2026 INSC 313

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 847 OF 2026

PUNJAB & SIND BANK **... APPELLANT**

VS.

SH. RAJ KUMAR **... RESPONDENT**

J U D G M E N T

DIPANKAR DATTA, J.

The greater the trust reposed, the stricter the scrutiny imposed.

1. The present appeal, by special leave, at the instance of Punjab and Sind Bank[1] takes exception to the judgment and order dated 11th September, 2024[2] of the High Court of Delhi[3]. *Vide* the impugned order, a writ appeal[4] filed by the P&SB was dismissed and the judgment and order[5] of the Single Judge, allowing a writ petition filed by the respondent, affirmed. The Single Judge modified the punishment of 'dismissal from service' imposed upon the respondent

[1] P&SB
[2] impugned order
[3] High Court
[4] LPA No. 410 of 2023
[5] dated 3rd February, 2023

to 'compulsory retirement' on the ground of discrimination in imposition of punishment thereby offending Article 14 of the Constitution.

2. Facts, triggering this appeal, are these:

a. Respondent joined the P&SB as a Clerk/Cashier in the year 1987 until he was placed under suspension in December of 2011, followed by disciplinary action of dismissal from service on 25th November, 2024. At the time of dismissal, the respondent held the post of "Senior Manager in MMGS-III Scale".

b. The punishment of dismissal imposed on the respondent (senior manager at the relevant time) was preceded by a show cause notice, a chargesheet and an inquiry in accordance with the Punjab and Sind Officer Employees' (Conduct) Regulations, 1981 on the allegation that the respondent connived with two others (one officer[6] and a gunman[7]) to misappropriate money of the customers for their personal gain, stealing bank records, etc. The disciplinary authority imposed the penalty of compulsory retirement on the co-delinquent gunman while the co-delinquent officer was awarded "lowering by two stages". The precise import of the said punishment remains unclear; however, we assume that the expression denotes a reduction in 'pay' by two stages.

[6] Gurjant Singh
[7] Sukhdev Singh

c. Dejected, the respondent unsuccessfully filed an appeal and subsequently a review against the order of the disciplinary authority but to no avail. Seeking his reinstatement, the respondent then approached the writ court by filing a writ petition[8].

d. Initially, the said writ petition was disposed of by a Single Judge *vide* order dated 12th December, 2017. After rejecting the claim of the respondent on the merits of the disciplinary proceedings, the Single Judge directed the appellate authority to impose an appropriate punishment upon the respondent keeping the principle of parity in mind. Respondent carried the said order in an intra-court appeal[9], which was disposed of by a Division Bench (*vide* order dated 8th January, 2019) by setting aside the order under appeal and directing the Single Judge to decide the writ petition on merits.

e. Apart from challenging the decision on merits, the respondent's claim before the High Court was also that he was discriminated against in imposition of punishment; while one of the co-delinquents was compulsorily retired and the other awarded punishment of "lowering by two stages", he was dismissed from service. Later, before the Single Judge who decided the writ petition on remand, the respondent limited his challenge only to the quantum of punishment, on the ground of parity with the co-delinquents. The Single Judge proceeded to allow the writ petition after noting that for similar charges, different

[8] WP (C) No. 11034/2017
[9] LPA No. 708 of 2018

punishments were imposed on the co-delinquents with the respondent having been given the most severe punishment without any difference in their roles. Relevant paragraphs from the judgment of the Single Judge are reproduced below:

> 11. The only issue that this Court is required to delve into is to test the correctness and legality of the action of Punjab and Sind Bank in awarding the punishment of dismissal to the Petitioner while awarding lesser punishment to those alleged and proved to have acted in 'connivance'……
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> 16. From a conspectus of the aforementioned judgments, it is luminously clear that doctrine of equality enshrined in Article 14 of the Constitution of India is not an abstract doctrine and is enforceable in Court of Law. It is applicable to all equally placed even if they are guilty and the principle of parity has to be kept in mind by the disciplinary authority tasked to decide the quantum of punishment. ……
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> 19. Having perused the respective charges, it is amply clear that the charges against the Petitioner and the two co-delinquent employees related to the same transactions/incidents and the gravamen of the allegations was the same……. This Court is unable to find any substantial difference in the charges levelled against the three co-delinquents, which would justify a differential treatment in punishment, save and except, that the Petitioner in his capacity as Bank Manager had signed the documents and/or checked the transactions in question. This by itself is not an aggravating factor of such a magnitude, which would justify one co-delinquent being sent home on compulsory retirement, remaining entitled to pensionary and terminal benefits for life and thereafter family pension to his family and the other being dismissed, entailing forfeiture of the entire past service, not only depriving him of all retiral/terminal benefits but leaving the dependents in his family in a state of penury.
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> 20. In my view, Bank has been unable to substantiate and justify why the Petitioner was awarded the extreme punishment of dismissal while the other two have been let off with lesser punishment… .
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> 23. Looking at the punishments awarded to the co-delinquents for same incidents/transactions and acts of connivance and testing the impugned action on the anvil of Article 14 of the Constitution of India as well as keeping in mind the long and unblemished spell of service of the Petitioner, save and except, the present delinquency, this Court is inclined to convert the punishment from 'dismissal' to one of 'compulsory retirement'… .
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> (emphasis ours)

f. This order was carried in an intra-court appeal by the P&SB which has been dismissed *vide* the impugned order. The Division Bench found no perversity in the order of the Single Judge.

3. Mr. Rajesh Kumar Gautam, learned counsel for the P&SB cited authorities to buttress his point as to how interference with the order of punishment by the High Court is contrary to settled principles of law and, thus, merits interdiction by this Court.

4. *Per contra*, Mr. G.S. Chaturvedi, representing the respondent, supported the impugned order upholding the decision of the Single Judge by referring to the invidious discrimination that he was subjected to. Additionally, he invited our attention to an observation made by a Division Bench of the High Court in its order dated 8th January, 2019 to the following effect:

> 9. It appears that on 2nd January, 2012 while he was still under suspension, the Appellant wrote a letter to the Bank in Hindi stating that if there was any mistake on his part while working as the Branch Manager at Roshanpur, he was prepared to make good the loss incurred by the Bank. He further stated that on that date he had deposited Rs. 2 lacs. It appears that a police complaint was also filed. This led to the Appellant submitting another handwritten letter in Hindi which was received by the Bank on 19th May,2012 whereby upon the direction of the police, he deposited demand drafts worth Rs. 4,19,214.00/-. The last few lines of the said letter are significant where he stated *"sriman ji meri koi galti nahi hai bahut dabav ke karan paise jama kar raha hu. Samaaj mein apni izzat bachae rakhne ke liye kar raha hu"*. Prima facie, therefore, appears that on both the occasions, the Petitioner was depositing money under pressure and neither of his letters could be actually viewed as an admission of guilt by the Appellant.
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> (italics in original, underlining ours)

The plea advanced (though abandoned before the benches of the High Court) touches upon the merits of the respondent's claim of innocence and that he was unfairly punished.

5. Counsel for the parties have been heard and the materials on record perused.

6. The disciplinary action taken by the P&SB having not been assailed on its merits by the respondent before the Single Judge except the quantum of punishment, we are tasked to decide a limited point.

7. In light of the facts and circumstances of the present case, we are reminded of the consistent line of decisions of this Court delineating the circumstances in which judicial interference is warranted in matters concerning imposition of punishment by disciplinary authorities.

8. We consider it apt to note the relevant passages from a few of these decisions, hereunder:-

a. **Bhagat Ram v. State of Himachal Pradesh**[10]:

> **15.** …It is equally true that the penalty imposed must be commensurate with the gravity of the misconduct, and that any penalty disproportionate to the gravity of the misconduct would be violative of Article 14 of the Constitution. …

b. **Ranjit Thakur v. Union of India**[11]:

> **25.** Judicial review generally speaking, is not directed against a decision, but is directed against the "decision-making process". The question of the choice and quantum of punishment is within the jurisdiction and discretion of the court-martial. But the sentence has to suit the offence and the offender. It should not be vindictive or unduly harsh. It should not be so disproportionate to the offence as to shock the conscience and amount in itself to conclusive evidence of bias. The doctrine of proportionality, as part of the concept of judicial review, would ensure that even on an aspect which is, otherwise, within the exclusive province of the court-martial, if the decision of the court even as to sentence is an outrageous defiance of logic, then the sentence would not be immune from correction. Irrationality and perversity are recognised grounds of judicial review… .
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> (emphasis ours)

[10] (1983) 2 SCC 442
[11] (1987) 4 SCC 611

c. **B.C. Chaturvedi v. Union of India**[12] (three-Judge Bench):

18. A review of the above legal position would establish that the disciplinary authority, and on appeal the appellate authority, being fact-finding authorities have exclusive power to consider the evidence with a view to maintain discipline. They are invested with the discretion to impose appropriate punishment keeping in view the magnitude or gravity of the misconduct. The High Court/Tribunal, while exercising the power of judicial review, cannot normally substitute its own conclusion on penalty and impose some other penalty. If the punishment imposed by the disciplinary authority or the appellate authority shocks the conscience of the High Court/Tribunal, it would appropriately mould the relief, either directing the disciplinary/appellate authority to reconsider the penalty imposed, or to shorten the litigation, it may itself, in exceptional and rare cases, impose appropriate punishment with cogent reasons in support thereof.

d. **Union of India v. G. Ganayutham**[13] (three-Judge Bench):

Punishment in disciplinary matters: *Wednesbury and CCSU tests*

32. Finally, we come to the present case. It is not contended before us that any fundamental freedom is affected. We need not therefore go into the question of "proportionality". There is no contention that the punishment imposed is illegal or vitiated by procedural impropriety. As to "irrationality", there is no finding by the Tribunal that the decision is one which no sensible person who weighed the pros and cons could have arrived at nor is there a finding, based on material, that the punishment is in "*outrageous*" defiance of logic. Neither Wednesbury nor CCSU tests are satisfied. We have still to explain "*Ranjit Thakur* [(1987) 4 SCC 611 : 1987 SCC (L&S) 1 : (1987) 5 ATC 113] ".

33. In *Ranjit Thakur* [(1987) 4 SCC 611 : 1987 SCC (L&S) 1 : (1987) 5 ATC 113] this Court interfered with the punishment only after coming to the conclusion that the punishment was in outrageous defiance of logic and was shocking. It was also described as perverse and irrational. In other words, this Court felt that, on facts, Wednesbury and CCSU tests were satisfied. In another case, in *B.C. Chaturvedi* v. *Union of India* [(1995) 6 SCC 749 : 1996 SCC (L&S) 80 : (1996) 32 ATC 44] a three-Judge Bench said the same thing as follows…….

34. In such a situation, unless the court/tribunal opines in its secondary role, that the administrator was, on the material before him, irrational according to *Wednesbury* [(1948) 1 KB 223 : (1947) 2 All ER 680] or *CCSU* [1985 AC 374 : (1984) 3 All ER 935] norms, the punishment cannot be quashed. Even then, the matter has to be remitted back to the appropriate authority for reconsideration. It is only in very rare cases as

[12] (1995) 6 SCC 749
[13] (1997) 7 SCC 463

pointed out in *B.C. Chaturvedi case* [AIR 1961 SC 418 : (1961) 2 SCR 343] that the Court might — to shorten litigation — think of substituting its own view as to the quantum of punishment in the place of the punishment awarded by the competent authority. (In *B.C. Chaturvedi* [AIR 1961 SC 418 : (1961) 2 SCR 343] and other cases referred to therein it has however been made clear that the power of this Court under Article 136 is different.) For the reasons given above, the case cited for the respondent, namely, *State of Maharashtra* v. *M.H. Mazumdar* [(1988) 2 SCC 52: 1988 SCC (L&S) 436 : (1988) 6 ATC 876] cannot be of any help.

35. For the aforesaid reasons, we set aside the order of the Tribunal which has interfered with the quantum of punishment and which has also substituted its own view of the punishment. The punishment awarded by the departmental authorities is restored. In the circumstances, there will be no order as to costs.

(emphasis ours)

e. **Om Kumar v. Union of India**[14]:

67. But where an administrative action is challenged as "arbitrary" under Article 14 on the basis of Royappa [(1974) 4 SCC 3 : 1974 SCC (L&S) 165] (as in cases where punishments in disciplinary cases are challenged), the question will be whether the administrative order is "rational" or "reasonable" and the test then is the Wednesbury test. The courts would then be confined only to a secondary role and will only have to see whether the administrator has done well in his primary role, whether he has acted illegally or has omitted relevant factors from consideration or has taken irrelevant factors into consideration or whether his view is one which no reasonable person could have taken. If his action does not satisfy these rules, it is to be treated as arbitrary. [In G.B. Mahajan v. Jalgaon Municipal Council [(1991) 3 SCC 91] (SCC at p. 111).] Venkatachaliah, J. (as he then was) pointed out that "reasonableness" of the administrator under Article 14 in the context of administrative law has to be judged from the stand point of Wednesbury rules. In Tata Cellular v. Union of India [(1994) 6 SCC 651] (SCC at pp. 679-80), Indian Express Newspapers Bombay (P) Ltd. v. Union of India [(1985) 1 SCC 641 : 1985 SCC (Tax) 121] (SCC at p. 691), Supreme Court Employees' Welfare Assn. v. Union of India [(1989) 4 SCC 187 : 1989 SCC (L&S) 569] (SCC at p. 241) and U.P. Financial Corpn. v. Gem Cap (India) (P). Ltd. [(1993) 2 SCC 299] (SCC at p. 307) while judging whether the administrative action is "arbitrary" under Article 14 (i.e. otherwise then being discriminatory), this Court has confined itself to a Wednesbury review always.

68. Thus, when administrative action is attacked as discriminatory under Article 14, the principle of primary review is for the courts by applying proportionality. However, where administrative action is questioned as "arbitrary" under Article 14, the principle of secondary review based on Wednesbury principles applies.

[14] (2001) 2 SCC 386

Proportionality and punishments in service law

69. The principles explained in the last preceding paragraph in respect of Article 14 are now to be applied here where the question of "arbitrariness" of the order of punishment is questioned under Article 14.

70. In this context, we shall only refer to these cases. In Ranjit Thakur v. Union of India [(1987) 4 SCC 611 : 1988 SCC (L&S) 1] 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 : 1996 SCC (L&S) 80 : (1996) 32 ATC 44] this Court stated that the court will not interfere unless the punishment awarded 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 [(1997) 7 SCC 463 : 1997 SCC (L&S) 1806].

(emphasis ours)

f. **Union of India v. R.K. Sharma**[15]:

13. In our view, the observations in *Ranjit Thakur case* [(1987) 4 SCC 611 : 1988 SCC (L&S) 1 : (1987) 5 ATC 113] extracted above, have been misunderstood. In that case the facts were such that they disclosed a bias on the part of the Commanding Officer. In that case the appellant Ranjit Thakur had fallen out of favour of the Commanding Officer because he had complained against the Commanding Officer. For making such a complaint the Commanding Officer had sentenced him to 28 days' rigorous imprisonment. While he was serving the sentence he was served with another charge-sheet which read as follows:

"Accused 1429055-M Signalman Ranjit Thakur of 4 Corps Operating Signal Regiment is charged with—

Army Act, Section 41(2).	Disobeying a lawful command given by his superior officer

In that he,

at 1530 hours on 29-5-1985 when ordered by JC 106251-P Sub Ram Singh, the Orderly Officer of the same Regiment to eat his food, did not do so."

On such a ridiculous charge rigorous imprisonment of one year was imposed. He was then dismissed from service, with the added disqualification of being declared unfit for any future civil employment. It was on such gross facts that this Court made the observations quoted above and held that the punishment was so strikingly disproportionate that it called for interference. The above observations are not to be taken to mean that a court can, while exercising powers under Article 226 or 227 and/or

[15] (2001) 9 SCC 592

under Article 32, interfere with the punishment because it considers the punishment to be disproportionate. It is only in extreme cases, which on their face show perversity or irrationality that there can be judicial review. Merely on compassionate grounds a court should not interfere.

(emphasis ours)

g. **Chairman and Managing Director, United Commercial Bank v. P.C. Kakkar**[16] :

11. The common thread running through in all these decisions is that the court should not interfere with the administrator's decision unless it was illogical or suffers from procedural impropriety or was shocking to the conscience of the court, in the sense that it was in defiance of logic or moral standards. In view of what has been stated in Wednesbury case [Associated Provincial Picture Houses Ltd. v. Wednesbury Corpn., (1948) 1 KB 223 : (1947) 2 All ER 680 (CA)] the court would not go into the correctness of the choice made by the administrator open to him and the court should not substitute its decision to that of the administrator. The scope of judicial review is limited to the deficiency in decision-making process and not the decision.

12. To put it differently, unless the punishment imposed by the disciplinary authority or the Appellate Authority shocks the conscience of the court/tribunal, there is no scope for interference. Further, to shorten litigation it may, in exceptional and rare cases, impose appropriate punishment by recording cogent reasons in support thereof. In the normal course if the punishment imposed is shockingly disproportionate it would be appropriate to direct the disciplinary authority or the Appellate Authority to reconsider the penalty imposed.

(emphasis ours)

h. **State of Gujarat v. Anand Acharya**[17] :

15. The well-settled proposition of law that a court sitting in judicial review against the quantum of punishment imposed in the disciplinary proceedings will not normally substitute its own conclusion on penalty is not in dispute. However, if the punishment imposed by the disciplinary authority or the Appellate Authority shocks the conscience of the court, then the court would appropriately mould the relief either by directing the disciplinary/appropriate authority to reconsider the penalty imposed or to shorten the litigation it may make an exception in rare cases and impose appropriate punishment with cogent reasons in support thereof (see *Bhagat Ram* v. *State of H.P.* [(1983) 2 SCC 442 : 1983 SCC (L&S) 342] , *Ranjit Thakur* v. *Union of India* [(1987) 4 SCC 611 : 1988 SCC (L&S) 1] and *U.P. SRTC* v. *Mahesh Kumar Mishra* [(2000) 3 SCC 450 : 2000 SCC (L&S) 356]).

[16] (2003) 4 SCC 364
[17] (2007) 9 SCC 310

i. **S.R. Tewari v. Union of India**[18] :

> **28.** The role of the court in the matter of departmental proceedings is very limited and the court cannot substitute its own views or findings by replacing the findings arrived at by the authority on detailed appreciation of the evidence on record. In the matter of imposition of sentence, the scope for interference by the court is very limited and restricted to exceptional cases. The punishment imposed by the disciplinary authority or the appellate authority unless shocking to the conscience of the court, cannot be subjected to judicial review. The court has to record reasons as to why the punishment is disproportionate. Failure to give reasons amounts to denial of justice. The mere statement that it is disproportionate would not suffice. …
>
> (emphasis ours)

j. **Rajasthan SRTC v Bajrang Lal**[19] :

> **21.** As regards the question of disproportionate punishment is concerned, the issue is no more res integra. …
> **22.** In view of the above, the contention raised on behalf of the respondent employee, that the punishment of removal from service is disproportionate to the delinquency is not worth acceptance. The only punishment in case of the proved case of corruption is dismissal from service.
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> (emphasis ours)

9. What follows from the precedents noted above is that courts should exercise restraint while interdicting orders of punishment. Normally, no court in exercise of its power of judicial review should interfere with an order of punishment imposed on a delinquent as a measure of disciplinary action by the competent authority and substitute its own judgment for that of the former. This is premised on the reason that the disciplinary authority is the best judge of the situation, and the requirements of maintaining discipline within the work force. While it is not the law that the courts should invariably stay at a distance when legality and/or propriety of a particular punishment is

[18] (2013) 6 SCC 602
[19] (2014) 8 SCC 693

questioned, judicial scrutiny of the disciplinary action by way of punishment could arise only if the circumstances are such that no reasonable person would impose the punishment which is questioned and/or such punishment has the effect of shocking the conscience of the court. To put in simpler words, interference could be warranted if it appeals to the court that the disciplinary authority has 'used a sledgehammer for cracking a nut'. A punishment, which is strikingly or shockingly disproportionate and is not commensurate with the gravity of misconduct, proved to have been committed in course of inquiry or otherwise, would border on arbitrariness and offend Article 14 of the Constitution.

10. Where a court, upon due consideration, arrives at the conclusion that the punishment imposed is disproportionate, its intervention is circumscribed in nature. Judicial scrutiny and interference, if at all, has to be based on reasons in support of the court's ultimate satisfaction that the disciplinary authority has faltered in the exercise of his discretion. In such a situation, the court may adopt one of two courses: it may remit the matter to the competent authority for reconsideration of the punishment; or, in the rarest of cases, it may substitute the punishment while supporting such a course with cogent reasons.

11. After refreshing our memory with these well-established principles, the only question that arises for consideration is whether interference by the Single Judge with the order passed by the Disciplinary

Authority, in the facts and circumstances of the present case, satisfied the requisite threshold. If we find that such interference was not called for, then the impugned order (which upheld the view taken by the Single Judge) will have to be set aside.

12. Whether the imposition of lighter punishment on the co-delinquents while imposing the punishment of 'dismissal from service' upon the respondent is in outright defiance of logic? We think not.

13. Sight cannot be lost of the fact that the respondent, when he committed the offence, was holding the post of "Senior Manager in MMGS-III Scale", which is obviously much higher than the co-delinquents (officer and gunman). Authority carries accountability; higher the authority, higher the accountability. The rank of the respondent was not merely titular; it carried with it an increased degree of responsibility and integrity. The role of the respondent not only necessitated personal obedience but also supervision of the actions of the subordinates. The co-delinquents, having limited powers and authority, could not have been equated with the respondent. The gravity of the misconduct necessarily had to be measured with the nature of the misconduct. Thus, grant of the benefit of parity to the respondent by the High Court merely because the co-delinquents were given lighter punishment was entirely misconceived. The differentiation in rank coupled with the increased trust of the employer on the respondent certainly constituted a

compelling ground for a more stringent punishment to be imposed on him.

14. Taking an overall view, the fact that the disciplinary authority found it prudent in the circumstances to impose a harsher punishment on a higher-ranking official is neither disproportionate, nor shocks our conscience. The High Court clearly fell in error in the course of adjudication of the *lis.*

15. Quite apart, equating a branch manager of a bank with its gunman seems to us to be in outrageous defiance of logic and reason. This is not a case akin to ***Sengara Singh v. State of Punjab***[20] where this Court interfered with disciplinary action finding that some out of several, guilty of the same misconduct, were picked and chosen for harsher punishment leaving aside others without any convincing reason.

16. Reference to the observation made by the Division Bench, noted in paragraph 4 supra, is of no real consequence. Manifest as it is, the Division Bench while remanding the writ petition for a fresh decision recorded only a *prima facie* finding that the respondent might have been pressurized to make deposit of a portion of the misappropriated amount. Even the Single Judge, on remand, did not finally record similar such finding to rule in favour of the respondent. The argument made in desperation to salvage the situation is, thus, rejected.

[20] (1983) 4 SCC 225

17. Considering the facts of the present case, we do not find any perversity or irrationality with the punishment imposed. We have, therefore, reached the irresistible conclusion that interference by the Single Judge with the decision of the disciplinary authority, since affirmed by the Division Bench *vide* the impugned order, was uncalled for.

18. Thus, the impugned order (upholding the order of the Single Judge) is set aside together with the order that it upheld. The punishment imposed by the disciplinary authority (namely, dismissal from service) imposed on the respondent is restored.

19. The appeal is allowed on the aforesaid terms.

20. Parties shall, however, bear their own costs.

.....J.
(DIPANKAR DATTA)

.....J.
(SATISH CHANDRA SHARMA)

New Delhi;
April 02, 2026.