



2026:CGHC:2525

AFR

**HIGH COURT OF CHHATTISGARH AT BILASPUR**

**Order Reserved on : 19.12.2025**

**Order Delivered on : 15.01.2026**

**WPS No. 5831 of 2023**

Rajneesh Kumar Gautam S/o - Shri Babu Ram, Aged About 40 Years,  
R/o Q.No.2B/07, Officer's Colony, SECL, Korba Area Korba,  
Chhattisgarh.

**... Petitioner**

**versus**

**1** - Coal India Limited Through Its Chairman, Coal Bhawan, Premises  
No. 04, MAR, Plot No. AFORESAID-III, Action Area 1A, New Town,  
Rajarhat Kolkata (West Bengal) 700156.

**2** - Chief Manger (M.M./HoD (Appeal) Coal India Limited, Coal Bhawan,  
Premises No. 04, MAR, Plot No. AF-111, Action Area 1A, New Town,  
Rajarhat Kolkata (West Bengal) 700156.

**3** - South Eastern Coalfields Limited Through The Chairman-Cum-  
Managing Director Seepat Road, District : Bilaspur, Chhattisgarh

**--- Respondents**

(Cause-title taken from Case Information System)

For Petitioner	: Mr. Prafull N. Bhjarat, Senior Advocate with Mr. Keshav Dewangan, Advocate
For Respondents	: Mr. Vinod Deshmukh, Advocate

**Hon'ble Shri Amitendra Kishore Prasad, Judge**

**CAV Order**

1. Heard Mr. Prafull N. Bharat, learned Senior counsel assisted by Mr. Keshav Dewangan, learned counsel for the petitioner as well as Mr. Vinod Deshmukh, learned counsel appearing for the respondents.
2. By filing the present petition, the petitioner has challenged the appellate order dated 04.04.2023 passed by respondents No. 1 and 2, whereby the departmental appeal preferred by the petitioner has been rejected (Annexure P/1). The petitioner has further challenged the punishment order dated 07.07.2022 issued by respondent No. 3 (Annexure P/2), by which a major penalty has been imposed upon the petitioner in purported exercise of powers under Rule 28.1(f) of the Coal India Executives' Conduct, Discipline & Appeal Rules, 2021 (for short, 'Rules, 2021'). It is contended that the penalty imposed, namely "reduction to a lower stage in the time scale of pay for a period of one year with immediate effect, with a direction that the executive shall not earn increment of pay during the period of such reduction and will not have effect on future increments upon expiry of the penalty period", is not a punishment prescribed under Rule 28.1(f) of the Rules, 2021, and is therefore illegal, arbitrary, and contrary to the statutory rules governing the field.
3. The petitioner has sought for following relief(s) :-

*“10.1 To kindly call for the records of the case from the respondents.*

*10.2 To kindly quash the Appellate order dated 04/04/2023 issued by the Respondent no.1 & 2 (Annexure P/1)*

*10.3 To kindly quash the Punishment Order dated 07/07/2022 (Annexure P/2) issued by the respondent no.3.*

*10.4 To kindly direct the respondents to grant consequential benefits.*

*10.5 To kindly make any other order that may be deemed fit and just in the facts and circumstances of the case including awarding of the costs to the petitioner. ”*

4. Brief facts of the case, in a nutshell, are that the petitioner was appointed as Accounts Officer by the respondent Coal India Limited and was placed under the services of respondent South Eastern Coalfields Limited ('SECL') vide order dated 29.11.2005. The petitioner has throughout maintained an unblemished service record. As per the instructions dated 06.09.2012 issued by the General Manager (Finance), it was specifically directed that all bills pertaining to the execution of works or other expenses in respect of the Dipka Expansion Project were to be audited and passed by the Dipka Expansion Accounts Department, irrespective of value and irrespective of whether the works were awarded by the Area or the Project, except Capital Bills, Coal Loading/Coal Transport Bills, OBR Bills, and Surface Miner Bills, which were to

be received by the Dipka Expansion Accounts Department only for record-keeping purposes and were required to be audited and passed by the Dipka Area Finance Department. The aforesaid system was strictly followed and complied with by the petitioner. However, to the shock and dismay of the petitioner, the respondent Chairman-cum-Managing Director issued a Memorandum/Charge-sheet dated 08.05.2020, alleging, *inter alia*, that the petitioner failed to properly comply with the withholding instructions issued by the higher authorities and that the petitioner did not compute the bills and recoverable amounts from certain firms.

5. The petitioner duly submitted his reply to the charge-sheet on 15.07.2020; however, despite the reply and without proper consideration of the relevant documents and the previous instructions which merely authorized the petitioner to receive and forward the bills, a departmental enquiry was initiated. The Enquiry Officer, without appreciating the material on record, submitted the enquiry report vide memorandum dated 22.11.2021, holding the petitioner guilty of the charges levelled against him. Thereafter, respondent no. 3 passed the punishment order dated 07.07.2022, imposing a major penalty upon the petitioner purportedly under Rule 28.1(f) of the Rules, 2021, namely “reduction to a lower stage in the time scale of pay for a period of one year with immediate effect, with a direction that the executive shall not earn increment of pay during the period of such reduction and will not have effect

on future increments upon expiry of the penalty period.” The said punishment is not prescribed under Rule 28.1(f) of the Rules, 2021, and is thus ex facie illegal and unsustainable.

6. Aggrieved by the said punishment order, the petitioner preferred a departmental appeal, which has been rejected vide the impugned appellate order dated 04.04.2023.
7. Mr. Prafull N. Bharat, learned Senior Counsel, assisted by Mr. Keshav Dewangan, learned counsel for the petitioner, submits that the entire departmental enquiry conducted against the petitioner is vitiated as it has been carried out in gross violation of the provisions of the Rules, 2021 as the petitioner has working as only Accounts Officer in SECL under the Coal India Limited. It is contended that the impugned punishment order dated 07.07.2022 and the appellate order dated 04.04.2023 are illegal, arbitrary, and bad in the eye of law and are therefore liable to be quashed. He further submits that the petitioner cannot be punished for any misconduct which was never committed by him, and that the disciplinary authorities have completely failed to establish any act of delinquency attributable to the petitioner. It is urged that the petitioner has been visited with a punishment which is not prescribed under Rule 28.1(f) of the Rules, 2021, thereby rendering the punishment order non est and void ab initio for want of statutory authority. It is further contended that the memorandum/notice dated 06/08.05.2020 was issued to the

petitioner and received by him on 13.07.2020, pursuant to which he submitted a detailed reply specifically pointing out that the charges levelled against him were not in accordance with law and were wholly contrary to the specific duties assigned to him. It is submitted that, in view of the clearly defined role of the petitioner, the very initiation of the departmental enquiry is vitiated and liable to be declared void ab initio.

8. It is further argued by Mr. Bharat that on the basis of the enquiry report, a subsequent memorandum was issued and the Department erroneously concluded that Article of Charge No. I stood fully proved and Article of Charge No. II stood partially proved, despite such findings being in direct contradiction to the note-sheet dated 06.09.2012 issued by the General Manager, Dipka Area. The said note-sheet categorically demarcates the duties assigned to the petitioner and makes it explicit that the petitioner's role was confined to accounting functions and handling of capital bills, whereas bills falling under categories A, B and C relating to the Dipka Expansion Project were required to be forwarded to the Area Finance Department for audit and payment. The petitioner's role was limited to maintaining records and forwarding the bills, and he was neither authorised nor entrusted with any function relating to scrutiny, computation, withholding, or recovery in respect of the said bills. It is submitted that the allegation that the petitioner scrutinised coal loading and coal transportation bills and forwarded the same for acceptance to the

Sub-Area Manager, Dipka Project, is factually incorrect and unsupported by the record. The petitioner was never authorised by the competent authority to undertake such functions, and the findings to that effect are based on assumptions rather than any legally admissible evidence, thereby rendering the impugned proceedings arbitrary and unsustainable in law.

9. Mr. Bharat submitted that the Enquiry Officer has not considered any admissible material or documentary evidence and has submitted the enquiry report purely on surmises and conjectures. The authorities have failed to consider the documents produced by the petitioner and have instead relied solely on bald and unsubstantiated allegations levelled by biased departmental officials, thereby vitiating the enquiry on account of procedural impropriety and denial of fair opportunity. He further submits that the petitioner has an unblemished service record and was acting strictly in accordance with the instructions dated 06.09.2012 issued by the General Manager (Finance), whereby it was clearly stipulated that bills pertaining to the Dipka Expansion Project were to be audited and passed by the Dipka Expansion Accounts Department, except specified categories of bills which were to be merely received for record purposes and audited by the Dipka Area Finance Department. The said system was scrupulously followed by the petitioner, and at no point was the petitioner authorized to compute, alter, correct, or recover amounts from any bills, a fact which completely demolishes the foundation of the

charge-sheet. It is contended by Mr. Bharat that despite the petitioner submitting a detailed reply to the charge-sheet dated 08.05.2020, the respondents initiated a departmental enquiry without appreciating the binding instructions and the limited role assigned to the petitioner. The enquiry report dated 22.11.2021, holding the petitioner guilty, is therefore perverse and unsustainable. It is further contended that the punishment imposed upon the petitioner, namely “reduction to a lower stage in the time scale of pay for a period of one year with immediate effect, with a direction that the executive shall not earn increment of pay during the period of such reduction and will not have effect on future increments upon expiry of the penalty period”, is not a punishment contemplated under Rule 28.1(f) of the Rules, 2021, and hence the disciplinary authority acted wholly without jurisdiction. He further submits that the framing of charges and initiation of the departmental enquiry is patently illegal and void ab initio, as the same is wholly contrary to the note-sheet dated 06.09.2012. It is contended that the petitioner was never assigned or entrusted with the duties in respect of which the charges have been framed. In the absence of any authority or delegation of such functions, the petitioner cannot be held guilty for acts which he was neither authorised to perform nor did he perform in the discharge of his official duties.

10. Reliance is placed on the judgment of the Hon'ble Supreme Court in ***Vijay Singh v. State of U.P. & Ors., (2012) 5 SCC 242***, wherein

it has been categorically held that punishment imposed dehors the statutory rules is a nullity in the eyes of law and cannot be enforced. On merits as well, learned Senior Counsel submits that no case of misconduct is made out, as the petitioner was never entrusted with nor empowered to undertake any correction, alteration, or computation of the bills in question. The petitioner has thus been punished for an act he never committed, and consequently, the impugned punishment order and the appellate order affirming the same deserve to be quashed and set aside by this Court.

11. On the other hand, Mr. Vinod Deshmukh, learned counsel appearing for the respondents vehemently opposes the submissions advanced by learned Senior Counsel for the petitioner and submits that in the instant writ petition, the petitioner has assailed the orders passed by the Disciplinary Authority and the Appellate Authority primarily on the grounds of alleged violation of the Rules, 2021, imposition of punishment for misconduct not committed by him, non-prescription of the penalty under Rule 28.1(f), and alleged non-consideration of defence material. It is submitted that the allegation of violation of Rules, 2021 is wholly vague and unsubstantiated, as the petitioner has neither pointed out any specific provision alleged to have been breached nor demonstrated the manner of such violation. On the contrary, the disciplinary proceedings were conducted strictly in accordance with the Coal India Executives' Conduct, Discipline and Appeal

Rules, 1978, which were applicable at the relevant time, and the punishment was imposed only after following the prescribed procedure and the principles of natural justice. It is further submitted that the contention that the petitioner has been punished for misconduct not committed by him is contrary to the material on record. A perusal of the enquiry report clearly establishes that during the course of the departmental enquiry, the misconduct alleged in the charge-sheet stood proved. The Enquiry Officer, after appreciating both oral and documentary evidence, has categorically held Article of Charge No. I to be fully proved and Article of Charge No. II to be partially proved against the petitioner, and thus the punishment has been imposed on the basis of proven misconduct.

- 12.** With regard to the contention that the punishment imposed is not prescribed under Rule 28.1(f) of the Rules, Mr. Deshmukh submitted that the applicable rules are the Coal India Executives' Conduct, Discipline and Appeal Rules, 1978 as amended. The General Manager (Per/Policy), Coal India Limited, vide Office Memorandum dated 18.05.2021, conveyed that the CIL Board in its 421st meeting held on 10.05.2021 approved amendments to the CDA Rules with immediate effect, whereby the major penalty of reduction to a lower stage in the time scale of pay for a specified period, with further directions regarding increments and their future effect, was expressly provided. The punishment imposed upon the petitioner is strictly in accordance with the said

amended provision, and the petitioner has conveniently suppressed this fact while alleging that the penalty is de hors the Rules. The allegation that no material was considered by the Enquiry Officer and that the documents produced by the petitioner were ignored is also emphatically denied. A bare perusal of the enquiry report, particularly pages 51 to 64 of the writ petition, reveals that the Enquiry Officer has recorded detailed findings after discussing the submissions of both the Presenting Officer and the petitioner and after evaluating each and every document produced by both sides. The petitioner has not raised any specific plea of violation of principles of natural justice, breach of statutory provisions, perversity of findings or findings based on no evidence.

- 13.** It is further submitted by Mr. Deshmukh that both the Disciplinary Authority and the Appellate Authority have independently considered all grounds raised by the petitioner, including his defence submissions, and have passed reasoned and speaking orders after examining the entire record. The petitioner's attempt to take shelter under note-sheet reference No. 571 dated 06.09.2012 issued by AFM, Dipka Area, by contending that he was forbidden from scrutinizing bills of ESM agencies, is wholly misconceived. The said note-sheet nowhere prohibits the petitioner from scrutinizing the bills; rather, it merely states that the bills would be accepted at Dipka Project. Being the head of the Finance Department of the Dipka Expansion Project and also functioning as Associate Finance, it was incumbent upon the

petitioner to ensure that the bills were properly checked and scrutinized before being placed before the Sub-Area Manager for approval. It is borne out from the documentary evidence, including Exhibit ME-9, that the bills relating to coal transportation and coal loading were routed through the petitioner and were financially vetted and countersigned by him, including corrections and modifications wherever made, prior to their approval by the Sub-Area Manager. During the departmental enquiry, the petitioner himself admitted that he was signing the subject bills. His plea that his endorsement was confined merely to the extent of entry in the register stands belied by the record, as reflected from Exhibit ME-12, which shows that modified financial figures were entered in the bill register and countersigned by the petitioner.

- 14.** Mr. Deshmukh contends that during the enquiry proceedings the petitioner admitted that it was his responsibility to ensure the accuracy of the cost sheets prepared at the Dipka Expansion Project and that a register was maintained in the Project Accounts Department to record revenue bills audited and passed for payment. The customization of the bill register by replacing the column "ED Cess" with "withheld 6%" and other manual entries clearly establishes that the petitioner was fully aware of the instructions issued by higher authorities regarding withholding of minimum 6% to avoid future recoveries on account of escalation or de-escalation in diesel prices, as contained in letter dated 02.02.2015. The register also contained details relating to

escalation and de-escalation bills and release of withheld amounts, further establishing that the petitioner had scrutinized and vetted the bills before final figures were entered.

- 15.** Mr. Deshmukh further contended that it is a settled position of law that this Court, while exercising jurisdiction under Article 226 of the Constitution of India, does not act as an appellate authority to re-appreciate evidence or substitute its own findings for those recorded in a properly conducted departmental enquiry. Interference is warranted only when findings are based on no evidence, are perverse, or when principles of natural justice or statutory provisions are violated, none of which are made out in the present case. The judgments relied upon by the petitioner are clearly distinguishable and inapplicable to the facts of the present case, particularly when the punishment imposed is strictly in accordance with the statutory rules governing Coal India executives.
- 16.** Lastly, Mr. Deshmukh urged that the Appellate Authority, after carefully examining the charge memorandum dated 08.05.2020 along with its annexures, the petitioner's replies, the enquiry report, the penalty order, the appeal preferred by the petitioner and the entire record, has rightly upheld the punishment imposed by the Disciplinary Authority. In view of the aforesaid submissions, it is contended that the writ petition is devoid of merit, discloses no ground for judicial interference and is liable to be dismissed.

17. Reliance has been placed upon the judgments rendered by the Hon'ble Supreme Court in the matters of ***Regional Manager, UCO Bank and another v. Krishna Kumar Bhardwaj, (2022) 5 SCC 695; Deputy General Manager (Appellate Authority) and othes v. Ajai Kumar Srivastava, (2021) 2 SCC 612; State of Karnataka and another v. Umesh, (2022) 6 SCC 563; Indian Overseas Bank and others v. Om Prakash Lal Srivastava, (2022) 3 SCC 803; General Manager (Operations), State Bank of India and another v. R. Periyasamy, (2015) 3 SCC 101; Boloram Bordoloi v. Lakhimi Gaolia Bordoloi Bank and others, (2021) 3 SCC 806; Lalit Popli v. Canara Bank and others, (2003) 3 SCC 583; United Bank of India v. Bachan Prasad Lal, (2022) 4 SCC 358; and Y.P. Sarabhai v. Union of India and another, (2006) 5 SCC 377***, to buttress his submissions.
18. I have heard learned counsel for the petitioner as well as learned counsel appearing for the respondents and have perused the pleadings and documents placed on record.
19. From a perusal of the note-sheet dated 06.09.2012, it emerges that the competent authority issued detailed instructions to remove confusion regarding the audit and passing of bills for payment in the Accounts Departments relating to the Dipka Expansion Project and the Area. The note-sheet clearly stipulated that all bills pertaining to the execution of works or other expenses in respect

of the Dipka Expansion Project were to be audited and passed by the Dipka Expansion Accounts Department, irrespective of their value and irrespective of whether the works were awarded by the Area or the Project, except in respect of capital bills, coal loading/coal transportation bills, and OBR and surface miner bills. It further emerges that the aforesaid excepted categories of bills were to be accepted at the Dipka Expansion Project level only for onward transmission to the Area Finance Department for audit and payment. The note-sheet also clarified that bills relating to execution of works at the Dipka Expansion Project were generally eligible for CENVAT, with limited exceptions such as vehicle hire bills. The note-sheet further provided that certain categories of bills, which are generally not eligible for CENVAT, including bills of the CGM's Dipka Office, Pragati Nagar Township, Dipka Dispensary, Regional Stores Dipka, CSR/CD bills, security service bills, capital bills, coal transportation/loading bills, and OBR and surface miner bills, were to be audited and passed for payment by the Area Accounts Department. It finally emerges that the said procedure was directed to be implemented with immediate effect to facilitate proper compliance with the CENVAT/Reverse Charge Mechanism and accounting procedures.

- 20.** A bare perusal of the memorandum dated 06/08.05.2020 issued by the Chairman-cum-Managing Director and Disciplinary Authority, it transpires that a departmental inquiry was proposed to be held against the petitioner, Sri Rajneesh Kumar Gautam, while

he was working as Manager (Finance), Korba Area, then posted at Dipka Project, Dipka Area, SECL, under Rule 29 of the Conduct, Discipline and Appeal Rules, 1978 of Coal India Limited (as amended from time to time). It further transpires that the memorandum enclosed the statement of articles of charge, a statement of imputations in support of each article of charge, along with a list of documents and witnesses proposed to be relied upon in support of the charges. The petitioner was directed to submit his written statement of defence within ten days and was informed that the inquiry would be confined only to such articles of charge as were not admitted by him, with a further stipulation that failure to participate could result in an ex-parte inquiry.

- 21.** From the statement of Article of Charge No. I, it transpires that the petitioner, while functioning as Manager (Finance) and Associate Finance to the Sub-Area Manager, Dipka Project, was alleged to have scrutinized and forwarded bills relating to coal loading and transportation of four Ex-Servicemen (ESM) companies during the period 2014 to 2018. It was alleged that despite instructions issued by GM (CMC) on 02.02.2015 for withholding a minimum of 6% from running bills on account of de-escalation in diesel prices, the petitioner failed to ensure continued compliance with the said instructions and allowed release of the withheld amounts, thereby acting without financial prudence. It further transpires that the charge alleges that the petitioner, being aware of the provisional nature of interim payments and the requirement of recovery or

adjustment upon revision of normative rates by Headquarters, failed to ensure withholding of suitable amounts from the running bills, resulting in accumulation of recoverable balances. On this basis, the petitioner was alleged to have failed to maintain devotion to duty and absolute integrity, in violation of Rules 4.1(i) and 4.1(ii), constituting misconduct under Rules 5(5) and 5(26) of the Conduct, Discipline and Appeal Rules, 1978.

- 22.** From Article of Charge No. II, it transpires that upon communication of revised normative rates by GM (CMC), SECL Headquarters vide circulars dated 25.04.2016 and 24.10.2016, the petitioner allegedly failed to compute recoverable amounts and raise claims against the ESM agencies for the retrospective period, despite being aware that such recoveries were required to be effected upon revision of rates due to de-escalation. It was alleged that such failure resulted in non-recovery of an amount of ₹3.46 crores, causing financial loss to the Company, and thereby amounted to misconduct under the aforesaid Rules.
- 23.** The petitioner has filed reply to the aforesaid memorandum stating therein that he was duly served with the memorandum dated 06/08.05.2020, issued by the Chairman-cum-Managing Director, SECL, which was received by him on 30.05.2020, and that the proposed departmental inquiry under Rule 29 of the Conduct, Discipline and Appeal Rules, 1978 was sought to be initiated against him in his capacity as Manager (Finance), Dipka Project.

- 24.** It was stated in the reply that the articles of charge framed against the petitioner, along with the statement of imputations and the list of documents and witnesses annexed to the memorandum, are baseless, concocted, misleading, vindictive, and devoid of any merit, and that the petitioner has categorically denied all the charges levelled against him. The petitioner has further stated that the bills of Ex-Servicemen (ESM) agencies pertaining to coal transportation and coal loading were audited and passed by the Area Accounts Department, whereas the petitioner was posted at the Dipka Expansion Project Finance Department, and therefore he had no authority or role in auditing, passing, or effecting payments of the said bills. It was asserted that the petitioner had at all times acted strictly in accordance with the rules, guidelines, and instructions of the Company and his superiors, and that he had maintained absolute integrity and devotion to duty, thereby not contravening Rules 4.1(i) and 4.1(ii) of the Conduct, Discipline and Appeal Rules, 1978. The petitioner was further averred that he had not acted in any manner prejudicial to the interests or image of the Company, nor had he committed any breach of the provisions of the Conduct, Discipline and Appeal Rules or any other statutory rules.
- 25.** It is specifically stated that the petitioner had not committed any misconduct under Rules 5(5) or 5(26) of the Rules, as alleged, and that the charges framed against him are unsustainable in law.

**26.** Based on the aforesaid memorandum and the reply filed by the petitioner, the punishment order dated 07.07.2022 has been passed by the Chairman-cum-Managing Director and Disciplinary Authority holding that the petitioner, while functioning as Unit Finance Manager and Associate Finance to the Sub-Area Manager, Dipka Project, was fully aware of the instructions issued by GM (CMC), SECL on 02.02.2015 requiring withholding of a minimum percentage from the running bills of Ex-Servicemen (ESM) agencies on account of de-escalation in diesel prices, but failed to ensure continued compliance with the said instructions after May, 2015. It has been held that the petitioner, despite being aware that payments to ESM agencies were being made on provisional rates and that any subsequent revision of normative rates would require adjustment by way of recovery or additional payment, failed to exercise due financial prudence. The Disciplinary Authority further held that the petitioner not only failed to ensure withholding of the requisite amount from the running bills but also allowed the release of the amount already withheld to the ESM agencies. It has further been held that the petitioner failed to compute the recoverable amounts and raise claims against the ESM agencies immediately after receipt of the revised normative rates communicated vide circulars dated 25.04.2016 and 24.10.2016, which resulted in accumulation of recoverable balance. According to the Disciplinary Authority, such omission on the part of the petitioner led to non-recovery of an amount of ₹3.46

crores, thereby causing financial loss to the Company.

- 27.** On the basis of the findings recorded by the Inquiring Authority, the Disciplinary Authority concluded that Article of Charge-I stood fully proved and Article of Charge-II stood partially proved, and that the acts and omissions of the petitioner amounted to lack of devotion to duty and failure to maintain absolute integrity. Consequently, exercising powers under Rule 28.1(f) of the Coal India Executives' Conduct, Discipline & Appeal Rules (as amended up to 18.05.2021), the Disciplinary Authority imposed the major penalty of reduction to a lower stage in the time scale of pay for a period of one year with immediate effect, with a direction that the executive shall not earn increment of pay during the period of such reduction and will not have effect on future increments on expiry of the penalty period.
- 28.** Aggrieved by the punishment order dated 07.07.2022, the petitioner preferred a statutory appeal before the Appellate Authority. The Appellate Authority, after granting personal hearing to the petitioner and upon consideration of the memorandum of charges, inquiry report, reply submitted by the petitioner, grounds urged in appeal and other material available on record, rejected the appeal vide order dated 04.04.2023, holding that the petitioner was not merely performing a clerical or statistical role, but was actively scrutinising and endorsing the bills of coal loading/transportation of ESM agencies before their acceptance by

the Sub-Area Manager and onward processing at the Area level.

- 29.** The Appellate Authority further held that although the petitioner contended that the instructions dated 02.02.2015 regarding withholding of 6% amount were not formally endorsed to him, the contemporaneous records maintained by the petitioner himself, particularly the bill register wherein the printed column "ED Cess" was struck off and replaced with "withheld 6%", clearly demonstrated his knowledge of the said instructions. It was also observed that each bill of the ESM agencies contained certification regarding compliance of the instructions issued by GM (CMC), SECL, and entries thereof were made by the petitioner.
- 30.** The Appellate Authority additionally noted that the petitioner, in his statement recorded during vigilance proceedings, had admitted that he scrutinised the bills with respect to quantity, lead and applicable rates before forwarding them for acceptance, thereby negating his plea that he was not responsible for ensuring compliance of the instructions relating to withholding and recovery. Consequently, it was held that the findings of the Inquiring Authority were based on evidence on record and did not suffer from any infirmity. Accordingly, finding no merit in the appeal, the Appellate Authority upheld the punishment imposed by the Disciplinary Authority and confirmed the major penalty of reduction to a lower stage in the time scale of pay for a period of one year with immediate effect, with a direction that the executive shall not

earn increment of pay during the period of such reduction and will not have effect on future increments upon expiry of the penalty period.

- 31.** Upon an anxious and careful consideration of the rival submissions advanced by learned counsel for the parties, the pleadings on record, the documents produced, and the statutory framework governing the field, this Court finds substantial force in the principal contention advanced on behalf of the petitioner that the punishment imposed upon him is de hors the statutory prescription contained in Rule 28.1(f) of the Coal India Executives' Conduct, Discipline & Appeal Rules, 2021.
- 32.** A careful reading of the said note-sheet dated 06.09.2012 unmistakably demonstrates that the responsibility for audit, scrutiny, passing and payment of coal loading and coal transportation bills, including those pertaining to Ex-Servicemen (ESM) agencies, was expressly vested in the Area Finance Department and not in the Dipka Expansion Project Accounts Department where the petitioner was posted. The petitioner's role, insofar as the excepted categories of bills were concerned, was confined to receipt and onward transmission for record purposes. In the absence of any material on record showing delegation or entrustment of duties relating to scrutiny, computation, withholding or recovery to the petitioner, fastening of liability upon him for the alleged lapses is wholly misconceived.

- 33.** The disciplinary authorities have proceeded on the erroneous premise that mere routing of bills through the petitioner or the presence of his signature on certain documents *ipso facto* establishes that he was responsible for scrutiny, computation and withholding of amounts. Such an inference is legally impermissible, particularly in service jurisprudence, where misconduct must be clearly referable to a duty lawfully assigned to the delinquent officer. In the absence of proof that the petitioner was entrusted with or authorised to perform the functions in question, the findings holding him guilty suffer from a fundamental jurisdictional infirmity.
- 34.** This Court further finds that the Enquiry Officer as well as the Disciplinary Authority have selectively relied upon certain documents while completely overlooking the binding administrative instructions dated 06.09.2012, which form the bedrock of the petitioner's defence. The enquiry report, though elaborate in form, fails in substance, as it does not address the core issue relating to the petitioner's lack of authority and role in auditing and passing the disputed bills. The findings, therefore, are not merely erroneous but are perverse, having been recorded by ignoring vital and determinative material placed on record.
- 35.** The framing of charges and initiation of the departmental enquiry are thus patently illegal and void *ab initio*, being wholly contrary to the binding note-sheet dated 06.09.2012. It is an admitted position

that the petitioner was never assigned or entrusted with the duties in respect of which the charges were framed. In the absence of any authority, delegation or entrustment of such functions, the petitioner could not have been held guilty for acts which he was neither authorised to perform nor did he perform in the discharge of his official duties. Consequently, fastening liability upon the petitioner for alleged lapses relating to functions falling outside the scope of his assigned responsibilities vitiates the entire disciplinary proceedings.

- 36.** This Court also cannot lose sight of the fact that the petitioner had consistently raised a specific and categorical defence that the instructions dated 02.02.2015 regarding withholding of 6% amount were never formally endorsed or communicated to him. Though the authorities have attempted to infer knowledge on the part of the petitioner on the basis of certain entries in the bill register, such inference, in the absence of a clear statutory or administrative mandate fixing responsibility upon the petitioner, cannot form the sole basis for sustaining a finding of misconduct of such grave nature. Presumption of knowledge cannot substitute proof of entrustment or authorisation.
- 37.** It is further evident that the enquiry proceedings have failed to adequately address the issue of selective initiation of disciplinary action, despite the admitted involvement of multiple functionaries at various stages of bill preparation, audit, verification and

payment. The disproportionate and unilateral fastening of liability upon the petitioner, without assigning any cogent or justifiable reasons for excluding other similarly situated officials, lends substantial credence to the petitioner's grievance of arbitrariness and discrimination. The record does not disclose any rational basis for singling out the petitioner, rendering the disciplinary action vulnerable on the ground of hostile discrimination and non-application of mind.

- 38.** Even otherwise, this Court is of the considered view that the punishment imposed upon the petitioner is *dehors* the statutory rules governing the field. Though the respondents have sought to justify the punishment by placing reliance upon the amended Rule 28.1(f), the impugned punishment order reflects a mechanical invocation of the amended provision without due application of mind. The disciplinary authority has failed to demonstrate how the essential ingredients for imposition of a major penalty stood satisfied, particularly when the alleged misconduct itself was not referable to any duty legally assigned to the petitioner. A punishment imposed without jurisdiction or in contravention of statutory rules is a nullity in the eyes of law.
- 39.** The appellate authority, instead of correcting the manifest errors committed by the disciplinary authority, has merely reiterated the findings recorded in the enquiry report without undertaking an independent and meaningful re-appraisal of the material on

record. The appellate order thus fails to discharge the statutory obligation cast upon the appellate authority and stands vitiated by non-application of mind.

- 40.** This Court is conscious of the settled principle that judicial review in disciplinary matters is limited and that this Court does not sit as an appellate authority to re-appreciate evidence. However, where the findings are based on no evidence, where vital documents are ignored, where disciplinary proceedings are initiated without jurisdiction, or where the delinquent is punished for acts beyond the scope of his assigned duties, interference by this Court is not only permissible but imperative to prevent miscarriage of justice. The present case squarely falls within the recognised exceptions warranting judicial interference.
- 41.** This Court has also considered the judgment relied upon by the learned counsel for the parties. The petitioner has placed reliance on the decision of the Hon'ble Supreme Court in ***Vijay Singh*** (supra), wherein it has been authoritatively held that a punishment imposed de hors the statutory rules or without jurisdiction is a nullity in the eyes of law and cannot be sustained. The said judgment further reiterates that an employee cannot be punished for acts which are not referable to duties lawfully entrusted to him. The ratio laid down in the aforesaid judgment squarely applies to the facts of the present case and fully supports the case of the petitioner.

42. In Vijay Singh (supra), the Hon'ble Supreme Court has held as follows :-

*“15. Imposing the punishment for a proved delinquency is regulated and controlled by the statutory rules. Therefore, while performing the quasi-judicial functions, the authority is not permitted to ignore the statutory rules under which punishment is to be imposed. The disciplinary authority is bound to give strict adherence to the said rules. Thus, the order of punishment being outside the purview of the statutory rules is a nullity and cannot be enforced against the appellant.”*

43. The respondents, on the other hand, have placed reliance upon the judgments of the Hon'ble Supreme Court in **Krishna Kumar Bhardwaj** (supra), **Ajai Kumar Srivastava** (supra), **Umesh** (supra), **Om Prakash Lal Srivastava** (supra), **R. Periyasamy** (supra), **Boloram Bordoloi** (supra), **Lalit Popli** (supra), **Bachan Prasad Lal** (supra) and **Y.P. Sarabhai** (supra) and upon careful examination, this Court finds that the aforesaid judgments relied upon by the respondents were rendered in fact situations where the delinquent employees were admittedly entrusted with the duties in respect of which misconduct was alleged and where the findings of guilt were based on clear evidence establishing such entrustment and dereliction.
44. In the present case, however, the foundational and indispensable fact of entrustment of duties relating to scrutiny, computation,

withholding or recovery of the subject bills is conspicuously absent. The record does not disclose any order, instruction or assignment by which such functions were ever entrusted to the petitioner. On the contrary, it clearly emerges that the petitioner was neither authorised nor assigned any role in respect of the said financial exercise. In the absence of such entrustment, the very edifice of the charge levelled against the petitioner collapses. Consequently, the reliance placed by the respondents on the judgments cited by them is wholly misplaced, as those decisions were rendered in materially different factual contexts where the delinquent officials were admittedly vested with the relevant financial responsibilities. The said judgments are, therefore, clearly distinguishable on facts and do not, in any manner, advance the respondents' case.

- 45.** For all the aforesaid reasons, this Court is of the considered view that the impugned punishment order dated 07.07.2022 passed by respondent No.3 suffers from patent illegality and perversity, having been founded on assumptions rather than legally sustainable evidence. The appellate order dated 04.04.2023 passed by respondents No.1 and 2 also fails to independently examine the core issue of absence of entrustment of duties and merely affirms the punishment in a mechanical manner. Both the orders, therefore, are unsustainable in law and cannot be allowed to stand.

- 46.** Accordingly, the writ petition is allowed. The punishment order dated 07.07.2022 (Annexure P/2) and the appellate order dated 04.04.2023 (Annexure P/1) are hereby quashed and set aside. As a natural and necessary consequence thereof, the petitioner shall be entitled to all consequential service benefits flowing from the quashment of the impugned orders, including restoration of pay, increments and other allied benefits, as if the impugned punishment had never been imposed.
- 47.** The respondents are directed to extend and grant the aforesaid consequential benefits to the petitioner within a period of three months from the date of receipt of a certified copy of this order. Failure to comply within the stipulated period shall render the respondents liable to take further action in accordance with law.
- 48.** There shall be no order as to costs.

**Sd/-**  
**(Amitendra Kishore Prasad)**  
**Judge**

Yogesh

The date when the judgment is reserved	The date when the judgment is pronounced	The date when the judgment is uploaded on the website	
		Operative	Full
19.12.2025	15.01.2026	-----	15.01.2026

**Head-Note**

In disciplinary proceedings, a quasi-judicial authority is bound to strictly adhere to the statutory rules governing punishment. Any order issued in violation of these rules or beyond their scope is without jurisdiction, null and void, and cannot be enforced against the delinquent employee.