proportionality held that the question of quantum of punishment in disciplinary matters is primarily for the disciplinary authority, and the jurisdiction of the High Courts under Article 226 of the Constitution or of the Administrative Tribunals is limited and is confined to the applicability of one or the other of the well-known principles known as

Wednesbury Principles namely whether the order was contrary to law, or whether relevant factors were not considered, or whether irrelevant factors were considered or whether thedecision was one which no reasonable person could have taken. The Apex held as following:

In this context, we shall only refer to these cases. In Ranjit Thakur v. Union of India, [1987] 4 SCC 611, this Court referred to 'proportionality' in the quantum of punishment but the Court observed that the punishment was 'shockingly' disproportionate to the misconduct proved. In B.C. Chaturvedi v. Union of India, [1995] 6 SCC 749, this Court stated that the court will not interfere unless the punishment awards was one which shocked the conscience of the Court. Even then, the Court would remit the matter back to the authority and would not normally substitute one punishment for the other. However, in rare situations, the Court could award an alternative penalty. It was also so stated in Ganayutham.

Thus, from the above principles and decided cases, it must be held that where an administrative decision relating to punishment in disciplinary cases is questioned as 'arbitrary' under Article 14, the Court is confined to Wednesbury principles as a secondary reviewing authority. The court will not apply proportionality as a primary reviewing Court because no issue of fundamental freedoms nor of discrimination under Article 14 applies in such a context. The Court while reviewing punishment and if it is satisfied that Wednesbury principles are violated, it has normally to remit the matter to the administrator for a fresh decision as to the quantum of punishment. Only in rare cases where there has been long delay in the time taken by the disciplinary proceedings and in the time taken in the Courts, and such extreme or rare cases can the Court substitute its own view as to the quantum of punishment.

(Emphasis supplied)

11. Now, with the above principles in mind, we shall consider the arguments of the counsel for the petitioners, one by one, against the arguments of the counsel for the Opp. Parties.

V. COURTS REASONING AND ANALYSIS:

12. I have heard the representations of the counsels appearing for the respective parties at length.

13. From the perusal of the record, it is seen that during service in the respondent/Bank, a departmental enquiry was initiated and a charge-sheet was issued to the appellant levying five charges which had many sub-charges each. Many of such sub-charges were found to be proved against the appellant in the departmental enquiry. Now, I shall examine the contentions of the petitioner against the order of punishment.

14. First, the petitioner referred to the Bank's NPA Management Policy for 2009-10 and the CVC guidelines, asserting that these provisions prohibit the investigation of complaints older than five years unless they involve fraud or criminality. However,

this argument is untenable, as the cited CVC guidelines, particularly Guideline 5.3(e)(i), pertain specifically to the handling of complaints against board-level officials. As the petitioner held the position of a branch manager, these provisions are inapplicable to their case.

15. Second, the petitioner argued that key documents, including the Security Register and NPA statements (RB-5, 6, 7), were withheld, violating principles of natural justice. The Security Register, crucial for verifying loan compliance, could have disproved most charges. The NPA statements, essential for monitoring loan accounts, were claimed to be unavailable in branch records despite being permanent records submitted quarterly to the RBI. These statements, detailing sanction dates, credit limits, and NPA classifications, were indispensable for constructing the petitioners defense against allegations linked to multiple loan accounts turning NPA.

16. Third, the petitioner alleged bias, highlighting that the Zonal Manager acted in dual capacitiesas the sanctioning authority for certain high-value loans and as the Disciplinary Authoritythereby violating principles of natural justice. These loans, sanctioned by the Zonal Office, Cuttack, under different trade names for a single borrower, were disbursed through the petitioners branch. While the inquiry solely attributes the alleged irregularities to the petitioner, it is clear that responsibility was shared with the Zonal Office. The Zonal Manager's dual role, both sanctioning the loans and initiating disciplinary proceedings against the petitioner, constitutes a conflict of interest, undermining the fairness and impartiality required in such matters.

17. The aforementioned second and third points collectively raise concerns regarding the observance of the principles of natural justice. A delinquent employee may be denied a fair opportunity to adequately contest the findings of fact recorded by the Enquiry Officer or to respond to the proposed punishment due to a conflict of interest.

18. Now, it is well-established that the principles of natural justice cannot be rigidly confined to a fixed formula but must be applied flexibly, depending on the specific facts and circumstances of each case. Accordingly, their application must be assessed in the context of the particular situation at hand to ensure fairness and impartiality.

19. In Chairman, Board of Mining Examination and Chief Inspector of Mines & Anr. v. Ramjee,[AIR 1977 SC 965] the Supreme Court has observed that natural justice is not an unruly horse, no lurking landmine, nor a judicial cure-all. If fairness is shown by the decision-maker to the man proceeded against the form, features and the fundamentals of such essential processual propriety being conditioned by the facts and circumstances of each situation, no breach of natural justice can be complained of. Then, in Dr. Umrao Singh Choudhary v. State of Madhya Pradesh & Anr.,[(1994) 4

SCC 328] the Supreme Court held that the principles of natural justice do not supplant the law, but supplement the law. In Syndicate Bank & Ors. v. Venaktesh Gururao Kurati JT,[(2006) 2 SCC 73] it was held :

"To sustain the allegation of violation of principles of natural justice, one must establish that prejudice has been caused to him for non-observance of principles of natural justice.

20. It is settled legal position that an order is required to be examined on the touchstone of doctrine of prejudice. A Constitution Bench of the Supreme Court in Managing Director, ECIL v. B. Karunakar,[(1993) 4 SCC 727] considered the issue at length and after taking into consideration its earlier judgment in Union of India v. Mohd. Ramzan Khan,[AIR 1991 SC 471] the Court held that the theory of reasonable opportunity and the principles of natural justice have been evolved to uphold the rule of law and to assist the individual to vindicate his just rights. The Court further observed as under:

They are not incantations to be invoked nor rites to be performed on all and sundry occasions. Whether in fact, prejudice has been caused to the employee or not on account of the denial to him of the report, has to be considered on the facts and circumstances of each case. Where, therefore, even after the furnishing of the report, no different consequence would have followed, it would be a perversion of justice to permit the employee to resume duty and to get all the consequential benefits. It amounts to rewarding the dishonest and the guilty and thus to stretching the concept of justice to illogical and exasperating limits. It amounts to an "unnatural expansion of natural justice" which in itself is antithetical to justice.

21. The Supreme Court in S.L. Kapoor v. Jagmohan,[AIR 1981 SC 136] also held that in a peculiar circumstance observance of the principles of natural justice may merely be an empty formality as if no other conclusion may be possible on admitted or indisputable facts. In such a fact-situation, the order does not require to be quashed if passed in violation of natural justice. The Court came to the conclusion that a person complaining non-observance of the principles of natural justice must satisfy that some real prejudice has been caused to him for the reason that there is no such thing as a merely technical infringement of natural justice.

22. In light of the principles enumerated the cases included in the discussion hereinabove, it is clear that the petitioner ought to show that prejudice has been caused to his case due to non-supply of essential documents and the zonal manager acting as the disciplinary authority.

23. The petitioner has adequately demonstrated that he has repeatedly requested the NPA statements and the Security Register. Despite these efforts, the opposing party has refused to provide the requested documents, citing reasons that are irrelevant and extraneous to the matter at hand.

24. The NPA statements, in particular, are critical for the petitioner to effectively challenge the allegations of negligence in loan disbursal that subsequently resulted in loans turning into NPAs. The NPA statements would provide vital context, such as the timelines, compliance with standard procedures, and external factors contributing to the loans becoming NPAs. Without this information, the petitioner is unjustly deprived of the opportunity to demonstrate that the alleged negligence may not solely rest on him but could involve systemic issues or contributory negligence by other parties.

25. The latter issue is evident on its face. It is undisputed that the Zonal Office played a significant role in processing and sanctioning the loans in question, which were subsequently disbursed by the petitioner. This clearly demonstrates that the petitioner was not the sole individual involved in the transactions enumerated in Charges 4 and 5. The responsibility was shared, and any inquiry into the matter must account for the roles of all parties involved, including those at the Zonal Office.

26. The Zonal Managers dual role as both a participant in the events under scrutiny and the arbiter of disciplinary action contravenes the principle of nemo judex in causa sua. Such a situation undermines the fairness of the proceedings and casts doubt on the legitimacy of any conclusions reached. In addition, the petitioner is at a significant disadvantage because the Zonal Managers position allows them to shape the narrative of the events, potentially downplaying their own involvement while highlighting the petitioners alleged lapses. This imbalance further prejudices the case/ eroding the petitioners right to an unbiased hearing.

27. Several lapses are evident in the inquiry process. Notably, while neither the charge sheet nor the Enquiry Officer's report accused the petitioner of fraud, the Appellate Authority subsequently introduced such an allegation, reflecting a clear bias. The petitioner contended that any mistakes in his actions were errors of judgment rather than acts of fraud. Legally, it is well-settled that an appellate authority cannot expand the scope of the charges initially framed during a disciplinary inquiry. The appellate authority is bound by the findings of the Inquiry Officer unless there is compelling evidence of procedural irregularities or misinterpretation of facts. By introducing new allegations, the appellate authority has overstepped its jurisdiction, undermining the petitioners right to a fair process and raising concerns about the validity of the final decision.

28. When the above factors are considered, it becomes evident that the procedural irregularities significantly weaken the case of the opposing party. These glaring lapses, particularly the introduction of new allegations by the Appellate Authority and other violations of natural justice, cast doubt on the fairness and integrity of the inquiry process. Such procedural missteps necessitate a reevaluation of the petitioners case to ensure that justice is served.

29. However, it is equally important to recognize that these irregularities do not automatically absolve the petitioner of the remaining charges. While the procedural flaws merit scrutiny and may impact the outcome of specific allegations, the other charges must still be assessed on their merits.

30. As per the settled proposition of law, in a case where it is found that the enquiry is not conducted properly and/or the same is in violation of the principles of natural justice, in that case, the Writ Court cannot reinstate the employee as such and the matter is to be remanded to the Enquiry Officer/Disciplinary Authority to proceed further with the enquiry from the stage of violation of principles of natural justice is noticed and the enquiry has to be proceeded further after furnishing the necessary documents mentioned in the charge sheet, which are alleged to have not been given to the delinquent officer in the instant case.

31. In the case of Chairman, Life Insurance Corporation of India and Ors. v. A. Masilamani,[(2013) 6 SCC 530] it is observed in paragraph 16 as under:-

16. It is a settled legal proposition, that once the court sets aside an order of punishment, on the ground that the enquiry was not properly conducted, the court cannot reinstate the employee. It must remit the case concerned to the disciplinary authority for it to conduct the enquiry from the point that it stood vitiated, and conclude the same. (Vide ECIL v. B. Karunakar [(1993) 4 SCC 727], Hiran Mayee Bhattacharyya v. S.M. School for Girls [(2002) 10 SCC 293], U.P. State Spg. Co. Ltd. v. R.S. Pandey [(2005) 8 SCC 264] and Union of India v. Y.S. Sadhu [(2008) 12 SCC 30]).

32. Accordingly, it is essential that the charges leveled against the petitioner be re-examined and adjudicated de novo, with strict compliance to the principles of natural justice and procedural propriety. Such re-evaluation would afford the petitioner a fair and unbiased opportunity to contest the allegations, within a process untainted by conflicts of interest or preconceived notions, ensuring that justice is both done and seen to have been done.

VI. CONCLUSION:

33. Based on the aforementioned analysis of both factual and legal aspects, the order dated 27.08.2011 imposing the penalty of dismissal from service/ the appellate authoritys rejection letter dated 26.02.2010/ and the revisional authority's rejection order dated 30.06.2010 are hereby quashed and set aside.

34. Given that the inquiry is found to be tainted and in clear breach of the principles of natural justice, specifically, the failure to provide the delinquent officer with access to the relevant documents listed in the charge sheet and the existence of a conflict of interest; the matter is remanded to the Disciplinary Authority for a fresh inquiry.

35. The inquiry should commence from the point at which it was vitiated, i.e., after the issuance of the charge sheet, and proceed with the provision of all necessary documents, while adhering to the established principles of natural justice. This process must be completed within six months from the date of this order.

36. To uphold the principles of natural justice, the inquiry must be conducted by an independent and impartial authority, ensuring a thorough and balanced evaluation of the charges and the responsibilities of all parties involved.

37. This Writ Petition is, accordingly, **allowed**.