



IN THE HIGH COURT OF MADHYA PRADESH
AT GWALIOR

BEFORE

HON'BLE SHRI JUSTICE ANAND SINGH BAHRAWAT

WRIT PETITION No. 7096 of 2011

A. K. JAIN

Versus

THE CHIEF GENERAL MANAGER & APPELLATE AUTHORITY
STATE BANK OF INDIA AND OTHERS

Appearance:

Shri M.K. Sharma and Shri Alok Sharma – Advocates for petitioner.
Shri Piyush Chaturvedi - Advocate for respondents No.1 to 3 and 5.

Reserved on: 19.12.2025

Pronounced on : 28.01.2026

ORDER

This petition, under Article 226 of Constitution of India, has been filed seeking the following relief (s):-

*“(i) That, the dismissal order which is patently illegal and not valid, issued by the Disciplinary Authority vide their letter reference no.VIG/AVK/1109 dated 06.12.2010 **Annexure P/6** and subsequent confirmation order by appellate authority dated 06.06.2011 (**Annexure P/8**) imposed upon the Petitioner; the penalty of dismissal from service in terms of Rule No.67(j) of State Bank of India Officer Service Rule 1992 is liable to be quashed being irrational and harsh and discriminatory in view of the minor penalty so awarded to the Respondents No.4 and 5 for the same act or omission under the joint liability in view of minor penalty*



imposed on Respondents no.4 and 5 for the same acts/omission or alleged misconduct (Annexure P/9 in colly).

(ii) That, the Petitioner is liable to get his Pensionary, Gratuity, C.P.F. etc. benefits as he serve the establishments of SBI for more than 39 years dedicatly and blotlessly, with interest alongwith arrears w.e.f. 01.09.2010, since during the pendency of the D.E, he retired on superannuation on 31.08.2010.

(iii) That, Rs.50,000/- for mental agony and also the cost of unwanted litigation before this Hon'ble Court.

(iv) That, any other reliefs which this Hon'ble Court deems fit may kindly be also awarded.”

A. Submission of Petitioner :

2. It is submitted by learned counsel for petitioner that petitioner was initially appointed as Agriculture Assistant vide order dated 16.12.1970. Thereafter, again petitioner was appointed as Rural Development Officer in respondent/Bank by order dated 05.07.1979 and by order dated 01.08.1985 petitioner was promoted to the post of MMGS-II Officer in SBI. Learned counsel for petitioner submitted that at the relevant point of time i.e. in the year 2007 when petitioner was posted as Field Officer, there was a scheme of Bank floated for providing loans to farmers called as “Private Warehouse-Produce Marketing Loan Scheme”. Being a field officer, petitioner had responsibility of receiving loan applications related documents, ensuring authenticity of them, preparing proposals and recommending them to sanctioning authority. It is submitted that respondent No.4, sanctioning authority, was under no obligation to sanction each and every recommended proposal. It is submitted that explanation was called from petitioner regarding some alleged irregularities in sanction of demand loans against warehouse receipts at Naugaon Branch in District Chhatarpur. Thereafter, petitioner submitted reply vide Annexure P-2 dated 19.06.2009 explaining that at



the time of sanctioning of loan, warehouse receipts (WHR) were backed with adequate stocks and at the time of periodic inspections, stock was found to be diluted by the warehouse owner fraudulently, for which petitioner requested to lodge FIR against warehouse owner M/s B.D. More Warehouse. Learned counsel for petitioner submitted that without considering the explanation submitted by petitioner charge-sheet dated 26.10.2009 was issued alleging two charges with 6 and 4 allegations respectively. Learned counsel for petitioner submitted that similar and identical charge-sheets were issued to respondents No.4 and 5, the then Branch Manager and another Field Officer making same allegations/charges with different figures of alleged financial loss. It is further submitted that thereafter petitioner submitted reply dated 16.11.2009 to charge-sheet that he already explained the relative points in his letter dated 19.06.2009. Thereafter, enquiry was conducted by Enquiry Officer. The disciplinary authority forwarded the enquiry report with his dissenting note regarding allegation No.1(ii), seeking comments from petitioner. Petitioner submitted representation dated 27.07.2010 explaining each and every allegation and submitting that none of the allegations is proved. He also submitted that he had not done anything contrary to Rule 50(1) and 50(4) as alleged against him. Learned counsel for petitioner further submitted that thereafter on 31.08.2010 petitioner attained the age of superannuation and stood retired from service of Bank. It is submitted that thereafter disciplinary authority imposed punishment on respondent No.4 by order dated 21.09.2010 as “*reduction to a lower stage in the time scale of pay by two stages for a period of two years with further direction that the officer will not earn increments to pay during the period of such reduction and on expiry of such period, the reduction will have the effect of postponing the future increments of his pay*” as provided under Rule 67(f) of State Bank of India Officers' Service



Rules, 1992. Learned counsel for petitioner submitted that without considering the punishment imposed on respondent No.4, on 06.12.2010 on same types of allegations major punishment of dismissal from service under Rule 67(j) of State Bank of India Officers' Service Rules, 1992 has been awarded by disciplinary authority. It is further submitted that as petitioner stood already retired on attaining the age of superannuation on 31.08.2010, services of petitioner cannot be dismissed. To strengthen his argument, learned counsel for petitioner placed reliance on a judgment rendered by Hon'ble Apex Court in the case of **UCO Bank & Others Vs. Prabhakar Sadashiv Karvade** reported in **(2018) 14 SCC 98** and **UCO Bank & Others Vs. Rajendra Shankar Shukla** reported in **(2018) 14 SCC 92**. Learned counsel for petitioner submitted that after attaining the age of superannuation, the dismissal order cannot be passed and only an order in respect of withholding or withdrawing pension can be passed. It is further submitted by him that thereafter by order dated 08.12.2010, the disciplinary authority imposed punishment on respondent No.5 as “*reduction to a lower stage in the time scale of pay by two stages for a period of two years with further direction that the officer will not earn increments to pay during the period of such reduction and on expiry of such period, the reduction will have the effect of postponing the future increments of his pay*” as provided under Rule 67(f) of State Bank of India Officers' Service Rules, 1992. Learned counsel for petitioner submitted that on the same type of allegations, minor punishment has been imposed upon respondents No.4 and 5 and without considering the punishment of respondents No.4 and 5, punishment of dismissal from service has been imposed upon petitioner which is discriminatory. Reliance has been placed on a judgment dated **11.09.2024** rendered by **Division Bench of Delhi High Court** in the case of **Punjab And Sindh Bank Vs. Sh. Raj Kumar**. It is also submitted



that punishment of dismissal from service is shockingly disproportionate as charge of corruption is not proved to the guilt & mere negligence without any ulterior motive cannot invite such a harsh punishment.

3. Reliance is placed on the judgments of the Hon'ble Supreme Court in **Union of India and others Vs. J. Ahmed, (1979) 2 SCC 286, Dev Singh Vs. Punjab Tourism Development Corporation Ltd. and another, (2003) 8 SCC 9** and that of Madhya Pradesh High Court in **Jai Kumar Bajpai (dead) through LRs Smt. Chandrakanta W/o Jai Kumar Bajpai Vs. Chairman-Cum-Managing Director, Madhya Pradesh State Electrical Board, Rampur, 2022 (3) M.P.L.J. 603.**

4. Reliance is also placed on other Supreme Court judgments in **Rajendra Yadav Vs. State of Madhya Pradesh and others, (2013) 3 SCC 73**, **Naresh Chandra Bhardwaj Vs. Bank of India and others, (2019) 15 SCC 786**, so also on the decision of a Division Bench of this High Court at Indore Bench in case of **Hindustan Petroleum Corporation Ltd. v. Kailash Chandra, 2021 SCC OnLine MP 3385**, on the ground that petitioner has been denied parity with co-delinquents Shri R.K. Chouhan (since dead) and Shri Shailendra Kumar (respondents No.4 and 5) who were working as Branch Manager/Field Officer and who had been inflicted with punishment of “*reduction to a lower stage in the time scale of pay by two stages for a period of two years with further direction that the officer will not earn increments to pay during the period of such reduction and on expiry of such period, the reduction will have the effect of postponing the future increments of his pay.*”

5. Learned counsel for petitioner submitted that as per the charges levelled in the charge-sheet, the alleged act does not come within the definition of



misconduct. There may be negligence and lapse in performance of duty or errors. Reliance has been placed on a decision rendered by Hon'ble Apex Court in the case of **Union of India and others Vs. J. Ahmed** reported in (1979) 2 SCC 286 and decision rendered by **Division Bench of this Court** in the case of **S.D. Bind Vs. Union of India & Others** reported in 2015(1) MPLJ 574. Learned counsel for petitioner further submitted that petitioner alone is not responsible for alleged misconduct as petitioner was the Field Officer at the relevant point of time and other field officer and Manager is also responsible for the alleged misconduct.

6. It is submitted that in para 68 of judgment dated 29.11.2022 passed by I Additional Sessions Judge, Nowgong, District Chhatarpur in ST No.100084/2011, amount of Rs.13,69,000/- and Rs.31,56,000/- has been recovered after auctioning Gayatri Dal Mill and B.D. More Ware house respectively and on the same charges the criminal court has already acquitted petitioner by judgment dated 29.11.2022 passed by I Additional Sessions Judge, Nowgong, District Chhatarpur in ST No.100084/2011.

7. It is submitted by learned counsel for petitioner that it is apparent from the decision that petitioner is singled out, framed and finally discriminated for the reasons appended below:

- (i) There were 3 warehouses, whose WHR were considered for financing to beneficiaries, namely:
 - (A) Maa Parwati Warehouse – 38.32 Lacs
 - (B) Sri Balaji Warehouse – 53.60 Lacs and
 - (C) B.D. More Warehouse – 82.49 Lacs

Out of these three, financing against WHR of A & B, were considered, on the same lines, and with the same *modus operandi*, as of WHRC. But 38 Accounts of these warehouses were finally and fully recovered, giving Branch and Bank a nice business and sizable return.



Advances against WHR of (C), failed only because the ware house owner committed a fraud with the Bank and confiscated the stock pledged to the Bank, and senior functionaries, failed to take timely decision and there was an inordinate delay in filing FIR for the period in question (Annexure PR/2) against the ware house owner.

(ii) Out of 82.49 Lacs, Amount Financed against WH.R of B.D. More ware house, petitioner sanctioned 40.13 lacs, upto the date he was working as Branch Manager in Temporary Capacity. Remaining 42.36 Lacs were Sanctioned by Shri R.K. Chauhan Permanent Br. Manager i.e. Respondent No.4 (since dead). All these cases were recommended by petitioner as Field Officer Only.

8. Thus, petitioner alone cannot be held responsible for the alleged misconduct. Reliance has been placed on the judgment rendered by Hon'ble Apex Court in the case of **Bongaigaon Refinery & P.C. Ltd. Vs. Girish Chandra Sarmah** reported in (2007) 7 SCC 206. Learned counsel for petitioner further submitted that on the same set of charges, minor punishment was inflicted on respondents No.4 (since dead) and 5, however, on the same charges major punishment was imposed on petitioner. It is submitted that while considering the proportionality of the punishment, distinction lies between the procedural irregularities constituting misconduct from the acts of misappropriation of finances, causing loss to the institution, etc. and these factors have not been considered by respondents at the time of imposition of punishment and at the time of considering the appeal. Reliance has been placed on a decision rendered by Hon'ble Apex Court in the case of **The Managing Director State Bank of Hyderabad and Anr. Vs. P. Kata Rao** reported in (2008) 15 SCC 657, para 25 of which is reproduced below for ready reference and convenience:

“25. The Division Bench, however, disagreed with the conclusion of imposition of stoppage of one increment. Even then it observed that in the facts and circumstances of this case the issue relating to dismissal of respondent needs reconsideration. It was directed:



“While doing so, the authority concerned shall keep in view the following factors:

(i) Both the disciplinary authority and this Court in Criminal Appeal No. 12 of 1996 found the respondent not guilty of charges of misappropriation, deriving the personal benefit for himself and causing loss to the Bank.

(ii) The effect of the judgment of this Court in Criminal Appeal No. 12 of 1996 in the light of the decision of the Supreme Court in *M. Paul Anthony case* [(1999) 3 SCC 679 : 1999 SCC (L&S) 810] and *G.M. Tank case* [*G.M. Tank v. State of Gujarat*, (2006) 5 SCC 446 : 2006 SCC (L&S) 1121] .

(iii) Modified punishment of withholding of increment without cumulative effect imposed on the respondent is a minor penalty unlike the punishment of withholding of increment with cumulative effect, which was held to be a major penalty by the Supreme Court in *Kulwant Singh Gill case* [*Kulwant Singh Gill v. State of Punjab*, 1991 Supp (1) SCC 504 : 1991 SCC (L&S) 998 : (1991) 16 ATC 940] .

(iv) While considering the proportionality of the punishment, distinction lies between the procedural irregularities constituting misconduct from the acts of misappropriation of finances, causing loss to the institution, etc.”

9. Learned counsel for petitioner further submits that there is no financial loss caused to the Bank and petitioner had worked for 39 years and during these 39 years, there are no major allegations against him and thus punishment of dismissal from service is too harsh and disproportionate. Reliance has been placed on a decision rendered by Hon'ble Apex Court in the case of **Umesh Kumar Pahwa Vs. The Board of Directors Uttarakhand Gramin Bank & Ors.** reported in (2022) 4 SCC 385. It is submitted that thereafter petitioner preferred appeal before the appellate authority and by order dated 06.06.2011, the Appellate Authority rejected the appeal by a non-speaking and unreasoned order without considering the facts and grounds raised in appeal and observing that



petitioner had a tendency to disregard the laid down systems and procedures. Learned counsel for petitioner submitted that in the charge-sheet there is no ground that petitioner is having tendency to disregard the laid down systems and procedures and without giving any opportunity of being heard on the allegations the appeal was rejected by the Appellate Authority. Learned counsel for petitioner further submitted that on the same allegations, FIR was registered against warehouse owner and other persons. Thereafter, the name of petitioner was included in ST No.100084/2011. It is submitted that in the said Sessions Trial, the Branch Manager admitted that petitioner had given the information regarding fraud committed by the warehouse owner. It is further submitted that thereafter by judgment dated 29.11.2022, the said Sessions Trial was decided and petitioner was acquitted as he was not found guilty. Learned counsel for petitioner submitted that on the same charges once the criminal court acquitted the petitioner finding him not guilty, the disciplinary authority as well as appellate authority must have **reconsidered** this aspect also.

10. It is further submitted by learned counsel for petitioner that financing from Banks comprises two stages. In the first stage, field officer receives the application related documents, ensures authenticity of them, prepares the proposal and recommends it to the sanctioning authority. Branch Manager, in this case, respondent No. 4 (since dead) sanctions it only after ensuring the genuineness of the demand, fulfillment of various schemes of the Bank, before sanctioning the proposals. It is submitted that it is needles to mention that sanctioning authority is under no obligation to sanction each and every recommended proposal, if found erratic or not confirming to the policies and rules and regulations, circulated by the Bank from time to time. He can refuse to sanction it. It is clearly mentioned in the circular that loan of Rs.10 Lacs can be



sanctioned per borrower within overall limit of 76.00 lacs, upper limit against WHR of B.D. More Warehouse. It is apparent from the decision that petitioner is singled out, framed and finally discriminated for the reasons appended below:

(i) There were 3 warehouses, whose WHR were considered for financing to beneficiaries, namely:

- (A) Maa Parwati Warehouse – 38.32 Lacs
- (B) Sri Balaji Warehouse – 53.60 Lacs and
- (C) B.D. More Warehouse – 82.49 Lacs

Out of these three, financing against WHIR of A & B, were considered, on the same lines, and with the same modus Operandi, as of WHRC but 38 Accounts of these ware houses were finally and fully recovered. giving Branch and Bank a nice business and sizeable return. Advances against WHR of (C), failed only because the ware house owner committed a fraud with the Bank and confiscated the stock pledged to the Bank, and senior functionaries, failed to take timely decision and there was an inordinate delay in filing FIR for the period in question (Annexure PR/2) against the ware house owner.

(ii) Out of 82.49 Lacs, Amount Financed against WH.R of B.D. More ware house, Petitioner Sanctioned 40.13 lacs, upto the date he was working as Branch Manager in Temporary, Capacity. Remaining 42.36 Lacs were Sanctioned by Shri R.K. Chauhan Permanent Br. Manager. i.e. Respondent No.4 All these cases were recommended by Petitioner as field Officer Only.

11. It is submitted that entire loans failed due to reasons, stated above, and both the Sanctioning authorities and recommending field offices were charge-sheeted. Shri Chauhan was served charge-sheet for inflicting a loss of 105.77 lacs (including other loans of C & I segment, sanctioned with the recommendation of FOSIB. Respondent No.5 was also charge-sheeted and punished. But both (Respondents No.4 & 5) were inflicted with minor penalty and thus discriminated with petitioner. In petitioner's case loan sanctioned by him stands to Rs 40.13 lacs but to make it a bigger amount of proposals recommended by



him was included under the phrase Recommended/Sanctioned. It is submitted that it is important to mention that accepting proposals, preparing them and then recommending them for sanction to branch manager comes under the clerical duties of FO. It is not an administrative decision. Financial benefits passes to the beneficiary only after it is sanctioned by Branch Manager after taking care of rules and regulations and policy of the Bank. It is further submitted that other two officials i.e. respondent Nos. 4 & 5 were made to undergo inquiry process the same lines, but they were punished with soft-sword, with minor penalties, although the amount of loss incurred in their cases is higher, more than twice i.e. Rs. 105.77 Lacs, against 40.13 Lacs. This a clear-cut case of discrimination and bias against petitioner. The other two officials were favoured being in active service of the Bank at the material time of delivering the punishment orders and petitioner stood retired well before completion of inquiry and could not get any sympathetic view, as other officials (Respondents no. 4 & 5) were given. Following is the position of the post held by official alleged, loss amount as per their charge-sheets and punishment inflicted on them, in the same circumstances under the same policies and by the same authority structure.

	Name	Post	Alleged amount of loss	
1	Shri R.K. Chouhan	Branch Manager	105.77 lacs	Stoppage of 2 increments for 2 year
2	Shri Shailendra Kumar	FO (SIB and C & I)	Recommended 23.47 Lacs	Stoppage of 2 increments for 2 year
3	Shri A.K. Jain	FO Agr & B.M. For a short period 15-04-07 to 23-06-07	40.13 Lacs sanctioned and 18.88 Lacs recommended	Dismissal from services after retirement on superannuation



12. It is submitted that on the same point whether near relatives of W.H. owner were to be financed or not, comments of Disp. Authority- are appended below:

“Though there was no specific bar for financing to the neat/close relatives of ware house owner at the time of sanctioning these loans, but it is clearly visible that ware house owner and his close relatives were accommodated under the Scheme violating spirit/purpose of the scheme, which was meant for providing liquidity to the farmers to enable them to avoid distress sale of their farm produce at the time of harvest.”

13. Are they not entitled to be saved from distress sale of their farm produce, simply because of having some relation with the W.H. Owner. Here the "Vision" of Disp. Authority to see beyond what has been laid down and circulated/instructed can not be a base for arriving at decisions of Inquiry Officer. Moreover, these loans were only recommended by the petitioner and were sanctioned by the Branch Manager, after finding them proper and fit under the scheme. It is submitted that no adequate reason for disagreement has been given by Disp. Authority & respondent No.2 for such disagreement and therefore, what could not be proved on the floor of the inquiry, by the Inquiry officer, has been held proved by the Disp Authority & Resp. No.2, without justifying his judgment adequately in terms of Rule No. 68 (3) (ii). This is a big question mark on the quality of justice delivered by the Management of the Respondent Bank. It is submitted that Appellate Authority and Respondent No.1 failed to elaborate how would the officers have been diligent, in the absence of clear policy guidelines and instructions, and what about the stocks pledged, which was pledged by rest of the majority of borrowers and confiscated by ware house owner.

14. It is submitted that this allegation finally not found to be proved by the inquiry officer as well as Disp. Authority. This is only because petitioner did



everything what was required of him to do as field officer which means that he was never negligent towards his duties, in preparing proposals, recommending them for sanction, and/or pointing out deficiencies, for sanction/disbursement to higher authorities for initiating, remedial measures.

15. It is submitted that petitioner pointed out the bad motives of the warehouse owner to Branch Manager and officials of Regional Office sitting at a distance of 22 Kms. from the Branch, who were aware of everything happening at the Branch. In fact, when the irregularity or symptoms of failure of loan appeared Regional Manager from Regional Office himself visited the ware house, did detailed inspection with his team on 21-10-2008, but he failed to initiate any action to take possession of stock and safeguard the primary security lying in the hands of ware house owner It was the inordinate delay on the part of Regional office and Regional Manager, who took months together to permit the filing of FIR. By that time the total stock pledged was removed by the ware house owner, which resulted in failure of loan and loss to Bank. It is clearly apparent that officers of junior level were made scapegoat to protect the inaction of Regional Manager, who failed to take timely decisions and guide the Branch Officials.

16. It is further submitted that in the catena of judgments of the court of Law and the Division Bench of Gauhati High Court in case of Girish Chand Sharma V/s BRPL, affirmed by the Apex Court, as cited in case of workman, Thanai Tea Estate V Is Management, Thanai Tea Estate (2013 (137) FLR 24) decided on June 20, 2012 dealing with the collective responsibility in the decision making process, held that the charge of fraud against the petitioner involved in the said case was misdirected for the reason that the petitioner alone was not entrusted with the particular responsibility and that the responsibility was with the team which includes the Respondents no. 4, 5 and along with the higher Management



of the State Bank of India. Petitioner alone could not have been picked up for the alleged loss and to award the disproportionate punishment of dismissal after his retirement, discriminating with respondent no. 4 & 5 (Annexure PR/4). Moreover, the documents received through RTI, in cases of respondents 4 & 5, and the poor follow up in the high drama case in question would demonstrate that how far the negative attitude is applied by the respondent Bank with the petitioner. The SBI has discriminated petitioner with respondents no. 4 & 5 arbitrarily with malice and played the game to demolish petitioner and his family by denying the pension and other pensionary benefits (Annexures PR/5 to P/13). The petitioner is also entitled to the interest on the pension and other retiral dues in view of Apex Court judgment in V.L. Mehrotra followed by this high court in State of M.P. Vs R.D. Agrawal (Annex. PR/14).

B. Submissions of Respondents :

17. *Per contra*, learned counsel for respondents submits that the punishment awarded to petitioner is commensurate with the gravity of misconduct. It cannot be equated with other persons as their conduct was quite different and their responsibility was also different. Punishment has been awarded to petitioner according to his responsibility and the wrong and misconduct committed by him. Learned counsel for respondents further submitted that petitioner had sanctioned various loans against the stock in warehouse wherein he had committed certain mistakes and irregularities, therefore, the proper and detailed charge-sheet was issued to him and enquiry was also done in accordance with law. Resultantly, he has been punished and thereafter the appellate authority has also considered the facts and grounds mentioned by petitioner in his appeal and decided the appeal on merits. Learned counsel for respondents further submitted that petitioner had committed negligence thereby causing huge monetary loss amounting to Rs.87



lacs to the respondent/Bank for which he was duly charge-sheeted and punished in accordance with law. Learned counsel for respondents further submitted that petitioner cannot claim negative equality as the concept of negative equality has no role to play in the provisions of Article 14 of Constitution of India. He placed reliance on the **order dated 04.11.2024** passed by co-ordinate Bench of this Court at Principal Seat Jabalpur in the case of **Akbar Khan Vs. The State of Madhya Pradesh And Others [WP. No.32178/2024]**. Learned counsel for respondents further submitted that the ground that other colleagues of petitioner have been awarded different punishment cannot be tenable as the punishment awarded to petitioner is proper and commensurate with his misconduct and responsibility. Learned counsel for respondents further submitted that the punishment order has been passed after affording due and proper opportunity of hearing to petitioner and observing principle of natural justice by the respondent/Bank. Thus, learned counsel for respondents submits that present petition being bereft of substance is liable to be dismissed on these grounds.

C. Consideration/Discussion :

18. Having heard learned counsel for the rival parties and perused the record, I am of the considered view that the petitioner has been able to make out a case for interference due to the following facts and reasons stated hereinbelow.

(i) Whether respondents can continue departmental enquiry after retirement of the petitioner:

19. To answer this question, this Court would like to go through Rule 19(3) of State Bank of India Officers' Service Rules, 1992 first, which for reference and convenience reads as under:

“19. (3) In case disciplinary proceedings under the relevant rules of service have been initiated against an officer before he ceases to be in



the Bank's service by the operation of, or by virtue of, any of the said rules or the provisions of these rules, the disciplinary proceedings may, at the discretion of the competent authority, be continued and concluded by the authority by which the proceedings were initiated in the manner provided for in the said rules as if the officer continues to be in service, so however, that he shall be deemed to be in service only for the purpose of the continuance and conclusion of such proceedings.”

20. As per aforesaid rules, disciplinary proceedings which have been initiated against an officer before he ceases to be in the Bank's service, the disciplinary proceedings may, at the discretion of the competent authority, **be continued** and concluded as if the officer continues to be in service, so however, that he shall be deemed to be in service only for the purpose of the continuance and conclusion of such proceedings. Therefore, this ground of petitioner is not sustainable.

(ii) **The copy of comments on the appeal by the Disciplinary Authority has not been supplied to the petitioner :**

21. From perusal of record, it is seen that in letter dated 04.02.2011 issued by the Chief Manager (Appeal and Review), addressed to the Assistant General Manager (Admn.), Disciplinary Proceedings Section, by which Chief General Manager has forwarded a copy of the appeal (preferred by petitioner against the dismissal order] dated 31.01.2011 and in Serial No.12, it is mentioned that Chief Manager has forwarded his comments on the Disciplinary Authority on the point of appeal in tabular form but the copy of comments on the appeal by the Disciplinary Authority has not been supplied to the petitioner and the appellate order is passed on the basis of comments of disciplinary authority and once the appellate order is based on the disciplinary authority comments then as per the compliance of natural justice it is necessary to supply the copy of comments to



the petitioner and asked the reply on comments from the petitioner for compliance of principle of natural justice.

(iii) Proper Reasons are required to be recorded, while disagreeing from the report of Enquiry Officer :

22. The disciplinary authority has issued a show cause notice dated 10.07.2010 disagreeing with the finding of enquiry officer in respect of Allegation No.1(ii) and petitioner has submitted his detailed reply dated 27.07.2010 in respect of Allegation No.1(ii) and at the time of issuance of punishment order the reply submitted by petitioner has not been considered/dealt with.

23. The judgment of Hon'ble Apex Court in the matter of **Punjab National Bank Vs. Kunj Behari Misra** reported in **AIR 1998 SC 2713** which has been cited by learned counsel for petitioner specifically lays down that in case an inquiry report is in favour of the petitioner and the Disciplinary Authority is in disagreement with the said inquiry report, the **proper reasons are required to be recorded in that context while disagreeing from the report of Enquiry Officer but from the order of the Disciplinary Authority it is reflected that no proper reasoning has been assigned** while disagreeing with the Enquiry Report which was in favour of petitioner.

(iv) Recovery of amount of Rs.26,96,101/- has not been shown by the Bank:

24. The recovery amount in loss-statement mentioned below has been suppressed by the respondents and this fact has already been mentioned by this Court in order sheet dated 19.12.2025. Despite respondent/Bank has not explained why the recovered amount/outstanding as on 28.02.2011 has not been brought into the knowledge of the court when specific query has been made by order dated 18.12.2025. As the aforesaid loss statement is available on record of



the disciplinary authority, therefore, for future purposes copy of aforesaid loss statement is marked as **Annexure C-1** which is reproduced below for ready reference and convenience:

*Recommend
San
Rec/San.*

LOSS STATEMENT
STAFF SUPERVISING : SHRI A.K.JAIN
BRANCH : NOWGONG (BKD)

as on 28.2.11 (as on 28.02.11)

Sl.No.	A/c No.	Seg.	Name	Limit	O/S Amt.	Recovery	Present o/s	IRAC status
01	30261278942	C&I	M/s Gaytri Dal Mill	386000	395193	30003	343268	8
02	30181278089	C&I	M/s Astha Traders	337500	187511	11602	180711	8
03	30203245303	C&I	M/s Gaytri Dal Mill	518000	556994	50989	244016	8
04	30205178240	C&I	M/s Gaytri Dal Mill	672000	716217	51719	614460	8
05	30210043442	C&I	M/s Gaytri Dal Mill	434000	450393	41284	386997	8
06	30260101474	Agri	Gupta Sandeep	378000	431812	382417	378000	8
07	30260105231	Agri	Gupta Sandeep	378000	431812	382417	378000	8
08	30264938340	Agri	Gupta Sandeep	504000	561114	515771	500000	8
09	30172941357	Agri	Ram Babu Gupta	82000	81413	41000	-	8
10	30172954413	Agri	Ram Babu Gupta	261000	308068	21924	286162	8
11	30175026414	Agri	Ram Babu Gupta	355000	300995	29422	289367	8
12	30176195198	Agri	Ram Babu Gupta	159000	187365	19465	-	8
13	30178648875	Agri	Pathak Ashish Kumar	132000	155257	66000	172000	8
14	30178670638	Agri	Mohan Lal Pal	270000	267570	13500	267570	8
15	30180226700	Agri	Mohan Lal Pal	390000	408431	195000	39118	8
16	30182733865	Agri	Mohan Lal Pal	8 252000	295574	126000	252000	8
17	30184068624	Agri	Pathak Ashish Kumar	8 196000	229573	196000	196000	8
18	30185114526	Agri	Pathak Ashish Kumar	8 220000	257504	220000	220000	8
19	30186512989	Agri	Pathak Ashih Kumar	8 163000	190658	163000	163000	8
20	30188114170	Agri	Ravi Arzariya	8 225000	223008	49000	223008	8
21	30189289344	Agri	Ravi Arzariya	8 235000	274299	235000	235000	8
22	30190613390	Agri	Ravi Arzariya	8 173000	201791	173000	173000	8
23	30191816481	Agri	Ravi Arzariya	8 97000	113024	97000	97000	8
24	30199031211	Agri	Ravi Arzariya	8 465000	464185	17000	464185	8
25	30254334076	Agri	Ram Babu Gupta	8 588000	587879	400114	186765	8
26	30260093700	Agri	Mohan Lal Pal	8 378000	422456	378000	378000	8
			TOTAL		8700096			

Loss statement: A.K.Jain Br Nowgong

Annul. Prinishal Deth.



(v) **Recovery of amount of Rs.26,96,101/- has not been considered by the Appellate Authority:**

25. As per Annexure A of the charge-sheet, the outstanding amount has been shown as Rs.87,00,096/- against WHRs issued by the B.D. More Warehouse and this Court has already recorded in proceedings dated 19.12.2025 and as per the loss statement Staff Supervisor A.K. Jain as on 28.02.2011, the outstanding amount shown Rs.87,00,096/- and as per the above chart Rs.26,96,101/- recovery shown in Annexure C/1 is not mentioned.

26. As per record, the memo of Appellate Authority dated 24.03.2011 approximate loss attributed to the petitioner is shown Rs.87,00,000/- when at the time of preparing the memo of appellate authority dated 24.03.2011 Annexure C-1 (Recovered amount of Rs.26,96,101/-) has not been considered by Deputy General Manager (O & C) NW-1.

27. The petitioner has specifically mentioned in appeal that Bank money will be fully recovered and petitioner has already been punished with disproportionate penalty for no loss to be incurred by Bank and also stated that other officers have already been punished for the similar cause with minor penalty by reduction in their time scale from 2-5 stages and also stated aforesaid fact in para 3 of appeal memo in following manner:

“It is pertinent to mention here that the referred alleged allegations are contributory minor procedural irregularities crept into the Systems where by other Officials including the then BM Sh R.K. Chauhan & Shri Shailendra Kumar working during above period at FO(SIB) Nowgong branch were also proceeded with by the Bank under "Disciplinary Action" procedure & it has been given to understand that in their case a lenient view was taken by imposing a minor penalty in reduction of time scale by 2 to 5 stages And in a similar case, I have been penalized with a disproportionate major penalty of 'Dismissal from Service' causing me a monetary loss of Rs. 80/- lacs



(Rupees eighty lacs approximately) & compelled to lead a life of 'Stravation' & live with a mental agony & ungraceful life in the society with my colleagues of SBI, while the above mentioned facts if considered, favourably by your kind honour merits for reviewing penalty imposed by "AA" by taking a lenient view for reduction of penalty in a such manner so that I can get pension for leading a life without "Stravation" gracefully & peacefully.”

28. As per record, statement of allegations and Article of Charges dated 26.10.2009, Annexure I, II, III and PEx-1, substantial Financial Loss to the Bank is Rs.87 lacs and as per Annexure A of Charge-sheet dated 26.09.2009 issued against Shri Shailendra Kumar (respondent No.5) and as per Annexure A, petitioner (A.K. Jain), Shri Shailendra Kumar (respondent No.5) and R.K. Chouhan (respondent No.4), all three are responsible for alleged loss of Rs.1,05,77,300/- shown against advances against WHRs issued by B.D. More Warehouse. For ready reference Annexure A is marked as **Annexure C-2**.

STATE BANK OF INDIA : BRANCH - NOWGONG
ADVANCES AGAINST WHRS ISSUED BY B.D.MORE WAREHOUSE

Sl.No.	A/c No.	Seg.	Name	Limit	O/S Amt.	Date of sanction	Recommended by (S/Shri)	Sanctioned by (S/Shri)
01	30172941357	Agri	Ram Babu Gupta	82000	81413	10.05.07	A.K.Jain	A.K.Jain
02	30172954413	Agri	Ram Babu Gupta	261000	308068	10.05.07	A.K.Jain	A.K.Jain
03	30173521761	C&I	M/s Astha Traders	318000	274503	11.05.07	Shailendra Kumar	R.K. Chauhan
04.	30174178844	C&I	M/s Astha Traders	455000	435320	14.05.07	Shailendra Kumar	R.K. Chauhan
05	30175026414	Agri	Ram Babu Gupta	355000	300995	15.05.07	A.K.Jain	A.K.Jain
06	30176195198	Agri	Ram Babu Gupta	159000	187365	17.05.07	A.K.Jain	A.K.Jain
07	30177038315	C&I	M/s Astha Traders	544000	541080	19.05.07	Shailendra Kumar	R.K. Chauhan
08	30178648875	Agri	Pathak Ashish Kumar	132000	155257	23.05.07	A.K.Jain	A.K.Jain
09	30178670638	Agri	Mohan Lal Pal	270000	267570	23.05.07	A.K.Jain	A.K.Jain
10	30180226700	Agri	Mohan Lal Pal	390000	408431	26.05.07	A.K.Jain	A.K.Jain
11	30181278089	C&I	M/s Astha Traders	337500	187511	29.05.07	A.K.Jain	A.K.Jain
12	30182733865	Agri	Mohan Lal Pal	252000	295574	31.05.07	A.K.Jain	A.K.Jain
13	30184068624	Agri	Pathak Ashish Kumar	196000	229573	04.06.07	A.K.Jain	A.K.Jain
14	30185114526	Agri	Pathak Ashish Kumar	220000	257504	06.06.07	A.K.Jain	A.K.Jain
15	30186512989	Agri	Pathak Ashih Kumar	163000	190658	08.06.07	A.K.Jain	A.K.Jain
16	30188114170	Agri	Ravi Arzariya	225000	223008	12.06.07	A.K.Jain	A.K.Jain
17	30189289344	Agri	Ravi Arzariya	235000	274299	14.06.07	A.K.Jain	A.K.Jain
18	30190613390	Agri	Ravi Arzariya	173000	201791	16.06.07	A.K.Jain	A.K.Jain
19	30191816481	Agri	Ravi Arzariya	97000	113024	19.06.07	A.K.Jain	A.K.Jain
20	30199031211	Agri	Ravi Arzariya	465000	464185	03.07.07	A.K.Jain	A.K.Jain
21	30200111813	C&I	M/s Astha Traders	290000	238543	05.07.07	Shailendra Kumar	R.K. Chauhan
22	30203245303	C&I	M/s Gaytri Dal Mill	518000	556994	11.07.07	A.K.Jain	R.K. Chauhan
23	30205178240	C&I	M/s Gaytri Dal Mill	672000	716217	14.07.07	A.K.Jain	R.K. Chauhan
24	30210043442	C&I	M/s Gaytri Dal Mill	434000	450393	23.07.07	A.K.Jain	A.K.Jain
25	30254334076	Agri	Ram Babu Gupta	588000	587879	05.10.07	A.K.Jain	R.K. Chauhan
26	30258915206	C&I	M/s Astha Traders	336000	387458	12.10.07	Shailendra Kumar	R.K. Chauhan
27	30260101474	Agri	Gupta Sandeep	378000	431812	15.10.07	A.K.Jain
28	30260105231	Agri	Gupta Sandeep	378000	431812	15.10.07	A.K.Jain
29	30260093700	Agri	Mohan Lal Pal	378000	422756	15.10.07	A.K.Jain
30	30261278942	C&I	M/s Gaytri Dal Mill	386000	395193	17.10.07	A.K.Jain	A.K.Jain
31	30264938340	Agri	Gupta Sandeep	504000	561114	24.10.07	A.K.Jain
			TOTAL	10191500	10577300			

(ANNEXURE 'A')

14.11.2008

Sanctioned by (S/Shri)



(vi). **Allegations are procedural mistake:**

29. A perusal of the allegations, levelled against petitioner in the charge-sheet, clearly goes to show that the allegations levelled in the charge-sheet and the imputation of allegations are nothing but a **procedural mistake** crept in while sanctioning loans/advances against WHRs receipts. The question is as to whether such an irregularity in the matter of following the procedure to sanction loans/advances against WHRs receipts can be termed as misconduct. Once this is the factual scenario then merely because the petitioner failed to follow the guidelines, it cannot be said that the petitioner has committed misconduct in the matter. At best action of the petitioner may fall in the category of carelessness or negligence in the matter of sanctioning loans/advances against WHRs, therefore as per my view allegations levelled even do not amount to misconduct for which action can be taken. Therefore also, probably, the disciplinary authority has imposed minor punishment against respondents No.4 and 5.

(vii) **Alleged allegations are not breach of any provision of State Bank of India Officers' Service Rules, 1992; ill-motive is not there:**

30. Now, this Court would like to understand what is misconduct. Rule 66 of State Bank of India Officers' Service Rules, 1992 defines "Misconduct" which goes as under:

"66. A breach of any of the provisions of these rules shall be deemed to constitute misconduct punishable under rule 67.

Note: For the purpose of rules 51, 52, 56, 59 and 62, "family" shall mean: -

(i) In the case of a male officer, his wife, whether residing with him or not, but does not include legally separated wife and in the case of a female officer, her husband, whether residing with her or not, but does not include a legally separated husband;



(ii) Children or step-children of the officer, whether residing with the officer or not, and wholly dependent on such officer but does not include a child or step-child of whose custody the officer has been deprived of by or under any law; and

(iii) any other person related by blood or marriage, to the officer or to his spouse and wholly dependent on such officer.”

31. Nowhere it is found by any of the authorities i.e. Enquiry Officer, Disciplinary Authority as well as Appellate Authority that the petitioner had **breached** any of the provisions of State Bank of India Officers’ Service Rules, 1992 in sanctioning loans/advances against WHRs receipts. Also it is nowhere found by any of the authorities i.e. Enquiry Officer, Disciplinary Authority as well as Appellate Authority that the petitioner had **ill-motive** in sanctioning loans/advances against WHRs receipts. Thus, the act of petitioner cannot be termed as misconduct as per the judgment rendered by Hon’ble Apex Court in the case of **Inspector Prem Chand Vs. Govt. of NCT of Delhi and others** reported in **(2007) 4 SCC 566**, para 12 of which is quoted below for ready reference and convenience:

12. It is not in dispute that a disciplinary proceeding was initiated against the appellant in terms of the provisions of the Delhi Police (Punishment and Appeal) Rules, 1980. It was, therefore, necessary for the disciplinary authority to arrive at a finding of fact that the appellant was guilty of an unlawful behaviour in relation to discharge of his duties in service, which was wilful in character. No such finding was arrived at. An error of judgment, as noticed hereinbefore, per se is not a misconduct. A negligence simpliciter also would not be a misconduct. In *Union of India v. J. Ahmed* [(1979) 2 SCC 286 : 1979 SCC (L&S) 157] whereupon Mr Sharan himself has placed reliance, this Court held so stating: (SCC pp. 292-93, para 11)

“II. Code of conduct as set out in the Conduct Rules clearly indicates the conduct expected of a member of the service. It



would follow that conduct which is blameworthy for the government servant in the context of Conduct Rules would be misconduct. If a servant conducts himself in a way inconsistent with due and faithful discharge of his duty in service, it is misconduct (see *Pearce v. Foster* [(1886) 17 QBD 536, 542 : (1886-90) All ER Rep Ext 1752]). A disregard of an essential condition of the contract of service may constitute misconduct [see *Laws v. London Chronicle (Indicator Newspapers)* [(1959) 1 WLR 698]). This view was adopted in *Shardaprasad Onkarprasad Tiwari v. Divisional Supdt., Central Rly., Nagpur Division, Nagpur* [(1959) 61 Bom LR 1596] and *Satubha K. Vaghela v. Moosa Raza* [10 Guj LR 23] . The High Court has noted the definition of misconduct in *Stroud's Judicial Dictionary* which runs as under:

‘Misconduct means, misconduct arising from ill motive; acts of negligence, errors of judgment, or innocent mistake, do not constitute such misconduct’.

Emphasis supplied

32. The Hon'ble Division Bench of this Court in the case of **S.D. Bind Vs. Union of India & Others** reported in **2015(1) MPLJ 574** has held as under:

“15. That apart, another aspect of the matter warrants consideration. The irregularities which is found against the petitioner is only nonfollowing of certain procedure in the matter of awarding contract. The question is as to whether such an irregularity in the matter of following the procedure can be termed as a misconduct. The Supreme Court has considered the aforesaid aspect in the case of *Union of India v. J. Ahmed* (AIR 1979 SC 1022) which has been followed again by the Supreme Court in the case of *Inspector Prem Chand v. Govt. of National Capital Territory of Delhi and others* [(2007) 4 SCC 1022] ; wherein it has been held by the Supreme Court that merely lack of efficiency, failure to attain the highest standard of administrative ability or negligent or careless way of dealing with a



matter on one isolated may not constituted a misconduct for which punishment can be imposed.

16. In the present case apart from the fact that the Division Bench has made the observations as reproduced herein above and interfered with the imposition of cost, it found that there was certain discrepancy in the guidelines laid down and, therefore, in paragraph 9 fresh guidelines for future action was issued. Once this is the factual scenario then merely because the petitioner failed to follow the guidelines for once, it cannot be said that the petitioner has committed misconduct in the matter. At best action of the petitioner may fall in the category of careless or negligence in the matter of dealing with the case once an isolated occasion and if the principles laid down by the Supreme Court as indicated in the case of J. Ahmed (supra) is applied, we are of the considered view that allegations levelled even do not amount to misconduct for which action can be taken.”

33. Are they not entitled to be saved from distress sale of their farm produce, simply because of having some relation with the W.H. Owner. Here the "Vision" of Disp. Authority to see beyond what has been laid down and circulated/instructed can not be a base for arriving at decisions of Inquiry Officer. Moreover, these loans were only recommended by the petitioner and were sanctioned by the Branch Manager, after finding them proper and fit under the scheme. It appears that no adequate reason for disagreement has been given by Disp. Authority & respondent No.2 for such disagreement and therefore, what could not be proved on the floor of the inquiry, by the Inquiry officer, has been held proved by the Disp Authority & Resp. No.2, without justifying his judgment adequately in terms of Rule No. 68 (3) (ii). This is a big question mark on the quality of justice delivered by the Management of the Respondent Bank. Further, it appears that Appellate Authority and Respondent No.1 failed to elaborate how would the officers have been diligent, in the absence of clear policy guidelines



and instructions, and what about the stocks pledged, which was pledged by rest of the majority of borrowers and confiscated by ware house owner.

34. This allegation finally could not appears to have been found to be proved by the inquiry officer as well as Disp. Authority. This is only because petitioner did everything what was required of him to do as field officer which means that he was never negligent towards his duties, in preparing proposals, recommending them for sanction, and/or pointing out deficiencies, for sanction/disbursement to higher authorities for initiating, remedial measures.

35. Moreso, petitioner pointed out the bad motives of the warehouse owner to Branch Manager and officials of Regional Office sitting at a distance of 22 Kms. from the Branch, who were aware of everything happening at the Branch. In fact, when the irregularity or symptoms of failure of loan appeared Regional Manager from Regional Office himself visited the ware house, did detailed inspection with his team on 21-10-2008, but he failed to initiate any action to take possession of stock and safeguard the primary security lying in the hands of ware house owner. It was the inordinate delay on the part of Regional office and Regional Manager, who took months together to permit the filing of FIR. By that time the total stock pledged was removed by the ware house owner, which resulted in failure of loan and loss to Bank. It is clearly apparent that officers of junior level were made scapegoat to protect the inaction of Regional Manager, who failed to take timely decisions and guide the Branch Officials.

(viii) Charges upon petitioner and co-delinquents are same:

36. By charge-sheet dated 26.10.2009, two charges have been framed against **petitioner** in following manner :-

**Charge No.1**

You have committed several lapses in recommending/sanctioning (as Officiating BM) Demand Loans granted against Ware House Receipts (WHRs) issued by B.D. More Ware House violating the terms of sanction vide LHO letter No.AGR-2/C-7/28 dated 15.05.2007, thus granting loans to non-eligible applicants, accommodated the borrowers/ware house owner beyond discretionary powers and beyond stipulations as per sanction letter.

Charge No.2

You have committed several lapses in conduct and follow up of loans without having meaningful pre-sanction and post-disbursement inspection which have resulted substantial financial loss to the Bank.

Your above acts have exposed the Bank a loss in excess of **Rs.87.00 lacs.**

37. By charge-sheet dated 26.10.2009, two charges have been framed against **Shailendra Kumar (Respondent No.5)** in following manner:

Charge No.1

You have committed several lapses in recommending Demand Loans against Ware House Receipts (WHRs) violating instructions of the competent authority thus granting loans to non-eligible applicants. It also appears that the ware house owner/borrowers were accommodated by granting loan to them.

Charge No.2

You have committed several lapses in conduct and follow up of loans without having meaningful pre-sanction and post-disbursement inspection which have resulted substantial financial loss to the Bank.

Your above acts have exposed the Bank a loss in excess of **Rs. 18.00 lacs.**



38. By charge-sheet dated 26.09.2009, two charges have been framed against **R.K. Chouhan (Respondent No.4-Deleted)** in following manner:

Charge No.1

You have committed several lapses in sanction of Demand Loans against Ware House Receipts (WHRs) issued by B.D. More Ware House violating the terms of sanction vide LHO letter No.AGR-2/C-7/28 dated 15.05.2007, thus granting loans to non-eligible applicants, accommodated the borrowers/ware house owner beyond discretionary powers and beyond stipulations as per sanction letter.

Charge No.2

You have committed several lapses in conduct and follow up of loans without having meaningful inspection of the ware house which have resulted substantial financial loss to the Bank.

Your above acts have exposed the Bank a loss in excess of **Rs. 105.00 lacs.**

39. It is needless to state that the scope of judicial review in disciplinary proceedings is well settled and the Hon'ble Apex Court has repeatedly emphasized that illegality, irregularity and proportionality of the punishment imposed are the only grounds for judicial intervention. If it has been made out that the conduction of the proceedings suffer from either of the aforementioned deficiencies, then judicial intervention is certainly warranted.

(ix) Parity amongst co-delinquents :

40. From perusal of record, true it is that financing from Banks comprises two stages. In the first stage, field officer receives the application related documents, ensures authenticity of them, prepares the proposal and recommends it to the sanctioning authority. Branch Manager, in this case, respondent No. 4 (since



dead) sanctions it only after ensuring the genuineness of the demand, fulfillment of various schemes of the Bank, before sanctioning the proposals. It is needless to mention that sanctioning authority is under no obligation to sanction each and every recommended proposal, if found erratic or not confirming to the policies and rules and regulations, circulated by the Bank from time to time. He can refuse to sanction it. It is clearly mentioned in the circular that loan of Rs.10 Lacs can be sanctioned per borrower within overall limit of 76.00 lacs, upper limit against WHR of B.D. More Warehouse. It is apparent from the decision that petitioner is singled out, framed and finally discriminated for the reasons appended below:

(i) There were 3 warehouses, whose WHR were considered for financing to beneficiaries, namely:

(A) Maa Parwati Warehouse – 38.32 Lacs

(B) Sri Balaji Warehouse – 53.60 Lacs and

(C) B.D. More Warehouse – 82.49 Lacs

Out of these three, financing against WHIR of A & B, were considered, on the same lines, and with the same *modus Operandi*, as of WHRC but 38 Accounts of these ware houses were finally and fully recovered giving Branch and Bank a nice business and sizeable return. Advances against WHR of (C), failed only because the ware house owner committed a fraud with the Bank and confiscated the stock pledged to the Bank, and senior functionaries, failed to take timely decision and there was an inordinate delay in filing FIR for the period in question (Annexure PR/2) against the ware house owner.



(ii) Out of 82.49 Lacs, amount financed against WH.R of B.D. More ware house, petitioner sanctioned 40.13 lacs, upto the date he was working as Branch Manager in Temporary, Capacity. Remaining 42.36 Lacs were Sanctioned by Shri R.K. Chauhan Permanent Br. Manager. i.e. Respondent No.4. All these cases were recommended by Petitioner as field Officer Only.

41. Entire loans failed, it appears, due to reasons mentioned above and both the sanctioning authorities and recommending field offices were charge-sheeted. Shri Chauhan was served charge-sheet for inflicting a loss of 105.77 lacs (including other loans of C & I segment, sanctioned with the recommendation of FOSIB. Respondent No.5 was also charge-sheeted and punished. But both (Respondents No.4 & 5) were inflicted with minor penalty and thus discriminated with petitioner. In petitioner's case loan sanctioned by him stands to Rs 40.13 lacs but to make it a bigger amount of proposals recommended by him was included under the phrase Recommended/Sanctioned. It is significant to mention that accepting proposals, preparing them and then recommending them for sanction to branch manager comes under the clerical duties of FO. It is not an administrative decision. Financial benefits passes to the beneficiary only after it is sanctioned by Branch Manager after taking care of rules and regulations and policy of the Bank. Other two officials i.e. respondent Nos. 4 & 5 were made to undergo inquiry process the same lines, but they were punished with soft-sword, with minor penalties, although the amount of loss incurred in their cases is higher, more than twice i.e. Rs. 105.77 Lacs, against 40.13 Lacs. This shows that it is a clear-cut case of discrimination and bias against petitioner. The other two officials were favoured being in active service of the Bank at the material time of delivering the punishment orders and petitioner stood retired well before



completion of inquiry and could not get any sympathetic view, as other officials (Respondents no. 4 & 5) were given. Following is the position of the post held by official alleged, loss amount as per their charge-sheets and punishment inflicted on them, in the same circumstances under the same policies and by the same authority structure.

	Name	Post	Alleged amount of loss	
1	Shri R.K. Chouhan	Branch Manager	105.77 lacs	Stoppage of 2 increments for 2 year
2	Shri Shailendra Kumar	FO (SIB and C & I)	Recommended 23.47 Lacs	Stoppage of 2 increments for 2 year
3	Shri A.K. Jain	FO Agr & B.M. For a short period 15-04-07 to 23-06-07	40.13 Lacs sanctioned and 18.88 Lacs recommended	Dismissal from services after retirement on superannuation

42. The Apex Court in the case of **Rajendra Yadav Vs. State of Madhya Pradesh and others** reported in (2013) 3 SCC 73 has held as under:

9. The doctrine of equality applies to all who are equally placed; even among persons who are found guilty. The persons who have been found guilty can also claim equality of treatment, if they can establish discrimination while imposing punishment when all of them are involved in the same incident. Parity among co-delinquents has also to be maintained when punishment is being imposed. Punishment should not be disproportionate while comparing the involvement of co-delinquents who are parties to the same transaction or incident. The disciplinary authority cannot impose punishment which is disproportionate i.e. lesser punishment for serious offences and stringent punishment for lesser offences.

10. The principle stated above is seen applied in a few judgments of this Court. The earliest one is DG of Police v. G. Dasayan [(1998) 2



SCC 407 : 1998 SCC (L&S) 557] wherein one Dasayan, a police constable, along with two other constables and one Head Constable were charged for the same acts of misconduct. The disciplinary authority exonerated two other constables, but imposed the punishment of dismissal from service on Dasayan and that of compulsory retirement on the Head Constable. This Court, in order to meet the ends of justice, substituted the order of compulsory retirement in place of the order of dismissal from service on Dasayan, applying the principle of parity in punishment among co-delinquents. This Court held that it may, otherwise, violate Article 14 of the Constitution of India.

11. In Shaileshkumar Harshadbhai Shah case [(2006) 6 SCC 548 : 2006 SCC (L&S) 1486] the workman was dismissed from service for proved misconduct. However, few other workmen, against whom there were identical allegations, were allowed to avail of the benefit of voluntary retirement scheme. In such circumstances, this Court directed that the workman also be treated on the same footing and be given the benefit of voluntary retirement from service from the month on which the others were given the benefit.

12. We are of the view that the principle laid down in the abovementioned judgments would also apply to the facts of the present case. We have already indicated that the action of the disciplinary authority imposing a comparatively lighter punishment on the co-delinquent Arjun Pathak and at the same time, harsher punishment on the appellant cannot be permitted in law, since they were all involved in the same incident. Consequently, we are inclined to allow the appeal by setting aside the punishment of dismissal from service imposed on the appellant and order that he be reinstated in service forthwith. The appellant is, therefore, to be reinstated from the date on which Arjun Pathak was reinstated and be given all consequential benefits as were given to Arjun Pathak. Ordered accordingly. However, there will be no order as to costs.

43. It is apposite to take note of the test laid down by Hon'ble Supreme Court for the purpose of deciding similarity of charges and proportionality of



punishment. In the case of *Administrator, Union Territory of Dadra and Nagar Haveli Vs. Gulabha M. Lad (2010) 5 SCC 775* it was laid down as under:-

“14. The legal position is fairly well settled that while exercising power of judicial review, the High Court or a Tribunal cannot interfere with the discretion exercised by the Disciplinary Authority, and/or on appeal the Appellate Authority with regard to the imposition of punishment **unless such discretion suffers from illegality or material procedural irregularity or that would shock the conscience of the Court/Tribunal.** The exercise of discretion in imposition of punishment by the Disciplinary Authority or Appellate Authority is dependent on host of factors such as gravity of misconduct, past conduct, the nature of duties assigned to the delinquent, responsibility of the position that the delinquent holds, previous penalty, if any, and the discipline required to be maintained in the department or establishment he works. Ordinarily the Court or a Tribunal would not substitute its opinion on reappraisal of facts.

15. In a matter of imposition of punishment where joint disciplinary enquiry is held against more than one delinquent, the same or similarity of charges is not decisive but many factors as noticed above may be vital in decision making. A single distinguishing feature in the nature of duties or degree of responsibility may make difference insofar as award of punishment is concerned. To avoid multiplicity of proceedings and overlapping adducing of evidence, a joint enquiry may be conducted against all the delinquent officers but imposition of different punishment on proved charges may not be impermissible if the responsibilities and duties of the co-delinquents differ or where distinguishing features exist. In such a case, there would not be any question of selective or invidious discrimination.”

(Emphasis Supplied)

44. In *Indian Oil Corporation Ltd. Vs. Ashok Kumar Arora* reported in *(1997) 3 SCC 72*, the similar view was taken and the Apex Court came to hold that if a delinquent employee is the main actor, he cannot claim parity in the



matter of imposition of punishment with other co-delinquents whose roles were distinct and different.

45. The said principles were further summarized in *Lucknow Kshetriya Gramin Bank Vs. Rajendra Singh* reported in (2013) 12 SCC 372, the relevant paras of which are as under:-

“19.3 Limited judicial review is available to interfere with the punishment imposed by the disciplinary authority, only in cases where such penalty is found to be shocking to the conscience of the court.”

19.5. The only exception to the principle stated in para 19.4 above, would be in those cases where the codelinquent is awarded lesser punishment by the disciplinary authority even when the charges of misconduct were identical or the co-delinquent was foisted with more serious charges. This would be on the doctrine of equality when it is found that the employee concerned and the co-delinquent are equally placed. However, there has to be a complete parity between the two, not only in respect of nature of charge but subsequent conduct as well after the service of charge-sheet in the two cases. If the co-delinquent accepts the charges, indicating remorse with unqualified apology, lesser punishment to him would be justifiable.”

(emphasis supplied)

46. It cannot be doubted that the imposition of punishment depends upon nature and duties of each delinquent employee, role allegedly played by them, gravity of charges, loss caused, past record etc. If there is similarity of allegations which was established in the enquiry, the punishment should be similar and commensurate to the misconduct. If the charges established against delinquent employees are similar and some of them are inflicted with severe punishment of dismissal from service whereas others were put to a comparatively advantageous



position, it will be a fit case for interference by the Court in exercise of power under Article 226 of the Constitution.

47. With regard to parity in the matter of punishment with co-delinquents, the Hon'ble Apex Court in **Pawan Kumar Agarwala Vs. General Manager-II and Appointing Authority, State Bank of India and others** reported in (2015) 15 SCC 184, has held as under:

“17. The charge-sheet was issued on 28-10-2004 against the appellant making 6 allegations against him and it is undisputed fact that list of witnesses and the copies of the documents were not furnished to the appellant. Further, the disciplinary authority has reversed the findings on Charges 3 and 5 without giving an opportunity to the appellant to show cause in the matter, and thereafter, the order of removal was passed by the appointing authority on the advice of the CVO vide his opinion dated 1-2-2006 and further it is brought on record that similarly placed person, namely, Mr Pradeep Kumar Das, the Manager of Hallydayganj Branch, who has loaned the loan to one Mr Tapan Kumar Sangma, in his case they have imposed lesser punishment of withholding on increment thereby making discrimination in differently treating the appellant herein, which is violation of Article 14 of the Constitution of India.”

48. In the catena of judgments of the court of Law and the Division Bench of Gauhati High Court in case of Girish Chand Sharma V/s BRPL, affirmed by the Apex Court, as cited in case of workman, Thanai Tea Estate V Is Management, Thanai Tea Estate (2013 (137) FLR 24) decided on June 20, 2012 dealing with the collective responsibility in the decision making process, held that the charge of fraud against petitioner involved in the said case was misdirected for the reason that petitioner alone was not entrusted with the particular responsibility and that the responsibility was with the team which includes the Respondents no.



4, 5 and along with the higher Management of the State Bank of India. Petitioner alone could not have been picked up for the alleged loss and to award the disproportionate punishment of dismissal after his retirement, discriminating with respondent no. 4 & 5 (Annexure PR/4). Moreover, the documents received through RTI, in cases of respondents 4 & 5, and the poor follow up in the high drama case in question would demonstrate that how far the negative attitude is applied by the respondent Bank with the petitioner. The SBI has discriminated petitioner with respondents no. 4 & 5 arbitrarily with malice and played the game to demolish petitioner and his family by denying the pension and other pensionary benefits (Annexures PR/5 to P/13). The petitioner is also entitled to the interest on the pension and other retiral dues in view of Apex Court judgment in V.L. Mehrotra followed by this high court in State of M.P. Vs R.D. Agrawal.

49. As per the charge-sheets issued to the petitioner as well as respondents No.4 and 5, they altogether have played a significant role in granting advances against WHRs issued by B.D. More Warehouse and Disciplinary Authority has given different treatment in imposing punishments as petitioner was squarely dismissed from service and respondents No.4 and 5 have been awarded minor punishment. As such, it is apparent that the respondent authorities have not maintained parity while imposing punishments on all the co-delinquents.

(x) Shockingly Disproportionate (Judicial Interference) :-

50. The petitioner enjoyed unblemished service record, except for the present case. Having carefully gone through the enquiry report as it is not a case of misappropriation or siphoning of funds on the part of the petitioner, the punishment awarded to petitioner is shockingly disproportionate to the guilt of



petitioner and it deserves to be set aside as discriminatory attitude has been adopted by the Disciplinary Authority as well as by the Appellate Authority.

51. This Court is conscious of the fact that the High Court, while exercising its jurisdiction under Article 226 of the Constitution, while dealing with disciplinary proceedings, should restrict itself to the *Wednesbury Test* and not interfere in the orders of a disciplinary authority, which is quasi-judicial in nature, unless the punishment imposed is grossly disproportionate to the charges levelled. In the present case, the disparity in imposition of punishments would require judicial review.

52. The Hon'ble Apex Court in the case of **B.C. Chaturvedi Vs Union of India** reported in (1995) 6 SCC 749 has held as under:

“12. 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 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 reappraise 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.

13. The disciplinary authority is the sole judge of facts. Where appeal is presented, the appellate authority has coextensive power to re-appreciate the evidence or the nature of punishment. In a disciplinary inquiry, the strict proof of legal evidence and findings on that evidence are not relevant. Adequacy of evidence or reliability of evidence cannot be permitted to be canvassed before the Court/Tribunal. In *Union of India v. H.C. Goel* [(1964) 4 SCR 718 : AIR 1964 SC 364 : (1964) 1 LLJ 38] this Court held at p. 728 that if the conclusion, upon consideration of the evidence reached by the disciplinary authority, is perverse or suffers from patent error on the face of the record or based on no evidence at all, a writ of certiorari could be issued.”

(xi) Unreasoned & Non-speaking (Independent Findings & Reasons have not been recorded) :

53. The impugned orders, by any standard of measure, do not appear to be Speaking Orders. The disciplinary authority seems to have mechanically reproduced the findings of the enquiry officer. Such an indifferent attitude taken by the disciplinary authority frustrates the cause of justice. Disciplinary authority ought to appreciate the evidence examined by the Enquiring Authority and look into the aspect of whether the charges made out against the delinquent officer could be reasonably inferred on the basis of such evidence. Additionally, it must render its independent findings and record the reasons for either considering or rejecting the reply to show cause notice. Disciplinary Authority is not expected to arrive at a conclusion hastily, without going into the petitioner’s reply, or without



going into the detailed reasons and rationale behind the grounds taken by the petitioner in his reply.

54. The impugned orders, by any standard of measure, do not appear to be Speaking Orders. The appellate authority seems to have mechanically reproduced the findings of the disciplinary authority. Such an indifferent attitude taken by the appellate authority frustrates the cause of justice. When an appeal is preferred, an appellate authority ought to appreciate the evidence examined by the Disciplinary Authority and look into the aspect of whether the charges made out against the delinquent officer could be reasonably inferred on the basis of such evidence. Additionally, it must render its independent findings and record the reasons for either considering or rejecting the appeal. Appellate proceedings are not to be conducted hastily, without going into the petitioner's /appellant's contentions, or without going into the detailed reasons and rationale behind the rejection of such appeal.

D. Conclusion:

55. Taking into consideration entire facts and circumstances of the case and after giving anxious meditation, this Court considers such behaviour to be unbecoming of an Officer holding the post of a Field Officer/Bank Manager. However, when the act of all the three i.e. petitioner and respondents No.4 and 5, as per the above charge-sheets, is one and the same i.e. issuance of advances against the WHRs, this Court is unable to understand the preferential attitude shown by the respondent authorities to the co-delinquents Bank Manager/Field Officers by imposing lesser punishments on them on one hand and against petitioner major one on the other. There is a merit in the contention of the learned



counsel for the petitioner that with respect to the imposing of punishments, there ought to have been parity in dealing with co-delinquents.

56. Furthermore, as such, the respondent bank has failed to satisfy this Court regarding parity of punishments imposed on A.K. Jain (petitioner), R.K. Chouhan (respondent No.4 – deleted) and Shailendra Kumar (respondent No.5). Further, the appeal proceedings appear to be a namesake exercise undertaken by the appellate authority, as no reasoning or rationale has been given for rejecting the petitioner’s appeal, in the impugned order dated 06.06.2011.

57. The punishment imposed on the other Branch Managers/Field Officers i.e. respondents No.4 and 5 (co-delinquents) which is one and the same is reproduced below:

“Reduction to a lower stage in the time scale of pay by two stages for a period of two years with further direction that the officer will not earn increments to pay during the period of such reduction and on expiry of such period, the reduction will have the effect of postponing the future increments of his pay in terms of Rule No.67(f) of State Bank of India Officers’ Service Rules, 1992”.

58. While the said co-delinquents were let off with a mere reduction of time scale of pay, the petitioner was imposed the major penalty of “Dismissal from Service” under Rule No. 67(j) of the State Bank of India Officers’ Service Rules, 1992”. It is distinctly obvious that the petitioner was meted out such a stringent treatment. This Court is of the firm view that such a prejudicial attitude by the Disciplinary Authority impairs the cause of justice.

59. It is significant to mention that out of 82.49 Lacs, amount financed against WHR of B.D. More ware house, petitioner sanctioned 40.13 lacs, upto the date he was working as Branch Manager in Temporary Capacity. Remaining 42.36



Lacs were sanctioned by Shri R.K. Chauhan Permanent Br. Manager i.e. Respondent No.4. All these cases were recommended by petitioner as Field Officer Only. Therefore, the attitude of the disciplinary authority in treating the petitioner with a different lens shows bias, and is therefore violative of the principle of natural justice.

60. While considering the proportionality of the punishment, distinction lies between the procedural irregularities constituting misconduct from the acts of misappropriation of finances, causing loss to the institution, etc. and these factors have not been considered by respondents at the time of imposition of punishment and at the time of considering the appeal.

61. In the charge-sheet there is no ground that petitioner is having tendency to disregard the laid down systems and procedures and without giving any opportunity of being heard on the allegations the appeal was rejected by the Appellate Authority. On the same charges once the criminal court has acquitted the petitioner finding him not guilty, the disciplinary authority as well as appellate authority must have reconsidered this aspect also. Other two officials i.e. respondent Nos. 4 & 5 were made to undergo inquiry process the same lines, but they were punished with soft-sword, with minor penalties, although the amount of loss incurred in their cases is higher, more than twice i.e. Rs. 105.77 Lacs, against 40.13 Lacs. This a clear-cut case of discrimination and bias against petitioner.

62. On the same point whether near relatives of W.H. owner were to be financed or not, comments of Disp. Authority- are appended below:

“Though there was no specific bar for financing to the near/close relatives of ware house owner at the time of sanctioning these



loans, but it is clearly visible that ware house owner and his close relatives were accommodated under the Scheme violating spirit/purpose of the scheme, which was meant for providing liquidity to the farmers to enable them to avoid distress sale of their farm produce at the time of harvest.”

63. Moreover, these loans were only recommended by the petitioner and were sanctioned by the Branch Manager, after finding them proper and fit under the scheme. No adequate reasons for disagreement have been given by Disciplinary Authority & respondent No.2 and for such disagreement appellate Authority and Respondent No.1 failed to elaborate how would the officers have been diligent, in the absence of clear policy guidelines and instructions, and what about the stocks pledged, which was pledged by rest of the majority of borrowers and confiscated by ware house owner.

64. **It is surprising enough that the respondent/Bank has not denied the facts and grounds as have been asserted by petitioner in his rejoinder, by filing reply/counter affidavit.**

65. In view of the foregoing discussion, it is apparent that the punishment imposed on the petitioner is highly disproportionate and disparate with the co-delinquents. Therefore, this Court is of the considered view that it is just and proper to direct the petitioner to make a fresh representation before the respondent authorities to impose any lesser punishment other than that of “dismissal”, “removal from service” and “Compulsory Retirement” in terms of the State Bank of India Officers’ Service Rules, 1992.

66. Accordingly, the writ petition is *allowed and disposed of* in the following manner:



(i) The impugned order passed by the Disciplinary Authority dated 06.12.2010 (Annexure P/6) and appeal rejection order dated 06.06.2011 (Annexure P/8) are hereby quashed;

(ii) Petitioner is directed to make a fresh representation before the disciplinary authority within a period of four (04) weeks from the date of receipt of a certified copy of this order who shall be free for imposing any lesser punishment other than that of “dismissal” or “removal from service” or “Compulsory Retirement” in terms of the State Bank of India Officers’ Service Rules, 1992;

(iii) In turn, the disciplinary authority is directed, while considering such representation, to bear in mind the punishment imposed upon co-delinquents; consider the fact that petitioner has rendered valuable services for long 39 years and there is no major allegation against him in his entire service career; consider the fact that as per Annexure C-1 & C-2 already mentioned above recovery of Rs.26,96,101/- has already been made against alleged outstanding amount of Rs.87 lacs; consider the fact that in para 68 of judgment dated 29.11.2022 passed by I Additional Sessions Judge, Nowgong, District Chhatarpur in ST No.100084/2011, amount of Rs.13,69,000/- and Rs.31,56,000/- has been recovered after auctioning Gayatri Dal Mill and B.D. More Ware house respectively; consider the fact that on the same charges the criminal court has already acquitted petitioner by judgment dated 29.11.2022 passed by I Additional Sessions Judge, Nowgong, District Chhatarpur in ST No.100084/2011; and also consider whether the alleged charges levelled against petitioner come under the purview of misconduct as mentioned in preceding paras as enquiry officer has not recorded *mens rea* / ill-motive of petitioner



which breached any of the provisions of State Bank of India Officers' Service Rules, 1992 and pass appropriate orders in accordance with law, and extend all consequential/retiral benefits to petitioner including pension, gratuity, arrears, retiral benefits etc., within a period of eight (08) weeks thereafter, however, if not complied within a period of 08 weeks from the date of receipt of certified copy of this order, the petitioner would be entitled to get interest @ 6% per annum from the date of entitlement till actual payment is made; and

(iv) The General Manager, Vigilance Department, SBI or appropriate/competent authority is directed to enquire into the matter as to why recovery has been mentioned in Annexure C-1 as Rs.26,96,101/- and amount of Rs.13,69,000/- and Rs.31,56,000/- recovered after auctioning Gayatri Dal Mill and B.D. More Ware house respectively has not been shown as recovered amount in Annexure R-3 filed along with IA. No.15572/2025 and take an appropriate action against person responsible after giving them reasonable opportunity of hearing in accordance with law and also bear in mind the proceeding of this Court in the instant case dated 19.12.2025.

67. The Original Record made available in compliance of order dated 21.02.2025 be returned to the concerned Authority of the Bank.

(Anand Singh Bahrawat)
Judge