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STIGMATIC TERMINATION ONLY AFTER ENQUIRY

The Chhattisgarh High Court (“**HC**”) in *Yaad Das Sahu* case¹ held that even for contractual employment, if any stigmatic termination order is to be passed, it must be done after holding proper enquiry and giving due opportunity of hearing to the concerned employee.

Brief Facts.

Yaad Das Sahu (“**Sahu**”) was appointed as Gram Rojgaar Sahayak on contractual basis under the Mahatma Gandhi National Rural Employment Guarantee Scheme.

Allegations were made against Sahu, and an investigation committee was formed by Chief Executive Officer, Janpad Panchayat, Dongargaon, District, Rajnandgaon, Chhattisgarh (“**CEO**”).

Sahu was transferred, and then a termination order (“**Order**”) was passed by the CEO without any enquiry into the alleged misconduct.

The Order was challenged by Sahu before the HC, making the State of Chhattisgarh, CEO, and others (“**State**”) parties.

Sahu’s Contentions.

The Order was contrary to settled law, violating principles of natural justice.

It was stigmatic in nature, and no notice for removal or enquiry was conducted, denying him a proper opportunity of being heard.

It was passed without reason based on complaints from unknown persons, making it illegal and arbitrary.

A preliminary enquiry conducted earlier did not prove the allegations against Sahu, and a recommendation was made for his transfer.

Sahu was transferred to Gram Panchayat Dhaurabhatha² and was performing his duties there.

¹ *Yaad Das Sahu v. State of Chhattisgarh and others*, 2025 SCC OnLine Chh 595.

² On 08.05.2023.

State's Contentions.

Sahu was given notice and opportunity to rectify himself and work in accordance with the law, but he did not heed it.

As the appointment was contractual, Sahu was not required to be given a hearing, as stated in the appointment order, allowing his removal with one month's prior notice or salary.

The Order was not stigmatic, therefore, it was rightly passed and did not require interference.

HC's Judgement and Reasoning.

The writ petition was allowed and the Order was quashed.

The HC:

- Relied on Supreme Court's judgement³ of 2024 where it was held that before passing any stigmatic order for removal of an employee, a departmental enquiry is required.
- Noted that an employer should provide notice levelling specific allegations against the employee and hold enquiry after giving due opportunity of hearing to the employee.
- Restored Sahu's benefits, however, it reserved liberty to the State to hold proper enquiry.

This *Counselence Connect* contains information in a nutshell on a recent change in law.

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³ *Swati Priyadarshini v. State of Madhya Pradesh*, 2024 SCC OnLine SC 2139.