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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 3rd February, 2026
Date of Decision: 8th April, 2026
Uploaded on: 8th April, 2026

\+ W.P.(C) 6999/2002

UMA SHANKAR SHARMA .....Petitioner

Through: Mr. Anil Singhal, Mr. Abhimanyu Sharma, Advs. along with Petitioner in person

versus

STATE (GOVT. OF NCT) & ANR. .....Respondents

Through: Ms. Anju Bhattacharya, Ms. Nisha R. Chauhan, Mr. Vinod Fulara and Ms. Sakshi Ramola, Adv.

CORAM:
HON'BLE MS. JUSTICE SHAIL JAIN

JUDGMENT

SHAIL JAIN, J.

1. The present writ petition has been filed by the Petitioner/workman, Shri Uma Shankar Sharma, under Articles 226 and 227 of the Constitution of India assailing the Award dated 5.07.2002 passed by the learned Presiding Officer, Industrial Tribunal No. I, Karkardooma Courts, Delhi, in I.D. No. 293/1990 *(hereinafter referred as 'the Impugned Award'*), whereby the claim of the Petitioner was

dismissed and the termination of his services was held to be legal and justified.

FACTUAL BACKGROUND

2. Brief facts emerging from the record, which are necessary for adjudication of the present writ petition, are that the Petitioner/workman was employed with Respondent No.2/Management, namely Delhi State Co-operative Union Ltd., as a Sales Clerk with effect from 14.07.1971. In the course of his duties at the Daryaganj Sales Counter, he was entrusted with the maintenance of cash books, stock registers and accounting of cash receipts, including collections received from the Parliament Street counter managed by one Sh. D.K. Sharma.

3. During the course of his employment, the Petitioner was served with a charge-sheet dated 12.04.1989 alleging financial irregularities and misappropriation of funds. It was alleged by the Management that during internal checking of accounts for the years 1986-87, 1987-88 and 1988-89, discrepancies were detected in the accounts maintained by the Petitioner and that certain cash receipts relating to sales, subscriptions and publications had not been duly accounted for. It was further alleged that upon verification of cash balance, amounts totalling **₹40,403.64** had not been accounted for by the workman and that there was also a shortage of **₹916.08** in the cash balance.

4. In his reply to the charge-sheet, the Petitioner did not dispute the existence of discrepancies but sought to explain the same by alleging that he had been falsely implicated to shield Sh. D.K. Sharma, who was purportedly related to a Director of the Management.

5. A domestic enquiry was thereafter initiated by the Management against the Petitioner. Upon completion of the enquiry, the Enquiry Officer submitted a report holding the charges of misappropriation of funds against the Petitioner to be proved. Consequently, the services of the Petitioner were terminated *vide* order dated 30.06.1989.

6. Aggrieved by the termination of his services, the Petitioner raised an industrial dispute. The appropriate Government referred the dispute for adjudication to the Industrial Tribunal. The reference was registered as Industrial Dispute No. 293/1990, and the following question was referred for adjudication:

> *"Whether the services of Shri Uma Shankar Sharma have been terminated illegally and/or unjustifiably by the management and if so, to what relief is he entitled and what directions are necessary in this respect."*

7. Before the Tribunal, the Petitioner/workman filed a statement of claim challenging the termination as *mala fide* and in violation of Section 25F of the Industrial Disputes Act, 1947 *(hereinafter referred as 'the Act')*. It was contended before the Tribunal that the management had exercised undue pressure upon him and threatened termination of service in order to compel him to sign a pre-drafted reply to the charge-sheet admitting the alleged discrepancies. The petitioner claimed that he had been induced to deposit the amount on the assurance that his services would be spared. It was further contended that the punishment imposed was disproportionate, particularly in view of his long years of service.

8. The Management filed its written statement opposing the claim and contended that the Petitioner, being responsible for maintaining the accounts of the sales counter, had failed to properly account for several cash receipts. The management also asserted that the workman had voluntarily deposited certain amounts and had also given written undertakings admitting the discrepancies, and that adjustments had been made against his security deposit, provident fund and salary bills. The management therefore denied that any undue pressure had been exercised upon the workman. They maintained that a fair inquiry was conducted and that the Petitioner was afforded a full opportunity to defend himself.

9. Upon consideration of the pleadings of the parties, the Tribunal framed the following issues:

> *i. Whether the reference is illegal, invalid and improper as alleged in the written statement?*
> *ii. Whether the termination is based on proper and valid enquiry?*
> *iii. Relief in terms of reference.*

10. During the proceedings before the Tribunal, the validity of the domestic enquiry was tried as a preliminary issue. *Vide* order dated 2.09.1996, the learned Tribunal held that the enquiry conducted by the management was not proper or valid. The Tribunal observed that the enquiry proceedings did not comply with the principles of natural justice and accordingly held:

> *"...I am of the view that the enquiry conducted by MW1 was neither proper nor valid because principles of natural justice were not followed by the Enquiry Officer and I*

> *therefore hold that termination of the workman is not based on proper and valid enquiry."*

11. However, the Management was granted liberty to lead evidence before the learned Tribunal to prove the charges against the workman.

12. Both the parties led their respective evidences to substantiate their cases. The Petitioner stepped into the witness box as WW-1. On behalf of the Respondents, Presenting Officer Sh. P.M. Sharma entered into the witness box as MW-1.

13. Learned Tribunal *vide* the Impugned Award dated 5.07.2002, answered the reference against the Workman and held that the termination of the workman cannot be termed to be illegal or unjustified. The Tribunal concluded that the Management had successfully established the charges of misappropriation. Specifically, the Tribunal noted the Petitioner's shifting stands and his admission that funds were utilized for personal medical exigencies. The relevant portion of the award reads as under:

> *"The management has been able to prove that certain irregularities had been detected and when the workman was confronted with the same he admitted his mistake and sought time to deposit the same… the charges of misappropriation stand duly proved against the workman from the documents placed on record."*

14. On the aspect of relief, the Tribunal held that since the case involved a loss of faith and misappropriation over a continuous period of three years, the punishment of termination was proportionate to the gravity of the offence.

15. Aggrieved by the said Award dated 05.07.2002, the Petitioner/workman has approached this Court by way of the present writ petition.

SUBMISSIONS OF THE PARTIES:

16. Learned counsel appearing on behalf of the Petitioner assails the impugned Award primarily on the ground that the Tribunal failed to properly appreciate the evidence on record and erroneously upheld the termination of the Petitioner. It is submitted that the charge-sheet dated 12.04.1989 alleging misappropriation of funds was false and motivated. Learned counsel submits that the Management exercised undue pressure upon the Petitioner by threatening termination of his services in the event of non-deposit of the alleged amounts and made him sign a pre-drafted reply to the charge-sheet admitting the discrepancies on the assurance that his services would be spared. Despite such assurance and the Petitioner's subsequent deposits, the Management proceeded with the termination.

17. It is further contended that the Management failed to examine any independent witness conversant with the alleged discrepancies or the preparation of internal checking reports and that the sole witness examined, namely Shri P.M. Sharma, had acted as the Presenting Officer in the domestic enquiry and therefore could not have proved the alleged acts of misconduct on merits.

18. Furthermore, the Petitioner contends that the entire case of the Management rests on internal checking reports for the years 1986-1989, yet the Management failed to produce or examine the authors of these

reports. Relying on the judgment of the Hon'ble Supreme Court in ***Hardwari Lal v. State of U.P. (1999) 8 SCC 582.,*** learned counsel argues that the non-examination of material witnesses, specifically those who conducted the audit and those who could speak to the veracity of the allegations has caused grave prejudice to the Petitioner's case and renders the findings of the Tribunal unsustainable.

19. Learned counsel also submits that the Tribunal erred in relying upon the alleged admissions of the Petitioner without examining whether such admissions were voluntary or were made under inducement and coercion. Relying upon the decision of the Andhra Pradesh High Court in ***J. Shiva Prasad v. Bank of India 1990(1) SLR 325 (A.P.)***, it is argued that an admission is not conclusive proof and must be read in the totality of circumstances. Counsel contends that if an admission is extracted through trickery, inducement, or is made in a "dubious" context while the management simultaneously attempts to rely on unproven documentary evidence, such an admission cannot form the sole basis for punishment.

20. It is finally urged that the Petitioner had consistently maintained that the shortfall was attributable to another employee, Shri D.K. Sharma, and that the punishment of termination is shockingly disproportionate to the gravity of the alleged offence, especially in light of the Petitioner's long and otherwise unblemished service record since 1971.

21. *Per contra*, learned counsel appearing on behalf of the Respondents/Management supports the impugned Award and submits that the present writ petition is nothing but an attempt to seek re-

appreciation of evidence which is impermissible in exercise of writ jurisdiction. It is contended that the scope of interference under Article 226 of the Constitution is limited and that the High Court cannot sit in appeal over the findings recorded by the Tribunal unless such findings are shown to be perverse or based on no evidence.

22. Learned counsel submits that the Management had specifically reserved its right to lead fresh evidence before the Tribunal under Section 11-A of the Act in the event the domestic enquiry was held to be defective. Pursuant to the liberty granted by the Tribunal on 02.09.1996, detailed evidence was led before the Tribunal. It is submitted that the Petitioner himself had made notings on the relevant documents admitting that certain amounts had not been posted in the cash book due to oversight and had undertaken to deposit the same. The Tribunal also noted that the Petitioner had given a written communication requesting adjustment of the outstanding amounts from his provident fund and security deposits.

23. On the question of proportionality and the gravity of misconduct, the Management relies upon several judicial precedents to contend that acts of financial misappropriation constitute serious misconduct and justify dismissal, regardless of the amount or past record. Reliance is placed upon ***U.P. State Road Transport Corporation Vs. Basudeo Chaudhary & Anr. (1997) 11 SCC 370***, wherein the Hon'ble Supreme Court held that even an attempt to cause a small loss is serious in nature and warrants removal. Similarly, in ***Janatha Bazar (South Canara Central Cooperative Wholesale Stores Ltd.) & Ors. Vs. Secretary, Sahakari Noukarara Sangha & Ors. (2000) 7 SCC 517***, it was held that

in proven cases of misappropriation, a clean past record does not call for sympathy. Further, in ***State Bank of India & Ors Vs. T.J. Paul (1999) 4 SCC 759***, it was observed that any act prejudicial to the interest of the employer constitutes misconduct even if actual loss is not proven.

24. It is thus contended that the Petitioner held a position of trust as a Sales Clerk and his admission regarding the use of funds for medical expenses further solidifies the charge of temporary misappropriation. Therefore, the impugned Award does not suffer from any perversity or illegality warranting interference by this Court.

ANALYSIS AND REASONING:

25. This court has heard the rival contentions of both the parties and perused the documents placed on record.

26. Before examining the merits of the case, it is necessary to note the well-settled position of law governing the scope of interference by the High Court in matters arising from industrial adjudication. It is settled that while exercising jurisdiction under Articles 226 and 227 of the Constitution of India, the High Court does not act as an appellate authority over the findings recorded by the Labour Court or Industrial Tribunal. The High Court cannot re-appreciate evidence or substitute its own conclusions merely because another view is possible. Hon'ble Supreme Court has consistently held that interference with findings of fact recorded by the Labour Court is permissible only where such findings are perverse, based on no evidence, or suffer from manifest illegality.

27. The Apex Court in the judgement of ***Syed Yakoob v. K.S. Radhakrishnan***, ***1963 SCC OnLine SC 24*** categorically held that the jurisdiction to issue a writ of certiorari is a supervisory jurisdiction and the Court exercising it is not entitled to act as an Appellate Court. This limitation necessarily means that findings of fact reached by the inferior Court or Tribunal as result of the appreciation of evidence cannot be reopened or questioned in writ proceedings. The relevant portion of the said judgment is reproduced hereinbelow:

> *"**7**. The question about the limits of the jurisdiction of High Courts in issuing a writ of certiorari under Article 226 has been frequently considered by this Court and the true legal position in that behalf is no longer in doubt. A writ of certiorari can be issued for correcting errors of jurisdiction committed by inferior courts or tribunals : these are cases where orders are passed by inferior courts or tribunals without jurisdiction, or is in excess of it, or as a result of failure to exercise jurisdiction. A writ can similarly be issued where in exercise of jurisdiction conferred on it, the Court or Tribunal acts illegally or properly, as for instance, it decides a question without giving an opportunity, be heard to the party affected by the order, or where the procedure adopted in dealing with the dispute is opposed to principles of natural justice. There is, however, no doubt that the jurisdiction to issue a writ of certiorari is a supervisory jurisdiction and the Court exercising it is not entitled to act as an appellate Court. This limitation necessarily means that findings of fact reached by the inferior Court or Tribunal as result of the appreciation of evidence cannot be reopened or questioned in writ proceedings. An error of law which is apparent on the face of the record can be corrected by a writ, but not an error of fact, however grave it may appear to be. In regard to a finding of fact recorded by the Tribunal, a writ of certiorari can be issued if it is shown that in recording the said finding, the Tribunal had erroneously*

refused to admit admissible and material evidence, or had erroneously admitted inadmissible evidence which has influenced the impugned finding. Similarly, if a finding of fact is based on no evidence, that would be regarded as an error of law which can be corrected by a writ of certiorari. In dealing with this category of cases, however, we must always bear in mind that a finding of fact recorded by the Tribunal cannot be challenged in proceedings for a writ of certiorari on the ground that the relevant and material evidence adduced before the Tribunal was insufficient or inadequate to sustain the impugned finding. The adequacy or sufficiency of evidence led on a point and the inference of fact to be drawn from the said finding are within the exclusive jurisdiction of the Tribunal, and the said points cannot be agitated before a writ Court. It is within these limits that the jurisdiction conferred on the High Courts under Article 226 to issue a writ of certiorari can be legitimately exercised (vide Hari Vishnu Kamath v. Syed Ahmad Ishaque [(1955) 1 SCR 1104] Nagandra Nath Bora v. Commissioner of Hills Division and Appeals Assam [(1958) SCR 1240] and Kaushalya Devi v. Bachittar Singh [AIR 1960 SC 1168]"

[Emphasis supplied]

28. Similarly, the Hon'ble Supreme Court in paragraph 17 of the judgment in ***Indian Overseas Bank v. I.O.B. Staff Canteen Workers' Union & Anr. (2000) 4 SCC 245***, has held as under:

*"**17**. The learned Single Judge seems to have undertaken an exercise, impermissible for him in exercising writ jurisdiction, by liberally reappreciating the evidence and drawing conclusions of his own on pure questions of fact, unmindful, though aware fully, that he is not exercising any appellate jurisdiction over the awards passed by a tribunal, presided over by a judicial officer. The findings of fact recorded by a fact-finding authority duly constituted for the purpose and which ordinarily should be considered to have become final, cannot be disturbed for the mere reason of having been based*

> *on materials or evidence not sufficient or credible in the opinion of the writ court to warrant those findings, at any rate, as long as they are based upon some material which are relevant for the purpose or even on the ground that there is yet another view which can reasonably and possibly be taken… The only course, therefore, open to the writ Judge was to find out the satisfaction or otherwise of the relevant criteria laid down by this Court, before sustaining the claim of the canteen workmen, on the facts found and recorded by the fact-finding authority and not embark upon an exercise of reassessing the evidence and arriving at findings of one's own, altogether giving a complete goby even to the facts specifically found by the Tribunal below."*
>
> *[Emphasis supplied]*

29. Therefore, the limited question before this Court is whether the findings returned by the Tribunal in the impugned Award suffer from perversity, illegality, or are based on no evidence, warranting interference by this Court under Article 226 of the Constitution of India.

30. The record reveals that the Tribunal, by order dated 02.09.1996, held that the domestic enquiry conducted by the Management was not proper or valid on account of non-compliance with the principles of natural justice. However, since the Management had taken a plea seeking liberty to prove the misconduct independently before the Tribunal, the Tribunal granted an opportunity to the management to lead evidence on merits.

31. Pursuant to such liberty, the Tribunal has undertaken a detailed examination of the Management witness namely Sh. PM Sharma and Workmen himself as well as the documentary material placed on record by the Management. The Tribunal has recorded the following finding:

> *"The averments made by MW1 are in consonance with the charge-sheet served upon the workman…which gives details of the amounts which were not accounted for on various heads including subscription amount, contribution amount, delegation fee, building fund, stationery items, difference of stock register with actual sales etc. for the years 1986-87, 1987-88 and July 1988 to December 1988."*

32. The Tribunal further took note of the fact that on several documents forming part of the internal checking record, there were handwritten notings of the Petitioner himself acknowledging that the amounts had not been entered in the cash book and undertaking to deposit the same. The relevant observation of the learned Tribunal reads as under:

> *"...There is a noting in the handwriting of the workman himself which the workman has admitted during his cross-examination that the amount reflected was not posted in the cash book due to mistake and he undertook to deposit the same immediately. Similar is the report which is with regard to July 1988 to December 1988… admitted by him that he received the said amount from Shri D.K Sharma but had not entered the same due to clerical mistake and undertook to deposit the amount immediately..."*

33. The Tribunal further noted that the workman had addressed a written communication dated 23.03.1989 requesting that certain amounts be adjusted from his provident fund and security deposits, which conduct was treated by the Tribunal as corroborative of the existence of deficiencies and the acknowledgment thereof.

34. While analysing the stand taken by the Petitioner, the Tribunal recorded that in the reply submitted to the charge-sheet, the Petitioner did not dispute the existence of deficiencies but sought to explain the

same. The relevant finding returned by the learned Tribunal reads as under:

> *"So, in the reply to the charge-sheet, the workman had admitted his guilt and his only explanation is that though he has put to his own use only Rs.25,000/- yet he had deposited the entire amount to save Shri D.K. Sharma."*

35. The Tribunal further examined the plea raised by the Petitioner that the alleged admissions were obtained under threat or inducement. In this regard, the Tribunal recorded a categorical finding that no particulars of such alleged coercion had been furnished. The relevant portion of the Award reads thus:

> *"...The particulars of threat or inducements are absolutely lacking in the statement of claim. There were no particulars as to who gave the inducements or who exercised undue influence on him and when they were exercised and in what manner they were exercised and needless to say that the allegations of undue influence or inducement which are without particulars are meaningless and cannot be looked into."*

36. The Tribunal therefore rejected the plea of coercion and held that the stand taken by the Petitioner was shifting and contradictory.

37. On the basis of the evidence discussed above, the Tribunal ultimately concluded that the charges of financial irregularities and misappropriation stood established.

38. At this stage, it would be apposite to deal with the principal contentions advanced on behalf of the Petitioner. The challenge to the impugned Award is essentially two-fold. **Firstly**, it is contended that the Management has examined only one witness, namely the Presenting

Officer, and no independent witness has been examined to prove the alleged discrepancies or the internal checking reports. **Secondly**, it is contended that the alleged admissions of the Petitioner were not voluntary and were obtained under inducement, coercion and threat of termination.

39. Insofar as the first contention is concerned, this Court is unable to accept the same. It is a settled position of law that strict rules of evidence as applicable under the Indian Evidence Act, 1872 are not required to be applied in industrial adjudication. What is required is that there must be some material on record on the basis of which the Tribunal can reasonably arrive at a conclusion. In the present case, the Tribunal has not based its findings solely on the oral testimony of MW-1, but has extensively relied upon documentary evidence placed on record, including internal checking reports, receipt records and, most importantly, the handwritten notings and undertakings of the Petitioner himself, which have been duly admitted by him during cross-examination.

40. The Hon'ble Supreme Court in ***Indian Overseas Bank v. I.O.B. Staff Canteen Workers' Union & Anr, (supra)*** has clearly held that findings of fact recorded by a duly constituted fact-finding authority cannot be interfered with so long as they are based on some material evidence, even if another view is possible. Similarly, in ***State of Haryana v. Rattan Singh (1977) 2 SCC 491***, it has been held that in domestic and industrial proceedings, sufficiency of evidence is not to be scrutinized as in a criminal trial and even hearsay evidence can be relied upon so long as it has a reasonable nexus with the facts in issue.

41. In the present case, the documentary material, coupled with the admitted writings of the Petitioner acknowledging non-accounting of amounts and undertaking to deposit the same, constitutes sufficient evidence for the Tribunal to arrive at its findings. The mere fact that the Presenting Officer was examined as a witness would not, in the facts of the present case, render the entire proceedings or findings invalid, particularly when the documentary evidence stands independently corroborated.

42. The reliance placed by the Petitioner on ***Hardwari Lal v. State of U.P (supra)*** is misplaced. The said judgment was rendered in a context where material witnesses directly connected with the alleged misconduct were not examined, thereby causing prejudice to the delinquent employee. In the present case, however, the findings of the Tribunal are not based solely on oral testimony but are primarily founded on documentary evidence and, significantly, on the admitted writings and conduct of the Petitioner himself. The Petitioner has failed to demonstrate any specific prejudice caused to him on account of non-examination of the authors of the internal checking reports, particularly when the contents thereof stand corroborated by his own admissions and subsequent conduct. Thus, the ratio of the said judgment is clearly distinguishable and does not advance the case of the Petitioner.

43. Insofar as the second contention regarding alleged inducement and coercion is concerned, the same has been specifically considered and rejected by the Tribunal. As noted hereinabove, the Tribunal has categorically recorded that no particulars of the alleged threat or inducement were furnished by the Petitioner. The absence of material

particulars, such as the nature of threat, the person exercising such influence and the circumstances in which such alleged admissions were made, renders the plea wholly vague and unsubstantiated. It is also evident from the findings recorded in the Award that the Petitioner has taken mutually contradictory stands. While on the one hand he sought to dispute the allegations and attribute the discrepancies to another employee, on the other hand he has admitted that amounts aggregating to ₹40,403.64 had not been accounted for, that he had utilised approximately ₹25,000/- on account of illness in his family, and that there was a shortage of ₹916.08 in cash, which he accepted and subsequently deposited. The Tribunal has also noted that the plea of inducement was not taken in the reply to the charge-sheet and was raised for the first time in the statement of claim without any particulars, and that even in cross-examination, no material details of such alleged coercion were furnished.

44. It is a settled principle that a mere bald allegation of coercion or inducement, without any supporting material, cannot be accepted to discredit otherwise admitted documentary evidence. The Tribunal has also taken note of the shifting and inconsistent stands of the Petitioner, and has rightly disbelieved the same. In such circumstances, the plea of inducement or coercion is clearly untenable.

45. In these circumstances, the reliance placed by the Petitioner on judgments dealing with involuntary admissions, including ***J. Shiva Prasad (supra),*** is misplaced, as the Tribunal has not relied upon the alleged admissions in isolation but has considered the same in

conjunction with documentary evidence on record as well as the contradictory stands taken by the Petitioner.

46. In view of the aforesaid discussion, this Court is of the considered view that the findings recorded by the Tribunal are based on appreciation of evidence and cannot be said to be perverse, arbitrary or based on no evidence. The conclusions drawn by the Tribunal are plausible and are supported by material on record. The Tribunal has relied upon:

- *Documentary records relating to internal checking of accounts,*
- *Handwritten notings and undertakings given by the Petitioner,*
- *Adjustments of outstanding amounts from the Petitioner's dues, and*
- *The explanation furnished by the Petitioner in his reply to the charge-sheet.*

47. This Court is therefore of the considered view that the Petitioner is essentially inviting this Court to undertake a re-appreciation of evidence and substitute its own conclusions for those arrived at by the fact-finding authority, which is impermissible in exercise of writ jurisdiction.

48. Accordingly, this Court finds no ground to hold that the findings returned by the Tribunal suffer from perversity, illegality or are based on no evidence so as to warrant interference under Article 226 of the Constitution of India.

49. Having held that the findings of misconduct recorded by the Tribunal do not suffer from perversity, the only question that survives for consideration is whether the punishment of termination imposed

upon the Petitioner is so disproportionate to the proved misconduct as to warrant interference by this Court under Article 226 of the Constitution of India.

50. Learned counsel for the Petitioner has submitted that the punishment imposed is harsh and disproportionate, particularly having regard to the long years of service rendered by the Petitioner. It is further urged that the alleged discrepancies were attributable to another employee and that the Petitioner had ultimately deposited the amounts.

51. *Per contra*, learned counsel for the Respondents has submitted that the misconduct proved against the Petitioner relates to financial irregularities and misappropriation of funds handled by him in the course of his duties and that such misconduct strikes at the root of the relationship of trust between employer and employee.

52. A perusal of the impugned Award reveals that the Tribunal has specifically considered the plea of proportionality raised by the Petitioner. While dealing with this aspect, the Tribunal has recorded as follows:

> *"The last limb of the argument put forward by the AR for the workman is that the punishment or termination is not justified and is disproportionate to the charges proved against the workman. However, I do not find any merit in the said plea as it is a case where the workman has been involved in misappropriation of the amounts for continuous three years and had deposited the same only when the same was detected by the management and even thereafter the workman has been taking frivolous stands to justify his own wrongs. It is a case of loss of faith and causing loss to the management, as such the punishment imposed upon the workman is absolutely in consonance with the gravity of the offences proved against the workman."*

53. The law regarding judicial interference with the quantum of punishment is well-settled. In ***Lucknow Kshetriya Gramin Bank v. Rajendra Singh, (2013) 12 SCC 372***, the Hon'ble Supreme Court held that the High Court, while exercising powers of judicial review, cannot normally substitute its own conclusion on the penalty and impose some other penalty. If the punishment imposed by the disciplinary authority or the Tribunal shocks the conscience of the court, only then can it be remitted or interfered with.

54. In the present case, the misconduct was not an isolated or technical lapse. It involved repeated financial irregularities continuing over a period of three years (1986-1989). The Petitioner held a position of trust as a Sales Clerk, specifically receiving a cash handling allowance. As held in ***State Bank of India v. T.J. Paul (supra)***, any act prejudicial to the interest of the employer especially in a financial capacity constitutes grave misconduct.

55. The fact that the Petitioner deposited the misappropriated amounts after detection does not wash away the initial misconduct. In ***Divisional Controller, KSRTC (NWKRTC) v. A.T. Mane, (2005) 3 SCC 254***, it was held that when an employee is found guilty of misappropriating the employer's money, there is nothing wrong in the employer losing confidence or faith in such an employee and awarding the punishment of dismissal. The Apex Court in ***Janatha Bazar (South Canara Central Cooperative Wholesale Stores Ltd.) v. Secretary, Sahakari Noukarara Sangha (supra)*** has categorically held that in cases involving proved

misappropriation, there is no question of showing misplaced sympathy on the ground of long service or smallness of amount involved.

56. The doctrine of loss of confidence assumes particular significance in cases where the employee is entrusted with financial duties. Once such confidence is shaken by proved misconduct involving financial irregularities, the employer cannot be compelled to continue the relationship.

57. Consequently, this Court finds that the punishment of termination is not 'shockingly disproportionate' to the gravity of the proven charges of continuous financial misappropriation. The findings of the learned Tribunal on the loss of confidence are based on a sound appreciation of the nature of the Petitioner's duties and his conduct. Therefore, no interference is warranted on this ground.

CONCLUSION:

58. In view of the foregoing discussion, this Court finds no infirmity, illegality, or perversity in the impugned Award dated **05.07.2002** passed by the learned Presiding Officer, Industrial Tribunal No. I, Karkardooma Courts, Delhi in **I.D. No. 293/1990**. The findings recorded by the learned Tribunal are based on a reasoned appreciation of the oral as well as documentary evidence on record and do not warrant interference in exercise of writ jurisdiction.

59. Accordingly, the impugned Award dated 05.07.2002 is upheld.

60. For the reasons stated above, the present writ petition, being devoid of merit, is hereby dismissed. Pending applications, if any, shall also stand disposed of. There shall be no order as to costs.

SHAIL JAIN, J

APRIL 8, 2026
DG