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

*Reserved on: 23rd January, 2026
Date of Decision: 25th February, 2026
Uploaded on: 25th February, 2026*

+ W.P.(C) 1630/2006 & CM APPL. 1417/2006

MAHANAGAR TELEPHONE NIGAM LTD.Petitioner

Through: Mr. Chandan Sharma and Mr.
Vikram Sharma, Adv.

versus

SHRI RAM RATANRespondent

Through: Mr. Chirayu Jain, Mr. Raksha
Awasya and Ms. Tanishqua Dhar,
Adv.

**CORAM:
HON'BLE MS. JUSTICE SHAIL JAIN**

JUDGMENT

SHAIL JAIN, J.

1. The present writ petition has been filed by the Petitioner/Management, Mahanagar Telephone Nigam Limited (MTNL), under Article 226 of the Constitution of India, assailing the Award dated 26.09.2005 passed by the learned Presiding Officer, Central Government Industrial Tribunal-cum- Labour Court-II, Rajendra Place, New Delhi, in I.D. No. 56/1995, whereby the termination of the Respondent/workman was held to be illegal and unjustified, and the Petitioner was directed to reinstate the Respondent without back wages but with continuity of service.



Facts of the case:

2. Brief facts emerging from the records, which are necessary for the adjudication of the writ, are that the Respondent was engaged with the Petitioner/management as a driver (DRM) with effect from 28.09.1982 and was treated as a daily-rated/casual worker, being paid wages as fixed and revised from time to time under the Minimum Wages Act, 1948.

3. On 09.01.1988, the Respondent was assigned a Standard-20 vehicle bearing No. DEP-5070, which, according to the Management, was taken out of the premises of Kidwai Bhawan at about 15:30 hours and was not parked back on the same day. It was alleged that on 10.01.1988 at about 20:30 hours, the said vehicle was noticed by the Sh. A.K Trikha, DDG, Vigilance Department at Kosikalan on Delhi-Mathura Road. Consequently, a show cause notice dated 14.01.1988 was issued to the Respondent calling upon him to explain why the said lapse should not be treated as a serious misconduct warranting termination of service.

4. The Respondent/workmen submitted his written explanation dated 28.01.1988, stating that the vehicle was taken out under the oral directions of Sh. Hari Singh, Junior Telecom Officer for repairs, that the repairs were carried out, and that the vehicle was duly parked back at Kidwai Bhawan on the same day at about 18:30 hours. It was further stated that 10.01.1988 was his weekly off and he had no knowledge of the subsequent movement of the vehicle.

5. A domestic inquiry was initiated against the Respondent. An Inquiry Officer was appointed, and after completion of the inquiry proceedings, the Inquiry Officer submitted a report dated 30.06.1988 holding the charges against the Respondent to be proved. Based on the



inquiry report, the services of the Respondent were terminated *vide* order dated 01.08.1988. The departmental appeal preferred by the Respondent was also dismissed.

6. Aggrieved by the termination, the Respondent raised an industrial dispute. The appropriate Government, by reference dated 05.05.1995, referred the following question for adjudication to the Central Government Industrial Tribunal-cum-Labour Court-II:

“Whether the action of the Management of MTNL, New Delhi, in terminating the services of Shri Ram Rattan is legal and justified? If not, to what relief is the workman entitled?”

7. Before the Labour Court, the Respondent/workman filed a statement of claim challenging the legality of the domestic inquiry and the order of termination. The Respondent alleged, *inter alia*, that the inquiry was vitiated on account of violation of principles of natural justice, that the findings of the Inquiry Officer were based on conjectures and surmises, and that the punishment imposed was disproportionate.

8. The Management filed a written statement opposing the claim, contending that a fair and proper inquiry had been conducted, that the Respondent was afforded adequate opportunity to defend himself, and that the misconduct stood duly proved on the basis of evidence led in the inquiry.

9. Upon appreciation of the pleadings and evidence, the learned Labour Court returned a finding that the domestic inquiry conducted by the Management was fair and in accordance with the principles of natural justice. The Labour Court, in clear terms, recorded that the



Respondent had been given sufficient opportunity to participate in the inquiry proceedings and to cross-examine the witnesses of the Management. The relevant para is reproduced as under:

“It also transpires from perusal of the inquiry proceedings that principles of natural justice have been followed. The workman applicant has been given ample opportunity to cross examine the witnesses of the management. The workman has examined the witnesses in his defence as such principles of natural justice have been followed in conduct of the inquiry proceedings.”

10. However, while accepting the fairness of the inquiry, the Labour Court proceeded to examine the findings returned by the Inquiry Officer and held that the conclusion regarding misconduct was not sustainable. The Labour Court observed that the evidence on record did not conclusively establish that the Respondent had unauthorisedly misused the vehicle.

11. On the aspect of relief, the Labour Court recorded a finding that the Respondent was gainfully employed during the intervening period. Nevertheless, the Labour Court directed reinstatement of the Respondent with continuity of service, while denying back wages. The operative portion of the Award reads as under:

“The action of the management of MTNL, New Delhi, in terminating the services of Shri Ram Rattan is held to be illegal and unjustified. The workman is entitled to reinstatement in service with continuity of service. However, no back wages are awarded.”

12. Aggrieved by the said Award, the Petitioner/Management has approached this Court by way of the present writ petition.



Submissions of the Parties:

13. The learned counsel for the Petitioner/Management argued that the Tribunal while exercising jurisdiction under Section 11A of the Industrial Disputes Act, 1947 (hereinafter referred as '*The Act*') had exceeded its jurisdiction and acted as a Court of Appeal. It is contented that, though, the Labour Court *vide* order dated 26.09.2005 had held that the Disciplinary Enquiry against the Respondent was fair and proper, had re-appreciated the evidence and had interfered with the punishment order illegally.

14. Learned counsel for the Petitioner submitted that the sole issue in the present writ petition is whether, after upholding the fairness of the inquiry, the Labour Court could have interfered with the findings of misconduct on the ground that the evidence was "not reliable". It was contended that such an exercise amounts to examining the adequacy and sufficiency of evidence, which is impermissible in law once procedural fairness is established. Reliance in this regard was placed on the judgment of the Supreme Court in *General Manager (P) Canara Bank v. Ganganarasimhaiah* [2025 SCC OnLine SC 1939].

15. Learned counsel further contended that the impugned Award suffers from an inherent contradiction, inasmuch as the Labour Court has itself held that the principles of natural justice were followed during the inquiry proceedings, yet proceeded to discard the findings of the Inquiry Officer by reassessing the evidentiary material. It was urged that the Labour Court could have interfered only if the findings were perverse or based on no evidence, which is not the case here.



16. Learned counsel also drew the attention of this Court to the interim order dated 11.07.2012 passed in the present writ petition, whereby the Petitioner was directed to pay wages to the Respondent under Section 17B of the Act, subject to an undertaking by the Respondent to refund the amount in the event the Petitioner succeeds. It was submitted that the Respondent has admittedly received payments under Section 17B up to 16.12.2016, being the date of his superannuation.

17. *Per contra*, learned counsel appearing on behalf of the Respondent/workman sought to sustain the impugned Award by contending that the present case is one of absence of evidence and perversity in the findings of the domestic inquiry. It was submitted that the Respondent had been permitted on 09.01.1988 to take the vehicle out for repairs, which fact stands noticed even in the inquiry report, and that after repairs the vehicle was parked back at Kidwai Bhawan on the same day.

18. Learned counsel for the Respondent submitted that 10.01.1988 was a Sunday and the Respondent was on his weekly off. It was contended that the allegation of the vehicle being seen at Kosikalan on that date was based solely on the statement of Shri A.K. Trikha, who did not appear as a witness in the inquiry proceedings. According to learned counsel, the Respondent was thus deprived of an opportunity to cross-examine the sole complainant, rendering the inquiry violative of the principles of natural justice.

19. Learned counsel for the Petitioner, opposed the aforesaid submissions and contended that the Respondent ought to have sought his



examination as a defence witness during the inquiry proceedings. It was submitted that it was never the Petitioner's case that Shri A.K. Trikha was required to be examined by the Management, and that the Respondent, despite being afforded full opportunity, failed to summon him.

20. Learned counsel for the Respondent further submitted that none of the documentary material relied upon by the Management established that the vehicle was missing or unauthorisedly used. It was argued that the log book was not produced, the relevant registers did not reflect any missing entry, and the registers themselves were not properly maintained. On this basis, it was contended that the Labour Court rightly exercised its powers under Section 11A of the Act.

Issues for consideration:

21. In light of the pleadings, the impugned Award and the submissions advanced on behalf of the parties, the following issues arise for consideration before this Court:

21.1 Whether the learned Labour Court, after holding that the domestic inquiry was fair and conducted in accordance with the principles of natural justice, was justified in interfering with the findings of the Inquiry Officer and setting aside the order of termination?

21.2 Whether the findings recorded by the Inquiry Officer could be said to be perverse or based on no evidence so as to warrant interference by the Labour Court in exercise of its powers under Section 11A of the Act?



21.3 Whether the impugned Award suffers from any perversity, patent illegality or jurisdictional error warranting interference by this Court under Article 226 of the Constitution of India?

Analysis and Reasoning

22. This Court has heard the rival contentions of both the parties and perused the documents placed on record and judgments relied upon by the parties.

23. Issue Nos. 1 and 2, which concern the scope of interference by the learned Labour Court with the findings recorded in the domestic inquiry after holding the inquiry to be fair and proper, are closely interlinked and are therefore taken up together for consideration.

24. A perusal of the impugned Award shows that the Labour Court has returned a categorical finding that the domestic inquiry conducted by the Petitioner/Management was fair, proper and that the principles of natural justice were duly complied with. The said finding was returned after noticing that the Respondent had participated in the inquiry proceedings, that several management witnesses were examined, that the Respondent was afforded opportunity to cross-examine them, and that he was also permitted to lead defence evidence. The said finding has attained finality.

25. Having so held, the Labour Court nevertheless proceeded to examine the evidence led before the Inquiry Officer and concluded that the findings of misconduct were “not based on reliable evidence” and were therefore liable to be set aside. The relevant portion of the final award is reproduced hereunder:



“The Inquiry Officer has proceeded on assumptions inasmuch as the fault, if any, lay with the gateman who was responsible for making entries regarding the movement of vehicles. Merely because the entry was not found in the register, the workman cannot be held guilty of misconduct.

.....

Strict Rules of Evidence Act is not applicable in domestic inquiries but the evidence that has come during the inquiry should be considered and the Inquiry Officer should not hold the charge sheeted employee guilty on the basis of assumption and preponderance of probability. He should also consider the other aspect of the evidence and after consideration of totality of evidence he should reach the conclusion regarding the guilt or otherwise of the charge sheeted employee. In the instant case the Inquiry Officer has not taken into account the statement of the Gateman, Shri Trilok Singh, Security man, Ram Milan and the Driver Shri Amar Singh and the Junior Engineer who permitted the workman to take the vehicle out. The evidence of these four witnesses is material for the correct conclusion of the inquiry. No attempt has been made by the Inquiry Officer to consider the substantial evidence of the witnesses referred to above. Hence the findings of the Inquiry Officer are based on assumption, conjecture and surmises in utter disregard of the evidence of the material witnesses. If there are several witnesses and there is material contradiction in their evidence then the entire evidence is to be analyzed and then conclusion should follow. There is no consideration of the material evidence referred to above by the Inquiry Officer. This is not the case of a sole testimony. It can be gathered that according to the reliable witness the vehicle might be inside the parking place as the incoming entry was not made by the Gateman in the relevant register. The findings of the Inquiry Officer is not based on reliable evidence so it is liable to be set aside and is set aside.”

[Emphasis Supplied]



26. A careful reading of the above reasoning shows that the Labour Court interfered with the findings on the following premises:

- (i) that the gate register was not properly maintained;
- (ii) that the negligence, if any, was attributable to the Gateman;
- (iii) that certain witnesses were not properly considered; and
- (iv) that the Inquiry Officer allegedly proceeded on “assumption and preponderance of probability”.

27. Learned counsel for the Petitioner has assailed this approach by contending that the Labour Court has exceeded its jurisdiction by re-appreciating the evidence and substituting its own conclusions for those of the Inquiry Officer, despite having upheld the fairness of the inquiry. It was urged that the Labour Court has ventured into the realm of adequacy and reliability of evidence, which is impermissible in law.

28. On the other hand, learned counsel for the Respondent sought to justify the interference by submitting that the present case is one of perversity and absence of evidence, and that the Labour Court was therefore justified in exercising its powers under Section 11A of the Act.

29. The legal position governing the scope of interference by a Labour Court with the findings of a domestic inquiry is well settled. Once a domestic inquiry is held to be fair and in compliance with the principles of natural justice, the Labour Court does not sit as an appellate authority over the findings of the Inquiry Officer. Interference is permissible only where the findings are perverse, based on no evidence, or are such that no reasonable person could have arrived at. The Hon’ble Supreme Court in *B.C. Chaturvedi v. Union of India*, (1995) 6 SCC 749, has held as under:-



“12. Judicial review is not an appeal from a decision but a review of the manner in which the decision is made. Power of judicial review is meant to ensure that the individual receives fair treatment and not to ensure that the conclusion which the authority reaches is necessarily correct in the eye of the court. When an inquiry is conducted on charges of misconduct by a public servant, the Court/Tribunal is concerned to determine whether the inquiry was held by a competent officer or whether rules of natural justice are complied with. Whether the findings or conclusions are based on some evidence, the authority entrusted with the power to hold inquiry has jurisdiction, power and authority to reach a finding of fact or conclusion. But that finding must be based on some evidence. Neither the technical rules of Evidence Act nor of proof of fact or evidence as defined therein, apply to disciplinary proceeding. When the authority accepts that evidence and conclusion receives support therefrom, the disciplinary authority is entitled to hold that the delinquent officer is guilty of the charge. The Court/Tribunal in its power of judicial review does not act as appellate authority to reappraise the evidence and to arrive at its own independent findings on the evidence. The Court/Tribunal may interfere where the authority held the proceedings against the delinquent officer in a manner inconsistent with the rules of natural justice or in violation of statutory rules prescribing the mode of inquiry or where the conclusion or finding reached by the disciplinary authority is based on no evidence. If the conclusion or finding be such as no reasonable person would have ever reached, the Court/Tribunal may interfere with the conclusion or the finding, and mould the relief so as to make it appropriate to the facts of each case.”

[Emphasis supplied]

30. The Hon’ble Supreme Court in the case of ***Standard Chartered Bank v. R.C. Srivastava, (2021) 19 SCC 281*** has held that in the



disciplinary proceedings, the tribunal cannot convert itself into court of appeal and also cannot revisit the evidence and in excess of its jurisdiction conferred by Section 11-A of the Industrial Disputes Act, 1947. Relevant Paragraphs of the Judgment are reproduced hereunder:

“19. In the instant case, after we have gone through the record, we find that the Tribunal has converted itself into a court of appeal as an appellate authority and has exceeded its jurisdiction while appreciating the finding recorded in the course of domestic enquiry and tested on the broad principles of charge to be proved beyond reasonable doubt which is a test in the criminal justice system and has completely forgotten the fact that the domestic enquiry is to be tested on the principles of preponderance of probabilities and if a piece of evidence is on record which could support the charge which has been levelled against the delinquent unless it is per se unsustainable or perverse, ordinarily is not to be interfered by the Tribunal, more so when the domestic enquiry has been held to be fair and proper and, in our view, the Tribunal has completely overlooked and exceeded its jurisdiction while interfering with the finding recorded during the course of enquiry in furtherance of which, the Respondent was dismissed from service and the High Court has also committed a manifest error while passing the judgment impugned.

20. The decision of the Labour Court should not be based on mere hypothesis. It cannot overturn the decision of the management on ipse dixit. Its jurisdiction under Section 11-A of the 1947 Act although is a wide one but it must be judiciously exercised. Judicial discretion, it is trite, cannot be exercised either whimsically or capriciously. It may scrutinise or analyse the evidence but what is important is how it does so.”

31. The Hon’ble Supreme Court in ***General Manager (P), Canara Bank v. Ganganarasimhaiah [2025 SCC OnLine SC 1939]***, while



dealing with a similar situation where the Tribunal had re-appreciated the evidence after holding the inquiry to be fair, observed that courts and tribunals are required to examine and determine only the following aspects:

- “(i) Whether the enquiry was held by the competent authority?”*
- “(ii) Whether the rules of natural justice have been complied with?”*
- “(iii) Whether the conclusions arrived at by the Disciplinary Authority are based on no evidence or the findings are perverse?”*

The Court further reiterated that strict rules of evidence are not applicable to departmental proceedings and that charges can be proved on the principle of preponderance of probabilities.

32. Applying the parameters laid down in *General Manager (P), Canara Bank v. Ganganarasimhaiah (supra)* to the facts of the present case, this Court finds that none of the conditions warranting interference are attracted.

32.1 As regards the first criterion, there is no dispute that the domestic enquiry was conducted by a competent authority in accordance with the applicable rules.

32.2 With respect to the second criterion, the enquiry proceedings were held in compliance with the principles of natural justice; the Respondent/workman participated in the enquiry, several management witnesses were examined, opportunity of cross-examination was granted, defence evidence was permitted, and the learned Labour Court itself returned a categorical finding at the



preliminary stage that the enquiry was fair and proper, which finding has attained finality.

32.3 Turning to the third criterion, namely whether the conclusions of the Disciplinary Authority were based on no evidence or were perverse, this Court finds no such infirmity. The expression “perversity” has a well-understood connotation in service jurisprudence. A finding can be termed perverse only when it is based on no evidence, or when relevant material has been completely ignored, or where the conclusion is such that no reasonable person acting judicially could have arrived at on the material available on record. In the present case, The Inquiry Officer relied upon the material on record, including the gate register entries, the movement of the vehicle, and the explanation furnished by the Respondent. Importantly, the case of the Management that the vehicle was seen at Kosi Kalan by Shri A.K. Trikha on 10.01.1988 was not specifically denied or controverted by the Respondent during the enquiry; rather, the Respondent’s defence was confined to asserting that the said date was his weekly off. In the presence of such material, it cannot be said that the findings of the Inquiry Officer were based on no evidence or were so unreasonable that no prudent person could have arrived at them. At best, the reasoning adopted by the learned Labour Court reflects a different appreciation of the same evidence, which does not meet the threshold of perversity as laid down by the Supreme Court. Consequently, the interference by the learned Labour Court



cannot be sustained within the limited parameters governing judicial review in disciplinary matters.

33. In view of the aforesaid discussion, this Court holds that the learned Labour Court, despite having upheld the fairness of the domestic inquiry, exceeded its jurisdiction under Section 11A of the Act by re-appreciating the evidence and substituting its own conclusions for those of the Inquiry Officer. The findings recorded by the Inquiry Officer were based on material forming part of the inquiry record and cannot be characterised as perverse or based on no evidence. The principal ground urged by the Respondent to assail the inquiry findings is the non-examination of Shri A.K. Trikha. This Court is unable to accept the said contention. The non-examination of Shri A.K. Trikha, by itself, does not vitiate the inquiry, particularly when the Respondent did not dispute the management's assertion regarding the sighting of the vehicle and failed to summon the said witness as a defence witness despite opportunity.

34. Accordingly, **Issue Nos. 1 and 2 are answered in favour of the Petitioner/Management and against the Respondent/Workman.**

35. Issue No. 3 concerns the scope of interference by this Court under Article 226 of the Constitution of India with an Award passed by the Labour Court. It is well settled that the jurisdiction of this Court in such matters is supervisory and not appellate. Interference under Article 226 is warranted only where the Award suffers from patent illegality, perversity, jurisdictional error or where the Labour Court has acted in excess of its jurisdiction.

36. In *Union of India v. P. Gunasekaran*, (2015) 2 SCC 610, the Hon'ble Supreme Court authoritatively delineated the parameters



governing judicial review in disciplinary matters and simultaneously identified the acts which are impermissible for High Courts while exercising jurisdiction under Articles 226 and 227 of the Constitution of India. The relevant observations are reproduced hereunder:

*“12. [...] The High Court, in exercise of its powers under Articles 226/227 of the Constitution of India, shall not venture into reappreciation of the evidence. **The High Court can only see whether:***

- (a) the enquiry is held by a competent authority;*
- (b) the enquiry is held according to the procedure prescribed in that behalf;*
- (c) there is violation of the principles of natural justice in conducting the proceedings;*
- (d) the authorities have disabled themselves from reaching a fair conclusion by some considerations extraneous to the evidence and merits of the case;*
- (e) the authorities have allowed themselves to be influenced by irrelevant or extraneous considerations;*
- (f) the conclusion, on the very face of it, is so wholly arbitrary and capricious that no reasonable person could ever have arrived at such conclusion;*
- (g) the disciplinary authority had erroneously failed to admit the admissible and material evidence;*
- (h) the disciplinary authority had erroneously admitted inadmissible evidence which influenced the finding;*
- (i) the finding of fact is based on no evidence.*

*13. Under Articles 226/227 of the Constitution of India, **the High Court shall not:***

- (i) reappreciate the evidence;*
- (ii) interfere with the conclusions in the enquiry, in case the same has been conducted in accordance with law;*
- (iii) go into the adequacy of the evidence;*
- (iv) go into the reliability of the evidence;*
- (v) interfere, if there be some legal evidence on which findings can be based.*



(vi) correct the error of fact however grave it may appear to be;

(vii) go into the proportionality of punishment unless it shocks its conscience.”

37. Applying the aforesaid principles to the facts of the present case, it becomes evident that the impugned Award does not withstand scrutiny under Article 226 of the Constitution. As already held while deciding Issue Nos. 1 and 2, the learned Labour Court, despite having upheld the fairness of the domestic inquiry and compliance with the principles of natural justice, proceeded to reappraise the evidentiary material and to substitute its own conclusions for those of the Inquiry Officer. The Labour Court did not record any finding of perversity, absence of evidence, or consideration of extraneous material, yet interfered on the basis of its own assessment of reliability and sufficiency of evidence. This clearly amounts to an excess of jurisdiction and a failure to adhere to the settled limits of judicial review.

38. Accordingly, this Court is of the considered view that the impugned Award suffers from a jurisdictional error and patent illegality warranting interference under Article 226 of the Constitution of India.

Issue No. 3 is answered in favour of the Petitioner/management and against the Respondent/workman.

Conclusion

39. In view of the findings returned on Issue Nos. 1, 2 and 3, this Court is of the considered opinion that the impugned Award cannot be sustained. The learned Labour Court, despite having held the domestic inquiry to be fair and in accordance with the principles of natural justice,



exceeded the limits of its jurisdiction under Section 11A of the Industrial Disputes Act, 1947 by re-appreciating the evidence and substituting its own conclusions for those of the Inquiry Officer, without recording any finding that the disciplinary conclusions were perverse or based on no evidence.

40. Consequently, the Award dated 26.09.2005 passed by the learned Presiding Officer, Central Government Industrial Tribunal-cum-Labour Court-II, in I.D. No. 56/1995, is hereby **set aside**.

41. As a result, thereof, the order of termination dated 01.08.1988 passed against the Respondent/workman stands **restored**.

42. It is clarified that the amounts paid to the Respondent under Section 17B of the Act during the pendency of the present writ petition were paid pursuant to interim orders of this Court and shall not be recoverable from the Respondent.

43. The writ petition is accordingly allowed in the above terms. Pending applications, if any, stand disposed of. There shall be no order as to costs.

**SHAIL JAIN
JUDGE**

FEBRUARY 25, 2026/dg