

A.F.R.
Judgment Reserved on- 30.03.2026
Judgment Delivered on- 07.04.2026
Neutral Citation No. - 2026:AHC:74533

Court No. - 39

Case :- FIRST APPEAL No. - 273 of 2026

Appellant :- Mr. Puneet Sachdeva

Respondent :- IndusInd Bank And 3 Others

Counsel for Appellant :- Anshul Kumar Singhal

Counsel for Respondent :- Mayank Awasthi, Saurabh Raj Srivastava

Hon'ble Sandeep Jain, J.

1. The instant appeal has been filed by the plaintiff under Section 96 CPC against the impugned judgment and decree dated 10.7.2023 passed by Additional Civil Judge(Senior Division) Court No. 16, Allahabad in O.S. no. 180 of 2015 Puneet Sachdeva vs.IndusInd Bank and others, whereby the plaintiff's suit has been dismissed on the ground that the Court lacks inherent jurisdiction to try and decide the suit.

Plaint case

2. The plaintiff filed O.S.no.180 of 2015 against the defendants who are IndusInd Bank and its officials, with the averments that he joined the Bank on 21.8.2008 as Senior Relationship Manager at its Barakhamba Branch, New Delhi and by his dedication, devotion, hard work, excellent performance and appraisal, was promoted as Branch Manager and was transferred to Allahabad Branch of the defendant Bank in June 2011, where he worked there till 9.5.2013. It was further averred that during his tenure of 6 years with the bank, he received commendations, appreciation letter for his work and his appraisal ratings in 4 years from 2008 – 2009 to 2011 – 12 remained outstanding and excellent and he earned promotions from the rank of Deputy Manager to Asst. Vice President on the basis of his hard work, commitment and devotion.

3. It was further averred that in the financial year 2011 – 12 he received appreciation for detecting fraud of ₹ 5 lakhs on account of Mr.Shobhit Srivastava and recovery of ₹ 3 lakhs was effected against the outstanding of ₹ 5 lakhs.

4. It was further averred that as Branch Manager he was not dealing with disbursement/receipt of cash/cheque etc. but was required to examine transactions of ₹ 5 lakhs and above from the daily reports that were brought by the staff to his notice apart from his other

routine duties and as Branch Manager, he was required to counter sign the vouchers of ₹ 5 lakhs and above which were initially signed by operation of staff and Manager – Customer Service and Operations(MCSOP). It was further averred that the defendant Bank had given MCSOP the discretionary power to authorise all transactions and to counter sign the voucher for the transaction up to ₹ 5 lakh and vouchers of transaction of ₹ 5 lakh and above were to be signed by the operational staff, MCSOP and Branch Manager. At the relevant time Mr. Neeraj Verma was the MCSOP.

5. It was further averred that the prime responsibility of cash officer Mr. Sachin Yadav of the defendant Bank at Allahabad was receipt and payment of cash to ensure cash management is within retention limit, maintenance of cash registers, joint custodian of vault and ATM. The clearing officer Mrs. Amba Lakshmi of defendant Bank was overall in charge of inward/outward clearing, reconciliation of accounts with banks, lodgment of outward cheques, all work related to ECS credits, reporting, returns and effective closure of complaints/issues related to it.

6. It was further averred that the prime responsibility of remittance officer Mrs. Suchitra Prajapati of the defendant Bank was issuance, revalidation, cancellation of demand draft and pay orders to customers, transfer entries, RTGS, arrangement of vouchers, daily reconciliation of FD suspense accounts, daily report checking and arrangement and verifying the vouchers which are incomplete, dispatching a voucher to VVU and responding to their queries.

7. It was further averred that the Branch Monitoring Unit (BMU) audit was done on quarterly basis in each Branch and the audit of the defendant Banks' Allahabad Branch was reviewed by Mr. Anurag Chaudhary on 14.3.2013 which was for the period 27.8.2012 to 13.3.2013 and certain observations were made in the audit, which were resolved during course of the report submission and Mr. Neeraj Verma MCSOP mentioned his feedback on various points highlighted in the audit report. The plaintiff has specifically averred that in the above audit there was no mention of missing vouchers and none of the fraudulent transactions could be traced and detected. It was further averred that in the internal audit conducted by the Bank the performance of the Branch was found satisfactory and no fraud of any kind was found in the Branch.

8. The plaintiff has mentioned relevant details in the plaint to point out that Mr. Neeraj Verma was not performing properly, which was also in the notice of higher officials of the Bank. The plaintiff has also averred that Mrs. Suchitra Prajapati who was reporting to Mr. Neeraj Verma MCSOP, was also not deliberately preparing the vouchers of

fraudulent transactions and had been showing wrong POD. Mr. Neeraj Verma was also providing wrong and false information to him regarding sending of pending vouchers and this fact was brought to his notice by VVU(voucher verification unit). It is the case of the plaintiff that if transfer vouchers would have been sent to the VVU promptly by Mr. Neeraj Verma then the fraud in regard to unauthorised transactions would have been traced.

9. It was further averred that on 1.5.2013 the plaintiff received a transfer order from the defendant bank that he had been transferred to his home town Delhi at Naraina Branch of the defendant Bank. The plaintiff handed over the charge of his branch to Mr. Vishwaneet Khosla on 9.5.2013, and the plaintiff was relieved on 13.5.2013. The plaintiff was later on directed by the defendant Bank to join Gujranwala Branch on 18.5.2013, to which he complied.

10. It is the specific case of the plaintiff that on 30.5.2013 he came to know that Mrs. Suchitra Prajapati has committed fraud in internal accounts and misappropriated funds in several customer accounts and the BMU team of the Bank was locating fraudulent entries done by her. The plaintiff was also informed that fraudulent entries beyond her power were authorised by using ID of Mr. Neeraj Verma MSCOP and Mr. Vineet Gupta , Authoriser. The plaintiff was further informed that Mrs. Suchitra Prajapati has confessed to committing fraud amounting to ₹ 41 lakhs consisting of ₹ 17.77 lakhs during the tenure of plaintiff and the remaining ₹ 23.23 lakhs in the period of his successor. The plaintiff was also informed that the Bank has recovered most of the amount. Subsequently, Mrs. Suchitra Prajapati denied that the fraud was committed by her. She also lodged a case of sexual harassment against all the officials of the defendant bank, who persuaded her for depositing back the amount of fraud, with police authorities and to higher authorities of the Bank.

11. It is the specific case of the plaintiff that the fraud committed by Mrs. Suchitra Prajapati was due to sheer negligence of Mr. Neeraj Verma MCSOP, which was detected by Mr. Gautam Singh of the Branch Monitoring Unit(BMU) who visited the Branch on 27.5.2013 to take stock of the situation and checked the transactions for missing vouchers along with Mr. Neeraj Verma MCSOP.

12. The plaintiff has further averred that due to the above fraud committed by Mrs. Suchitra Prajapati he was suspended by the Bank on 30.9.2013, a disciplinary enquiry was instituted by the Bank regarding the above fraud in which the chargesheet was served on Mrs. Suchitra Prajapati on 9.10.2013, Mr. Neeraj Verma and on him on 18.2.2014, but the disciplinary enquiry was only conducting enquiry for the charges levelled against Mrs. Suchitra Prajapati in the

chargesheet given to her whereas, the same should have been done for all the employees to whom the chargesheet was served. According to the plaintiff, it was strange that for one offence different chargesheets were issued. It is the case of the plaintiff that the higher officials of the defendant Bank intimated to him that the fraud had been committed by Mrs. Suchitra Prajapati but to make it appear as serious action, they had also suspended plaintiff for the brief period. It was further averred that on 22.6.2013 the defendant Bank lodged FIR against Mrs. Suchitra Prajapati for committing fraud of ₹ 41 lakhs, in which there was no mention of his involvement, in any manner whatsoever, which is still pending for investigation, in which no chargesheet has been filed till date.

13. It was further averred by the plaintiff that he was suspended by the defendant Bank on 7.10.2013, chargesheet was served on him on 18.2.2014, on 19.2.2014 he was served with the fresh chargesheet on the same grounds in Delhi, on which enquiry was already held in Allahabad. It was further averred that the plaintiff was not given proper opportunity of submitting his reply, since he had to collect and peruse the relevant records for negating the charges, the opportunity given to him was too short, due to which he could not prepare his proper defence statement, the defendant Bank also failed to comply with the principles of natural justice. The plaintiff has further averred that in the meanwhile the higher officials of the Bank were sending clear signal to him that he would be exonerated in the enquiry since he was not part of the fraud as such, he need not raise all those objections.

14. The following charges were levelled against the plaintiff in the disciplinary enquiry conducted by the defendant Bank :-

“(i)Despite mails from BMU, the charged executive and the Manager Customer Service and Operations(MCSOP) failed to reconcile internal account.

(ii)The charged executive and the MCSOP failed to send the vouchers to VVU despite follow-up by BMU. No proper tracking was done at the branch by the charged executive and the MCSOP.

(iii)Daily report was not checked by the charged executive and the MCSOP.

(iv)Mrs. Suchitra Prajapati had not prepared the vouchers and ensured that the vouchers were not sent to VVU, to avoid detection of unauthorised entries by VVU Hub.

(v)The MCSOP Mr.Neeraj Verma has allegedly shared the password to Mrs. Suchitra Prajapati which was done by her with his authority and used in the transaction undertaken by her.”

15. It was further averred by the plaintiff that a 2nd domestic enquiry on 25.2.2014 was conducted against him at the corporate office of the defendant Bank at Mumbai by Mr. Sachin Pandey, who was junior to

him. It was further averred that the plaintiff came to know from the BMU team that Mr. Neeraj Verma has been reinstated in the job with some punishment. The plaintiff was ultimately dismissed on 19.5.2014 by the defendant no. 2 Mr. Ashok Nair, Head Human Relations of the defendant Bank, on the basis of the report of the disciplinary enquiry, which according to the plaintiff was grossly disproportionate and unwarranted, since there was no evidence against him. According to the plaintiff, the fraud was committed by Mrs. Suchitra Prajapati and Mr. Neeraj Verma, MCSOP but he was wrongly punished. It has been specifically averred by the plaintiff that he has never made any admission of his guilt in the disciplinary enquiry before any official of the Bank or of his wrongdoing in any manner whatsoever. It was specifically averred by the plaintiff that his password was not used in committing fraud nor he had authorised any fraudulent transaction undertaken by Mrs. Suchitra Prajapati and Mr. Neeraj Verma MCSOP.

16. It has been further averred by the plaintiff that for filing Appeal against his dismissal order, he demanded the relevant documents from the Bank which were not provided to him on the ground that they were not relevant. The plaintiff submitted his Appeal against the order of disciplinary authority to defendant no. 2 on 19.6.2014.

17. It was further averred that the Appellate Authority added 2 additional charges on 7.10.2014 against him, which were not before the disciplinary authority in the chargesheet dated 18.2.2014, which was against the principles of natural justice, which read as under :-

“(i) There has been many lapses on your part such as debiting dormant accounts and booking life insurance policies in dummy names and allowing free hand to Mrs. Suchitra Prajapati to undertake transactions to inflate business.

(ii) Password sharing too seems to have been done under your pressure since Mrs. Suchitra Prajapati was managing with some of the customers by selling life insurance policies as also making the MCSOP and the authorisers move out for business.”

18. It was further averred that the Appellate Authority failed to conduct impartial enquiry, which failed to properly examine the material on record, who has illegally upheld his termination from the Bank. The plaintiff further averred that due to the illegal termination, he has suffered a loss of about ₹ 26,49,663/- which he is entitled to get with interest @ 18% per annum from the defendant Bank and its officials.

19. In the above backdrop, the plaintiff claimed the following reliefs in his plaint:-

*“(A) Pass a decree of declaration to the effect that the Appellate order dated 8.10.2014 passed by defendant no. 3 and order dated 19.5.2014 passed by defendant no. 2 is illegal and is nullity;
(B) Pass a decree of permanent injunction against the defendant no.1 Bank injuncting the defendant No. 1 Bank to terminate the plaintiff;
(C)Pass a decree of declaration to the effect that the plaintiff is entitled to his back wages with interest and all employment benefits;
(D)Pass a decree of mandatory injunction directing defendant No. 1 Bank to reinstate the plaintiff forthwith with full back wages and employment benefits;
(E)Award cost of the suit in favour of plaintiff and against the defendants;
(F)Pass any such order as this Hon'ble Court deems fit proper in the facts and circumstances of the present case.”*

Written statement of the defendants

20. All the defendants filed their joint written statement before the trial court, in which the plaint averments were denied. It was averred that the relief claimed by the plaintiff cannot be granted in original suit, which was not maintainable for the reliefs claimed by him. It was further averred that the plaintiff was directly responsible for the fraud which was committed in his Branch for which appropriate disciplinary proceedings were drawn against him and in pursuance of that, the plaintiff has been rightly dismissed from service of the Bank. It was further averred that the plaintiff, being the Branch Manager, was responsible for all high-value transactions, he was supposed to check and sign the vouchers, being the custodian and overall incharge of the Branch.

21. It was further averred by the defendants that during enquiry several transactions above ₹ 5 lakhs were found, which were not duly checked by the plaintiff, on account of which fraud was committed, which caused serious financial and reputational loss to the Bank. It was further averred that MCSOP worked under the supervision of the plaintiff and it was his duty to ensure that MCSOP worked in a fair and error free manner, in which the plaintiff failed. It was further averred that on account of several supervisory and controlling lapses committed by the plaintiff, Mrs. Suchitra Prajapati, a subordinate employee of the plaintiff, was able to commit fraud amounting to ₹ 40 lakhs. The defendants in their written statement have justified the dismissal of the plaintiff, for the alleged lapses committed by him during his tenure as a Branch Manager.

22. It was further averred by the defendants that after disciplinary enquiry Mrs. Suchitra Prajapati has also been dismissed from service. It was further averred that plaintiff was charged for his negligence and dereliction of duties towards the Bank and because the plaintiff

was negligent, the fraud was perpetuated in the Branch, during his tenure as Branch Manager. It was further averred that the plaintiff was given full opportunity to defend himself in the enquiry proceedings in which chargesheet was given to him, and thereafter, final order of dismissal was passed. It was further averred that the plaintiff has not pointed out any procedural irregularity in the disciplinary proceedings conducted by the defendant Bank, and has only pressed upon the factual aspects of the matter, which have already been dealt with in the enquiry proceedings, hence the dismissal as well as the appellate orders, does not warrant any interference by this Court. It was further averred that Mr. Neeraj Verma was also punished in the disciplinary enquiry.

23. It was further averred by the defendants that the relief of reinstatement in service cannot be granted by the Court. Further, the order of dismissal from service cannot be challenged by way of civil suit. It was further averred that the plaintiff was suspended on 30.9.2013, a chargesheet was served on him on 18.2.2014 for breach of the Executive Staff Service Rules, 1994 and the Code of Conduct, as applicable to him. It was further averred that the appeal preferred by the plaintiff before the Appellate Authority was dismissed by a reasoned order on 8.10.2014. It was averred by the defendants that no illegality has been committed by the Bank in dismissing the plaintiff, in view of this, the suit was liable to be dismissed with costs.

Issues framed by the trial court

24. On the basis of the pleadings of the parties the trial court framed the following issues:-

“(i) Whether the plaintiff had been unlawfully suspended from service by the defendants ?

(ii) Whether the plaintiff suffered any economic loss due to unlawful and arbitrary act of defendant no.1 ?

(iii) Whether the suit is under valued ?

(iv) Whether the court fees paid by the plaintiff is insufficient ?

(v) Whether the court has jurisdiction to try the suit ?

(vi) Whether any cause of action has arisen to the plaintiff ?

(vii) Whether plaintiff is entitled to the relief claimed by him ?”

25. It is evident from the record of the trial court that the plaintiff examined himself as PW-1 before the trial court, but he was not cross-examined by the defendants, inspite of numerous opportunities provided by the trial court, as such, the opportunity of the defendants to cross-examine plaintiff was closed on 29.10.2021. No further evidence was adduced by the plaintiff. The case was proceeded ex-parte against the defendants on 11.11.2022 and after the closure of plaintiff's evidence, the case was fixed for hearing ex-parte arguments,

the arguments of the plaintiff were heard on 04.7.2023 and thereafter, the suit was dismissed on 10.7.2023.

Reasoning of the trial court

26. The trial court considered Section 9 and Order 39 Rule 2(2) CPC, as well as the amendment made by Section 13 of the Uttar Pradesh Act 57 of 1976, and from their combined reading, concluded that the trial court lacked inherent jurisdiction to try the suit since the plaintiff was seeking the relief of declaration and mandatory injunction against the order of termination of service, which was specifically barred by Section 13 of the Uttar Pradesh Act 57 of 1976. In the light of the above conclusion, issue no. 5 relating to jurisdiction was decided against the plaintiff. The trial court did not examine the controversy on merit. The plaintiff 's suit was dismissed on the ground of being barred by jurisdiction, aggrieved against which, the plaintiff has filed the instant appeal under Section 96 of the CPC.

Submissions made by the learned counsel of the parties

27. Sri Anshul Kumar Singhal learned counsel for the plaintiff appellant submitted that the defendant IndusInd Bank is a private bank, which is not owned by the Government, the employees of which are not governed by any statutory rules, but only governed by the private rules and Code of Conduct framed by the Bank. It was further submitted that the Bank does not fall in the definition of State or other authorities, so as to attract the provisions of Article 12 of the Constitution of India, as such, the Bank is not amenable to Writ jurisdiction of the Constitutional Courts, meaning thereby, that the employee cannot challenge his illegal dismissal from service by invoking the Writ jurisdiction of the Constitutional Courts. It was further submitted by the learned counsel that the plaintiffs service was not governed by any statutory rules but by Executive Staff Service Rules,1994 of the defendant Bank and the plaintiff was also bound by the Code of Conduct applicable to him.

28. It was further submitted that since the plaintiff appellant has exhausted the departmental remedy of Appeal provided by the defendant Bank, as such, since no other remedy was available to him, hence, he can very well challenge his illegal termination from the service of the Bank by filing the instant suit, and can also claim the relief that his illegal termination from service be set aside, he be reinstated in service and he be also paid back wages for the illegal duration of termination. Learned counsel further submitted that the plaintiff can also claim damages for his illegal termination from the defendants.

29. It was further submitted that the provisions of Section 13 of U.P.Act 57 of 1976, were inapplicable and the trial court has misread the above provision. It was further submitted that the jurisdiction of civil court was not barred in this matter, as such the trial court has committed material illegality in rejecting the plaintiff 's suit on this ground, which is liable to be set aside. With these submissions, it was prayed that the appeal be allowed, the impugned order be set aside and the matter be remanded back to the trial court for deciding it on merits. In support of his contention, the learned counsel has relied on the following case law :-

- “(i)Shivdhesar Singh vs.Union of India 2010 SCC OnLine All 1820.*
- (ii)Ramendra Kishore Biswas vs.State of Tripura and ors. (1999)1SCC472(By 3 Judges).*
- (iii)Saurabh Kumar Pandey vs. Reserve Bank of India and ors.Writ 'A' no.7140 of 2021 decided on 01.10.2021 by Allahabad High Court.*
- (iv)Dhruv Green Field Ltd. vs.Hukum Singh and others AIR 2002 SC 2841.*
- (v)Sitaram Kashiram Konda vs.Pigment Cakes &Chemicals Mfg.Co. (1979)4SCC 12.”*

30. Per contra,Sri Saurabh Raj Srivastava learned counsel for the defendant respondent Bank submitted that the plaintiff committed certain serious lapses during his tenure as Branch Manager of the Allahabad Branch of the defendant Bank, due to which the bank suffered financial loss of ₹ 41 lakhs and the reputation of the Bank was also tarnished, for which disciplinary enquiry was conducted as per the rules and regulations of the bank against responsible employees, by following the principles of natural justice and affording full opportunity to the plaintiff to submit his defence, in which he was found guilty, as a result of which, he was dismissed from the services of the Bank, which was challenged by the plaintiff by filing appeal, which was also dismissed on merits by the Bank.

31. Learned counsel further submitted that the dismissal of the plaintiff has attained finality, which neither can be set aside by the civil court nor it can order plaintiffs reinstatement in the service of the defendant Bank. It was further submitted that at the most,if the plaintiffs termination was found illegal by the Court, it can only award damages to the plaintiff for his illegal termination, but the plaintiff has not claimed any damages as such, even the damages cannot be awarded to the plaintiff.

32. It was further submitted that the plaintiff has sought the relief of declaration that his termination from the service of the Bank was illegal,the relief of permanent injunction for restraining the Bank from terminating him from the service of the Bank,back wages with interest and all employment benefits and mandatory injunction for

his reinstatement with full back wages and employment benefits, which cannot be granted by the Court. It was further submitted that since the plaintiff has already been terminated from the service of the Bank as such, the relief of permanent injunction cannot be granted to the plaintiff. With these submissions, it was prayed that the appeal is meritless and is liable to be rejected. Learned counsel has relied upon the decision of the Apex Court in ***State Bank of India and ors. vs. S.N.Goyal (2008)8 SCC 92.***

33. I have heard the learned counsel for the parties, perused the impugned judgment and the record of the trial court. **Appeal is admitted.**

34. The following issues arises for determination in this appeal :-

“(A)Whether the civil court lacked inherent jurisdiction to examine whether plaintiffs termination from the service of the defendant Bank was illegal ?

(B)What relief could have been granted by the Court to the plaintiff in the suit?”

Analysis of case law submitted by the learned counsel

35. This Court in the case of ***Shivdhesar Singh*** (supra) was considering a case where the services of Constable employed in the Central Reserve Police Force was terminated and he had challenged it by filing civil suit. It was contended by the respondents that an alternative remedy under the Central Administrative Tribunal Act was available to the plaintiff, as such, the suit was not legally maintainable, but the submission was rejected by this Court, on the ground that, the exclusion of the jurisdiction of the civil court in view of Section 14 of the Specific Relief Act or even on account of the fact that the Central Reserve Police Force Act provides for a complete mechanism for redressal of the grievance of the plaintiff appellant, cannot be inferred. It was further held that where the relevant service rules neither expressly nor by implication takes away, the jurisdiction of the civil court to deal with the service matter, it was not proper to hold that the civil court had no jurisdiction.

36. The Apex Court in the case of ***Ramendra Kishore Biswas*** (supra) was considering a case where the employee of the Central Government had challenged his dismissal from service as void and illegal and had filed civil suit claiming reinstatement. The High Court held that under Rule 24 of the CCS(CCA)Rules,1965 the jurisdiction of the civil court was barred, and only in the writ petition the termination order could have been challenged. In these circumstances,it was held by the Apex Court as under:-

“5. The opinion expressed by the learned Single Judge to the effect that in view of the CCA Rules, the jurisdiction of the civil court is ousted from dealing with an order passed by the disciplinary authority which can be questioned under the Service Rules and that even after recourse is had to the departmental proceedings, recourse can only be to file a writ petition is palpably erroneous. The learned Single Judge readily accepted the ouster of jurisdiction of civil courts to deal with service matters without proper consideration of the matter. Indeed, it is appropriate to relegate a person to exhaust departmental remedies when he approaches the court without exhausting departmental remedies under the Service Rules but to hold that the civil court had no jurisdiction while hearing a second appeal, after the matter has been litigated in civil courts for more than five years was, to say the least, not proper. The learned Single Judge ought to have decided the case on its own merits and not made a short-cut of it. The appellant could not have been non-suited on the ground that he had failed to take recourse to proceedings under the CCS (CCA) Rules, 1965 against the order of dismissal.

6. Again the opinion expressed by the learned Single Judge to the effect: “It is my firm conviction that in the present case, the civil court cannot make a declaration under Section 34 of the Specific Relief Act, 1963 as its jurisdiction has been taken away by the special rules, i.e., the CCS (CCA) Rules, 1965. Under the circumstances, it means a civil court does not have jurisdiction in respect of matters which are entertained and decided by the statutory tribunal in conformity with the powers conferred by the enactment.”

is clearly erroneous and cannot be sustained. Service Rules, neither expressly nor by implication, have taken away the jurisdiction of the civil courts to deal with service matters. The opinion of the learned Single Judge does violence both to the Code of Civil Procedure, the Specific Relief Act and the Service Rules. As a matter of fact it appears to us that the learned Single Judge failed to exercise the jurisdiction vested in him while non-suiting the appellant. It, therefore, appears appropriate to us to allow this appeal, set aside the order of the learned Single Judge and remit the matter to the High Court for a fresh decision of the regular second appeal and the cross-objections on their own merits. The appeal, therefore, succeeds and is allowed. The RSA and cross-objections are remitted to the High Court for fresh disposal on merits in accordance with law.”

37. This Court in **Saurabh Kumar Pandey** (supra) was considering a case where the service of an employee of IndusInd Bank Ltd. was terminated, and the employee challenged the termination order by filing writ petition under Article 226 of the Constitution of India. The learned counsel of the Bank had specifically submitted that writ petition against the employer, a private Bank, was not maintainable since the service contract of a private bank employee cannot be enforced in writ jurisdiction. This Court after considering the various precedents of the Apex Court, held as under:-

“6.It is not disputed by the learned counsel for the petitioner that respondent bank is a private sector Bank duly incorporated and having licence under Banking Regulation Act, 1949. Reserve Bank of India is

entrusted with the full responsibility for supervising and regulating the banks, including, private banks. Under Section 22 of the Act, 1949, private banks are required to obtain license from RBI to carry out the banking business in India. On specific query, learned counsel for petitioner is unable to show that service conditions of the petitioner is governed under any statutory Rules applicable to the employees of a private bank.

7. The private banks would be amenable to the writ jurisdiction for breach of any of the statutory provision under which it is incorporated or bound to be governed, but the services of the employee of a private bank is contractual and governed as per the Rules framed by the Bank/employer. In the instant case, petitioner is governed by Discipline and Appeal Rules, and the Code of Conduct, as applicable on the employees of the Bank.

8. Whether a private company engaged in banking business performs public function, in other words, does banking business as a scheduled bank involve public law element was considered by the Supreme Court in Federal Bank Ltd vs. Sagar Thomas and others (2003)10 SCC 733, the Court held that a private company carrying on banking business as a scheduled bank, cannot be termed as an institution or company carrying on any statutory or public function. A private body or a person may be amenable to writ jurisdiction only where it may become necessary to compel such body or association to enforce any statutory obligations or such obligations of public nature casting positive obligation upon it. The statutory provisions governing a private bank is merely regulatory. To put it differently a company engaged in banking business is not required to perform public function, nor essential governmental function is placed upon it.

14. The private bank, as held in Federal Bank Ltd.(supra) is not imparting public duty. Even if it is assumed that a private bank is imparting public duty, the act complained of must have direct nexus with the discharge of public duty. It is undisputedly a public law action which confers a right upon the aggrieved to invoke extraordinary writ jurisdiction under Article 226 for a prerogative writ. Individual wrongs or breach of mutual contracts without having any public element as its integral part cannot be rectified through petition under Article 226. Wherever Courts have intervened in exercise of jurisdiction under Article 226, either the service conditions were regulated by statutory provisions or the employer had the status of 'State' within the expansive definition under Article 12 or it was found that the action complained of has public law element.

15. On specific query, learned counsel for the petitioner does not dispute that the conditions of service governing the petitioner are not statutory. The terms and conditions of employment are purely contractual governed under rules framed by the Bank.

16. In view thereof, the preliminary objection raised by learned counsel for the respondent that the writ petition against the impugned termination order would not lie within the domain of writ jurisdiction under Article 226 of the Constitution of India is sustained and upheld."

38. The Apex Court in the case of ***Dhruv Green Field Ltd.*** (supra)

was considering the jurisdiction of the civil courts and when it can be barred. It was held as under:-

“8. The jurisdiction of the courts to try all suits of civil nature is very expansive as is evident from the plain language of Section 9 of the Code of Civil Procedure. This is because of the principle ubi jus ibi remedium . It is only where cognizance of a specified type of suit is barred by a statute either expressly or impliedly that the jurisdiction of the civil court would be ousted to entertain such a suit. The general principle is that a statute excluding the jurisdiction of civil courts should be construed strictly.

9. The question, when and in what circumstances, can a suit of civil nature be said to be barred by a special statute, is no longer res integra. In Kamala Mills Ltd. v. State of Bombay [AIR 1965 SC 1942] a seven-Judge Bench of this Court laid down the principle thus:

“The question about the exclusion of the jurisdiction of civil courts either expressly or by necessary implication must be considered, in every case, in the light of the words used in the statutory provision on which the plea is rested, the scheme of the relevant provisions, their object and their purpose.

Whenever a plea is raised before a civil court that its jurisdiction is excluded either expressly or by necessary implication to entertain claims of a civil nature, the court naturally feels inclined to consider whether the remedy afforded by an alternative provision prescribed by a special statute is sufficient or adequate. Where the exclusion of the civil court's jurisdiction is expressly provided for, the consideration as to the scheme of the statute in question and the adequacy or the sufficiency of remedies provided for by it may be relevant, it cannot, however, be decisive.

But when exclusion is pleaded as a matter of necessary implication, such considerations would be very important, and, in conceivable circumstances, might even become decisive. If a statute creates a special right or a liability and provides for the determination of the right and liability to be dealt with by tribunals specially constituted in that behalf, and it further lays down that all questions about the said right and liability shall be determined by the tribunals so constituted, it is pertinent to enquire whether remedies normally associated with actions in civil courts are prescribed by the said statute or not.”

That judgment was followed in Ram Swarup v. Shikar Chand [AIR 1966 SC 893 : (1966) 2 SCR 553 (sub nom Lala Ram Swarup v. Shikar Chand)]. There Gajendragadkar, C.J. speaking for a Constitution Bench of this Court formulated the following tests:

“The two tests, which are often considered relevant in dealing with the question about the exclusion of civil courts' jurisdiction are (a) whether the special statute which excludes such jurisdiction has used clear and unambiguous words indicating that intention; and (b) does that statute provide for an adequate and satisfactory alternative remedy to a party that may be aggrieved by the relevant order under its material provisions. Applying these tests the inference is inescapable that the

jurisdiction of the civil courts is intended to be excluded.

The bar excluding the jurisdiction of civil courts cannot operate in cases where the plea raised before the civil court goes to the root of the matter and would, if upheld, lead to the conclusion that the impugned order is a nullity.”

10. In the light of the above discussion, the following principles may be restated:

(1) If there is express provision in any special Act barring the jurisdiction of a civil court to deal with matters specified thereunder the jurisdiction of an ordinary civil court shall stand excluded.

(2) If there is no express provision in the Act but an examination of the provisions contained therein leads to a conclusion in regard to exclusion of jurisdiction of a civil court, the court would then inquire whether any adequate and efficacious alternative remedy is provided under the Act; if the answer is in the affirmative, it can safely be concluded that the jurisdiction of the civil court is barred. If, however, no such adequate and effective alternative remedy is provided then exclusion of the jurisdiction of the civil court cannot be inferred.

(3) Even in cases where the jurisdiction of a civil court is barred expressly or impliedly, the court would nonetheless retain its jurisdiction to entertain and adjudicate the suit provided the order complained of is a nullity.”

39. The Apex Court in the case of ***Sitaram Kashiram Konda*** (supra) was considering a case where the plaintiff instituted a suit against employer claiming various reliefs, including a declaration that he had been removed from service illegally, asking for reinstatement and in the alternative compensation. The trial court dismissed the suit, holding that it had no jurisdiction to try as the dispute was in the nature of an industrial dispute. The 1st Appellate Court allowed the plaintiff's appeal, holding that the dispute raised was of a civil nature. In the 2nd appeal filed by the defendant employer the High Court upheld the view of the trial court and held that the plaintiff had not claimed damages by pleading wrongful dismissal in breach of contract of service. The plaintiff appealed to the Supreme Court by certificate. Allowing the appeal and remanding the matter to the trial court for decision in the light of the Courts judgment, it was held:-

*“3. The Court is obliged to Mr K. Jayaram for assisting it as amicus curiae in this case. After having appreciated the entire facts and the circumstances of the case, we are of the opinion that it is not quite correct to say that the suit filed by the appellant is not maintainable at all in a civil court. The correct position of law is that the main reliefs asked for by him which when granted will amount to specific performance of the contract of service and therefore they cannot be granted. There are a number of decisions of this Court to that effect; to wit — *S.B. Dutt (Dr) v. University of Delhi* [AIR 1958 SC 1050 : 1959 SCR 1236 : 1959 SCJ*

78] ; *S.R. Tiwari v. District Board Agra* [AIR 1964 SC 1680 : (1964) 3 SCR 55 : (1964) 1 LLJ 1] and *Indian Airlines Corporation v. Sukhdeo Rai* [(1971) 2 SCC 192 : 1971 SCR (Supp) 510 : AIR 1971 SC 1828 : (1971) 1 LLJ 557] . Reference may also be made in this connection to the decision of this Court in *Premier Automobiles Ltd. v. Kamleker Shantaram Wadke* [(1976) 1 SCC 496 : 1976 SCC (L&S) 70 : (1976) 1 SCR 427 : (1975) 2 LLJ 445] .

4. But then in the alternative, the appellant had also prayed for awarding compensation to him. And reading the plaint as a whole, it can legitimately be culled out that he had made out a case, whether it was right on facts or not, that is a different question, that he was wrongfully dismissed from service. This relief could be granted by the civil court if it found that the plaintiff's case was true. The High Court, in our opinion, is not right in saying that no such case had at all been made out in the plaint. In our opinion, as we have earlier said, reading the plaint as a whole, such case can be spelt out. That being so to this limited extent, the matter could be examined by the civil court."

40. The Apex Court in the case of ***S.N. Goyal*** (supra) was considering a case where the respondent employee of the Bank was dismissed from the service of the Bank after holding disciplinary enquiry under the State Bank of India Officers Service Rules, which was challenged by the employee by filing civil suit. It was held as under :-

"17. Where the relationship of master and servant is purely contractual, it is well settled that a contract of personal service is not specifically enforceable, having regard to the bar contained in Section 14 of the Specific Relief Act, 1963. Even if the termination of the contract of employment (by dismissal or otherwise) is found to be illegal or in breach, the remedy of the employee is only to seek damages and not specific performance. Courts will neither declare such termination to be a nullity nor declare that the contract of employment subsists nor grant the consequential relief of reinstatement. The three well-recognised exceptions to this rule are:

- (i) where a civil servant is removed from service in contravention of the provisions of Article 311 of the Constitution of India (or any law made under Article 309);*
- (ii) where a workman having the protection of the Industrial Disputes Act, 1947 is wrongly terminated from service; and*
- (iii) where an employee of a statutory body is terminated from service in breach or violation of any mandatory provision of a statute or statutory rules.*

There is thus a clear distinction between public employment governed by statutory rules and private employment governed purely by contract. The test for deciding the nature of relief—damages or reinstatement with consequential reliefs—is whether the employment is governed purely by contract or by a statute or statutory rules. Even where the employer is a statutory body, where the relationship is purely governed by contract with no element of statutory governance, the contract of personal service will not be specifically enforceable. Conversely, where the employer is a non-

statutory body, but the employment is governed by a statute or statutory rules, a declaration that the termination is null and void and that the employee should be reinstated can be granted by courts. (Vide S.B. Dutt (Dr.) v. University of Delhi [AIR 1958 SC 1050] , U.P. Warehousing Corpn. v. Chandra Kiran Tyagi [(1969) 2 SCC 838 : (1970) 2 SCR 250] , Sirsi Municipality v. Cecelia Kom Francis Tellis [(1973) 1 SCC 409 : 1973 SCC (L&S) 207 : (1973) 3 SCR 348] , Vaish Degree College v. Lakshmi Narain [(1976) 2 SCC 58 : 1976 SCC (L&S) 176 : (1976) 2 SCR 1006] , J. Tiwari v. Jwala Devi Vidya Mandir [(1979) 4 SCC 160 : 1979 SCC (L&S) 356 : AIR 1981 SC 122] and Dipak Kumar Biswas v. Director of Public Instruction [(1987) 2 SCC 252 : (1987) 3 ATC 505 : AIR 1987 SC 1422] .)

18. In this case the appellant is a statutory body established under the State Bank of India Act, 1955 and the contract of employment was governed by the State Bank of India Officers Service Rules, which are statutory rules framed under Section 43(1) of the said Act. The respondent approached the civil court alleging that his removal from service was in violation of the said statutory rules. When an employee of a statutory body whose service is terminated pleads that such termination is in violation of statutory rules governing his employment, an action for declaration that the termination is invalid and that he is deemed to continue in service is maintainable and will not be barred by Section 14 of the Specific Relief Act.”

41. The Apex Court in the case of ***Kailash Singh vs. Managing Committee, Mayo College, Ajmer and Others (2018) 18 SCC 216*** where in respect of dispute related to termination of an employee of Mayo College, Court held that employment was governed by simple contract of employment and, hence, no relief of reinstatement can be granted, but employee, if wrongfully terminated, may claim damages. It is quoted as under:-

“22. We may refer to Vidya Ram Misra v. Shri Jai Narain College [Vidya Ram Misra v. Shri Jai Narain College, (1972) 1 SCC 623] , where in para 4, it was observed as under: (SCC pp. 624-25)

“4. It is well settled that, when there is a purported termination of a contract of service, a declaration that the contract of service still subsisted would not be made in the absence of special circumstances, because of the principle that courts do not ordinarily enforce specific performance of contracts of service (see U.P. Warehousing Corpn. v. Chandra Kiran Tyagi [U.P. Warehousing Corpn. v. Chandra Kiran Tyagi, (1969) 2 SCC 838] and Indian Airlines Corpn. v. Sukhdeo Rai [Indian Airlines Corpn. v. Sukhdeo Rai, (1971) 2 SCC 192]). If the master rightfully ends the contract, there can be no complaint. If the master wrongfully ends the contract, then the servant can pursue a claim for damages. So even if the master wrongfully dismisses the servant in breach of the contract, the employment is effectively terminated. In Ridge v. Baldwin [Ridge v. Baldwin, 1964 AC 40 : (1963) 2 WLR 935 (HL)] Lord Reid said in his speech: (Ridge case [Ridge v. Baldwin, 1964 AC 40 : (1963) 2 WLR 935 (HL)] , WLR p. 940)

‘The law regarding master and servant is not in doubt. There cannot be specific performance of a contract of service and the master can terminate the contract with his servant at any time and for any reason or for none. But if he does so in a manner not warranted by the contract he must pay damages for breach of contract. So the question in a pure case of master and servant does not at all depend on whether the master has heard the servant in his own defence: it depends on whether the facts emerging at the trial prove breach of contract. But this kind of case can resemble dismissal from an office where the body employing the man is under some statutory or other restriction as to the kind of contract which it can make with its servants, or the grounds on which it can dismiss them.’”

23. The aforesaid view is also adopted by the Constitution Bench in Sirsi Municipality v. Cecelia Kom Francis Tellis [Sirsi Municipality v. Cecelia Kom Francis Tellis, (1973) 1 SCC 409 : 1973 SCC (L&S) 207]. We may usefully extract the observations in the following paras: (SCC p. 413, paras 15-19)

“15. The cases of dismissal of a servant fall under three broad heads. The first head relates to relationship of master and servant governed purely by contract of employment. Any breach of contract in such a case is enforced by a suit for wrongful dismissal and damages. Just as a contract of employment is not capable of specific performance similarly breach of contract of employment is not capable of finding a declaratory judgment of subsistence of employment. A declaration of unlawful termination and restoration to service in such a case of contract of employment would be indirectly an instance of specific performance of contract for personal services. Such a declaration is not permissible under the Law of Specific Relief Act.

16. The second type of cases of master and servant arises under Industrial Law. Under that branch of law a servant who is wrongfully dismissed may be reinstated. This is a special provision under Industrial Law. This relief is a departure from the reliefs available under the Indian Contract Act and the Specific Relief Act which do not provide for reinstatement of a servant.

17. The third category of cases of master and servant arises in regard to the servant in the employment of the State or of other public or local authorities or bodies created under statute.

18. Termination or dismissal of what is described as a pure contract of master and servant is not declared to be a nullity however wrongful or illegal it may be. The reason is that dismissal in breach of contract is remedied by damages. It (sic.) [To be read as “In”.] the case of servant of the State or of local authorities or statutory bodies, courts have declared in appropriate cases the dismissal to be invalid if the dismissal is contrary to rules of natural justice or if the dismissal is in violation of the provisions of the statute. Apart from the intervention of statute there would not be a declaration of nullity in the case of termination or dismissal of a servant of the State or of other local authorities or statutory bodies.

19. The courts keep the State and the public authorities within the limits of their statutory powers. Where a State or a public authority dismisses an

employee in violation of the mandatory procedural requirements or on grounds which are not sanctioned or supported by statute the courts may exercise jurisdiction to declare the act of dismissal to be a nullity. Such implication of public employment is thus distinguished from private employment in pure cases of master and servant.”

24. The facts of the present case are covered by the master-servant relationship i.e. the first category. There is no adjudication by invocation of a reference to the Industrial Disputes Act, 1947. Thus, the remedy would only be in damages.”

Conclusion of this Court

42. From the above law laid down by the Apex Court in the case of ***Dhruv Green Field Ltd.*** (supra), ***Ramendra Kishore Biswas*** (supra) and this Court in ***Shivdhesar Singh*** (supra) it is apparent that there should be express provision in any Act barring the jurisdiction of the civil court and even if there is an express bar in any Act, but no adequate and efficacious remedy is provided, then exclusion of the jurisdiction of civil court cannot be inferred. From the law laid down by this Court in the case of ***Saurabh Kumar Pandey*** (supra) it is evident that where the terms and conditions of service governing the petitioner are not statutory, but are purely contractual governed under the Rules framed by a private Bank, the employee of the Bank cannot challenge his termination by filing Writ Petition under Article 226 of the Constitution of India.

43. From the law laid down by the Apex Court in the case of ***Sitaram Kashiram Konda*** (supra), ***S.N.Goyal*** (supra) and ***Kailash Singh*** (supra) it is evident that when the service conditions of the employee are not governed by statutory rules and the employer does not fall within the category of 'State' as defined in Article 12 of the Constitution of India, if an employee is terminated by the employer after conducting disciplinary proceedings, the employee cannot claim the relief of reinstatement. The employee can only show that his termination from service was illegal, against Rules and principles of natural justice, where due procedure as prescribed was not followed, he was not provided with due opportunity of hearing, which has caused him grave prejudice, and if, the contention of the employee is upheld by the Court, that he was wrongfully dismissed from service, in that situation, the Court can only grant him damages for his illegal termination but the Court cannot reinstate him. In such situation, the employee cannot specifically enforce his contract of personal service, which is barred under Section 14 of the Specific Relief Act.

44. It is apparent that the above law is not applicable on a civil servant who is removed from service in contravention of the provisions of Article 311 or any law made under Article 309 of the

Constitution of India. Similarly, it is also not applicable where a workman covered under the provisions of Industrial Disputes Act, 1947 and an employee of a statutory body is terminated from service in breach or violation of any mandatory provision of a statute or statutory rules. It is further apparent that even where the employer is a statutory body, but the relationship is purely governed by contract with no element of statutory governance, the contract of personal service will not be specifically enforceable.

45. It is apparent that in the instant case the plaintiff was posted as Branch Manager of the Allahabad Branch of the defendant Bank, then, according to the Bank, due to his lax supervision a fraud of ₹ 41 lakhs was committed by an employee Mrs. Suchitra Prajapati, who was subordinate of the plaintiff, for which he was initially suspended on 30.9.2013, thereafter, as per the Executive Staff Service Rules, 1994 of the Bank and the Code of Conduct applicable on the plaintiff, charges were framed against him and in the disciplinary enquiry he was found guilty and accordingly, he was dismissed from service by defendant No. 2 on 19.5.2014, which was challenged by plaintiff by filing Appeal, as provided under the above Rules of the Bank, which was also dismissed by defendant No. 3 on 08.10.2014, and thereafter, the plaintiff has challenged his above dismissal by filing the instant suit, in which, he has claimed the following reliefs:-

- “(A) Pass a decree of declaration to the effect that the Appellate order dated 8.10.2014 passed by defendant no. 3 and order dated 19.5.2014 passed by defendant no. 2 is illegal and is nullity;*
- (B) Pass a decree of permanent injunction against the defendant no.1 Bank injunction the defendant No.1 Bank to terminate the plaintiff;*
- (C) Pass a decree of declaration to the effect that the plaintiff is entitled to his back wages with interest and all employment benefits;*
- (D) Pass a decree of mandatory injunction directing defendant No. 1 Bank to reinstate the plaintiff forthwith with full back wages and employment benefits;*
- (E) Award cost of the suit in favour of plaintiff and against the defendants;*
- (F) Pass any such order as this Hon'ble Court deems fit proper in the facts and circumstances of the present case.”*

46. It is apparent that the defendant Bank, is a private Bank, and the plaintiff's employment was purely contractual, which is apparent from the letter of offer filed by the plaintiff, which was governed by the Executive Staff Service Rules, 1994 of the Bank and the plaintiff was bound by the Code of Conduct applicable on him, which are not statutory. Neither the defendants fall in the definition of 'State' as mentioned in Article 12 of the Constitution of India nor the service conditions of the plaintiff were governed by the statutory rules. It is further apparent that the provisions of Article 309 and 311 of the Constitution of India and the Labour Laws were not applicable on the

plaintiff. There is no express provision in any contract or Rule, which bars the remedy of civil suit to the plaintiff. It is apparent that in the above circumstances, the plaintiff could not have challenged his dismissal by filing Writ Petition before the Constitutional Court under Article 226 of the Constitution of India or by filing petition before the Service Tribunals, which was available to the employees of the Central or State Government. It is apparent that the plaintiff could have only approached one judicial forum to redress his grievance, where he could have challenged his alleged illegal dismissal by the Bank, which was the Civil Court.

47. Order 39 Rule 2(2) CPC has been amended in the State of U.P. vide Section 13 of U.P. Act No. 57 of 1976, w.e.f. 1.1.1977, whereby the following proviso has been inserted, which reads as under:-

"Provided that no such injunction shall be granted –

(a) where no perpetual injunction could be granted in view of the provisions of Section 38 and Section 41 of the Specific Relief Act, 1963, (Act 47 of 1963), or

(b) to stay the operation of an order for transfer, suspension, reduction in rank, compulsory retirement, dismissal, removal or otherwise termination of service of, or taking charge from, any employee including any employee of the Government, or

(c) to stay, any disciplinary proceeding pending or intended or, the effect of any adverse entry, against any employee of the Government, or

and any order for injunction granted in contravention of these provisions shall be void....."

48. It is apparent from the impugned judgment that the trial court has considered the above Proviso of Order 39 Rule 2(2) CPC and concluded that the relief of declaration and mandatory injunction against the order of termination of service is specifically barred in the State of Uttar Pradesh by the above amending Act, as such, the trial court does not have the jurisdiction to try the suit.

49. In the light of the above discussion, it is true that the civil court cannot grant any relief of permanent and mandatory injunction in this matter but the plaintiff can show that his dismissal by the defendant Bank was wrong and he can also claim damages for his wrongful dismissal from the Bank. It is true that he cannot be reinstated in the service of the defendant Bank and his only remedy is to claim damages from the Bank, for which, the civil court has the jurisdiction. In view of this, the civil court had the jurisdiction for examining the above facts and for awarding the relief of damages, as such, the trial court has erred by concluding that the civil court lacked inherent jurisdiction in this matter.

50. From the perusal of the plaint it is evident that the plaintiff has not

claimed damages from the defendants, but has claimed back wages with interest and all consequential employment benefits. From the perusal of the record of the lower court, it is evident that the plaintiff moved an amendment application 37-A under Order VI Rule 17 CPC on 28.7.2022 claiming decree for damages @ ₹ 5,000/- per month from 19.5.2014 till the date of filing of the suit, pendente lite and future till realisation, against which no objection has been filed by the defendants, which remained undisposed by the trial court, till the suit was dismissed on 10.7.2023, which shows the carelessness of the trial court. It is further apparent that under Section 40 of the Specific Relief Act, 1963, the plaintiff can always demand damages in lieu of, or in addition to, injunction and such amendment can be allowed by the Court at any stage of the proceedings.

51. For the aforesaid reasons, the impugned judgment and decree passed by the trial court is erroneous and legally unsustainable, which is liable to be set aside. Consequently, the appeal deserves to be allowed with costs.

52. **Accordingly, the appeal is allowed with costs throughout.** The impugned judgment and decree dated 10.7.2023 is set aside and consequently, O.S.no.180 of 2015 stands restored on its original number. The finding of trial court on issue no. 5 is set aside and it is held that the trial court has jurisdiction to try the suit.

53. The trial court is directed to decide the suit expeditiously preferably within a period of **6(six) months** from the date a certified copy of this order is received by it, without affording unnecessary adjournment to either of the parties, on merits, in accordance with law.

54. It is made clear that this Court has not expressed any opinion as to the legality of the dismissal of the plaintiff by the defendant Bank. The trial court is at liberty to arrive at a just conclusion on the basis of pleadings and evidence on record, in accordance with law.

55. Office is directed to send back the record of the trial court, forthwith.

Order Date:- 07.04.2026

Jitendra/Himanshu/Mayank

(Sandeep Jain, J.)