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IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.1760 of 2016

Surendranath Panda and Petitioners
another as LRs of Minakshi
Panda (Dead)

Mr. Surendranath Panda, Advocate

-Versus-

UCO Bank represented by Opposite Parties
the General Manager, (PSD)
(Terminal Benefit Section),
Head Office No.2, Salt Lake,
Kolkata

Mr. M.K. Mishra, Senior Advocate
& Mr. B.N. Udgata, Advocate

CORAM:

JUSTICE R.K. PATTANAİK

DATE OF HEARING:19.03.2026

DATE OF JUDGMENT:29.06.2026

1. Instant writ petition is filed by the petitioners to direct the opposite party-Bank to release the dues of the original petitioner (since deceased) towards Bank's contribution or pension; reimbursement of Income Tax paid during her tenure at Singapore Branch of the Bank; leave encashment of accumulated Privilege Leave (PL) of at least 100 days from October, 2004 to 2007 while stationed at Singapore; fixed deposit interest in foreign currency on an amount of 9372.30 Singapore Dollar (SGD) from 7th October, 2007 till 20th January, 2014 payable on conversion to Indian



currency; and not to recover or adjust the bond money of Rs.10 lac and further to quash the impugned letter dated 31st December, 2015 as at Annexure-11 on the grounds stated.

2. As pleaded on record, the deceased (henceforth called as 'the petitioner') joined the Bank as a Clerk on 26th September, 1977 and for having unblemished track record was promoted from Scale-I to Scale-II and thereafter to Senior Management Grade-III and while working in such capacity at Suryanagar Branch, Bhubaneswar w.e.f. 1st November, 2004, she applied for overseas posting in terms of the Bank's circular dated 1st November, 2003 i.e. Annexure-2 and being successful in the written test and interview was selected and was posted at its Singapore Branch from 1st November, 2004 and was further promoted to the Executive Cadre Scale-IV while being at Singapore. One of the conditions stipulated in Annexure-2 at Clause 4 is that the petitioner on repatriation was to serve in the Bank at least for five years before being considered for posting abroad again and as pleaded, she just before her relieve from the Bhubaneswar Branch was instructed to sign a draft agreement before the Public Notary at Bhubaneswar and therein contained a provision that in the event of breach of any of the covenants/undertakings, she shall have to pay the bank a sum of Rs.10 lac by way of liquidated damages. But, such a contract between her and the Bank and for that matter, with any other employees is unconscionable as per the Indian Contract Act, moreover, when the employer managed a drafted agreement (Annexure-3) signed by the



employee, it results in that the terms of such a contract are burdened upon the employee who has no choice but to sign the same and therefore, any such agreement is void ab initio and cannot be legally enforceable, inasmuch as, such an undertaking is tantamount to arbitrariness and exploitation.

2.1. Due to family problems and for the reason that her husband suffered from cardiac problem which needed a lifelong treatment, the petitioner stepped down and submitted resignation letter on 6th September, 2007 (Annexure-4) to the Chief Executive Officer of Singapore Branch requesting the latter to accept it and relieve her from job and along with that handed over a pay order of the Bank in favour of UCO Bank, Singapore for 9372.30 SGD in lieu of three months' notice period. But according to the petitioner, the Bank did not repatriate her from Singapore to India accepting her resignation as per Clauses 6 & 7 of the Bank's letter dated 21st May, 2004. The petitioner's resignation was turned down by the competent Authority of the Bank and it was communicated to her by letter dated 24th September, 2007 on the premise that as per the terms of overseas posting, the same cannot be accepted. It is further pleaded that the Bank in gross violation of its own letter i.e. Annexure-5 dated 21st May, 2004 and bypassing the Regulation/Circular harassed the petitioner treating her resignation as an offence and contemplated to take action. A copy of the letter dated 24th September, 2007 of the Bank communicated to the petitioner is at Annexure-6.



2.2. The petitioner experiencing such an attitude of the Bank Authority and finding no other alternative sent a letter dated 7th October, 2007 informing them about her relinquishment from job w.e.f. 8th October, 2007 and returned back to India at her own expenses but thereafter, the Bank in order to further harass issued two chargesheets for leaving the job without being relieved and on account of some irregularities in loan accounts sanctioned while she was the Branch Manager at Suryanagar, Bhubaneswar Branch, Bhubaneswar. It is pleaded that in the meantime, the petitioner suffered from Leukemia and was undergoing treatment for the same.

2.3. The Bank Authority in a planned manner and with ulterior motive, did not allow the petitioner to participate in the enquiry which was concluded hurriedly only in two sittings in violation of the principles of natural justice and it was accomplished ex parte to which she responded by a representation dated 31st August, 2012 but at the end, the Disciplinary Authority imposed the punishments in contrast to the provisions of the Regulations.

2.4. The refund of the bond money was one of the punishments inflicted upon the petitioner when such was neither a charge and is also not permissible in terms of the Regulations of the Bank and under the circumstances prevailing then and owing to her health condition and acute financial constraint, no appeal was preferred against the penalty imposed. A copy of the representation dated 31st



August, 2012 is at Annexure-8. In the aforesaid backdrop, the letter of resignation was finally accepted by the Bank on 25th January, 2014 followed by a response vide Annexure-9.

2.5. It is pleaded that the bank released the petitioner's contribution to the provident fund without disclosing the details of interest components, whereas, the other dues, such as, pension or Bank's contribution; leave encashment for accumulated PL for the tenure at Singapore; reimbursement of payment of Income Tax; and interest on the amount deposited at Singapore from 7th September, 2007 to 25th January, 2014 payable to her in Indian currency were not disbursed. With such other facts pleaded, it is alleged by the petitioner that the outstanding dues payable to her should have been released by not deducting the bond money of Rs.10lac imposed as a penalty.

3. The opposite party-Bank filed the counter affidavit and pleaded therein that the petitioner is not entitled to any such dues, rather, she is liable to pay back an amount of Rs.4,32,463/- after adjustment of the bond money of Rs.10lac. According to the Bank, after calculation and adjustment of the amount payable to the petitioner stands at Rs.5,67,537/- (leave encashment of Rs.1,27,320/- and Rs.4,40,217/- on three months shortfall notice period), the rest is due for payment.

3.1. The petitioner had filed W.P.(C) No.20403 of 2015 to direct the Bank to release the retiral dues as admissible to her within a stipulated time and it was disposed of vide



order dated 17th November, 2015 directing disposal of the representation considering such grievance and to take appropriate decision within a stipulated period of three months and in pursuance thereof, the Bank by letter dated 31st December, 2015 communicated its decision thereon to the following effect that the resignation was not accepted and for having not maintained good conduct and discipline, chargesheets have been served with various acts of omission and commission which included disbursement of credit facilities to the borrowers when she was continuing as Senior Manager at Suryanagar Branch, Bhubaneswar for the period between 16th August, 2001 and 8th August, 2004. The Disciplinary Authority by order dated 13th August, 2013 imposed the penalties on the chargesheet dated 26th November, 2007 and for the other one dated 22nd August, 2008 by order dated 30th August, 2013. As per the Bank, the Disciplinary Authority directed recovery of bond amount of Rs.10 lac and reduction of the basic pay of the petitioner reduced by three stages for a period of three years with a condition that she shall not earn any increment during the period of reduction and on expiry of such period, the reduction shall have the effect of postponing further increment of pay by order dated 13th August, 2013 and in respect of the other chargesheet, her basic pay was reduced by three stages in a time scale for a period of three years with cumulative effect vide order dated 30th August, 2013 with all to run concurrently. It is pleaded that the resignation of the petitioner by letter dated 6th October, 2007 was finally



accepted and intimated to her by letter dated 25th January, 2014 that the bond money of Rs.10 lac with service charges @ 12.36% to be recovered from the terminal benefits and about the Competent Authority having approved refund of Rs.9372.30 SGD without interest deposited on 6th October, 2007 towards shortfall of notice period.

3.2. The Bank settled the terminal benefits of the petitioner towards contribution to the provident fund and gratuity but did not recover the bond amount of Rs.10 lac under the impression that she would comply the same after intimation dated 25th January, 2014 with regard to acceptance of resignation. It is pleaded that the Bank as per direction of this Court in W.P.(C) No.20403 of 2015 disposed of the representation taking into account the circulars/extant guidelines/clarification issued by the Indian Banks' Association and also communicated to her in respect of the payment of leave and encashment in terms of the Circular dated 10th January, 2002 which is to the effect that an employee resigning from the Bank service on or after 1st April, 2001 after giving due notice as per Regulation 20(2) of UCO Bank Officer Service Regulations, 1979 shall be paid sum equivalent to the emoluments in respect of PL to the extent of half of such leave to one's credit from the date of cessation of service subject to maximum of 120 days and since as per the relieve order dated 8th October, 2004 issued by the Bank before joining at Singapore Branch, she had a balance of 217 days in the account of PL to her credit and therefore, calculated the same with half of the days at



Rs.1,27,320/- and hence, no such dues are pending disbursement from their side.

3.3. The petitioner exercised irrecoverable option for pension under the UCO Bank (Employees') Pension Regulations, 1995 and as per Regulation 22(1) thereof, resignation, dismissal or removal or termination of an employee from the service of the Bank entails forfeiture of the entire past service rendered and consequently disqualifies him for pensionary benefits and since the petitioner resigned, she is not entitled to any payment and furthermore, there is no such provision in the Regulations that if the employee is not eligible for pension, he shall be entitled to the employer's contribution towards provident fund in lieu of pension. It is pleaded that the Bank accordingly considering the extant guidelines taking into account the payment of three month's salary in Singapore Dollar with interest equivalent to an amount of Rs.4,40,217/- and recovery of bond amount of Rs.10 lac rightly requested the petitioner to deposit Rs.4,32,463/- payable to them.

4. Perused the reply affidavits on record.

5. Heard Mr. Panda, learned counsel for the petitioners and Mr. Mishra, learned Senior Advocate assisted by Mr. Udgata, learned counsel appearing for the Bank.

6. It is submitted by Mr. Panda, learned counsel for the petitioners that the petitioner is entitled to pension or Bank's



contribution to the provident fund; reimbursement of Income Tax paid in 2007; leave encashment of accumulated leave of 100 days between 2004 and 2007 at Singapore and release of the amount deposited in Singapore Dollar with interest for the period from 7th October, 2007 till 25th January, 2014 and not to recover or adjust the bond money of Rs.10 lac with the submission that recovery of bond money with service charges @ 12.36% is contrary to the conditions of the posting order dated 21st May, 2004. It is contended that encashment of 100 days for the accumulated PL during the petitioners' tenure at Singapore upon conversing of Indian currency becomes Rs.4,36,609/- and it is payable on being repatriated over and above leave in India prior to the overseas posting. That apart, the reimbursement of Income Tax paid on 24th January, 2008 at Singapore for an amount of 1426.52 SGD is to be paid back and it stands at Rs.55,634/-. It is further contended that the above dues are payable to the petitioner on the direction of Government of India to all the Public Sector Banks and while claiming so, he refers to a decision of the Apex Court in **State Bank of India and others Vrs. Ravindra Nath and others AIR 2019 SC 1405**. On the Bank's contribution @ 10% of the basic pay per month, it is claimed that the petitioner opted for the pension scheme on 2nd November, 1995 accepting the condition of the Bank that with effect from 1st November, 1993, the Bank shall not contribute to the provident fund instead deposit it in pension fund and therefore, such contribution for the period between 26th



September, 1977 and 1st November, 1993 was to be transferred to the pension fund. The contention is that as per Rule 19 of the Provident Fund Rules of the UCO Bank, the petitioner is entitled to receive the Bank's contribution with accrued interest as she had completed minimum 10 years of service and in support of the above claim, the following decisions, such as, **UCO Bank and others Vrs. Sanwar Mal AIR 2004 SC 2135; Oriental Bank of Commerce Vrs. Ashwini Kumar Sharma & another AIR 2004 SC 2135; and Chairman, Bank of India & another Vrs. Narendra Kantilal Dave & another AIR 2004 SC 2135** are placed reliance on. As to the recovery of bond money, it is contended that the same is non est in the eye of law, inasmuch as, the petitioner had not signed any bond for payment of Rs.10 lac towards liquidated damages and referring to the definition of the bond of the Stamp Act under Section 2(5) thereof and Section 52(3) of the Limitation Act, the submission is that a document of bond must have an obligation to pay and be attested by a witness if not scribed not be payable to the bearer by order but not as a liquidated damages. Referring to Annexure-3 a draft agreement, it is contended that the same is notarized document not even signed by anyone of the Bank and therefore, the same is not legally enforceable and according to Section 23 of the Indian Contract Act, it is unconscionable and that apart the petitioner deposited bank's pay order for waiver of three months' notice accepting her resignation to which she was deprived of for



nearly six years three months and 40 days between 2007 and 2014 and, hence, thereon interest is payable besides compensation which comes to Rs.2,77,337/-. Referring to a decision of the Apex Court in **Balmer Lawrie and Company Limited & others Vrs. Partha Sarathi Sen Roy & others (2013) 8 SCC 345**, the further contention is that the condition imposing recovery of the bond money is unconstitutional besides being unfair and unreasonable as the employees of the Bank do not enjoy equal bargaining power, hence, the same is hit by Section 23 of the Indian Contract Act and is also against the public policy as held and observed therein. One more decision in **Prashant B. Narnaware Vrs. Vijaya Bank AIR 2012 Karnataka 191** is cited with other case laws reported in **2016 (1) CLR (SC) 154**. It has been contended that the alleged contract with the bond is unconscionable and therefore, any such recovery from the petitioner by the Bank shall have to be struck down being legally untenable.

7. On the contrary, Mr. Mishra, learned Senior Advocate for the opposite party-Bank submits that there is suppression of material facts from the side of the petitioners and that apart, there is no any outstanding dues payable to the petitioner. It is contended that this Court after issuance of notice by order dated 18th February, 2016 concluded that the claim of pension has become infructuous and therefore, the Bank having paid the petitioner's contribution, she is not entitled to any such pension or her claim for reimbursement of the Bank's contribution to the provident fund in lieu of pension.



It is contended that on the reimbursement of the Income Tax paid in 2007, the petitioner's claim is fallacious, inasmuch as, Inland Revenue Authority of Singapore instructed the Bank to pay the tax on her salary for the period between 1st January, 2007 and 6th October, 2007 and since, the Bank was legally bound to comply the same and the tax having been paid to the authorities at Singapore on her behalf, there lies no question of any reimbursement. That apart, there is no proof of any such payment made by the petitioner, rather, it was the Bank which deposited the tax amount from out of the Suspense Account but ultimately, the Singapore Authority returned the cheque issued in that regard without encashing it citing that there is no outstanding amount and accordingly, it was cancelled and claiming so, a letter dated 16th April, 2008 is referred to filed along with the additional written note of submission.

7.1. With regard to the leave encashment, according to Mr. Mishra, learned Senior Advocate, the petitioner is entitled to half of the leave credit of 217 days and it has been calculated at Rs.1,27,320/-. With respect to the payment of interest on the amount of 9372.30 SGD, Mr. Mishra, learned Senior Advocate submits that the bank paid to the petitioner an amount of Rs.4,40,217/- as per her entitlement and thereon, no interest is paid for the fact that the resignation was not accepted and in the meantime, the disciplinary proceedings were initiated leading to the imposition of penalties all the more when this Court in W.P.(C) No.1480 of 2008 declined to direct the Bank to accept the resignation



pending such proceedings. The contention is that no appeals were filed against the punishments imposed by the Disciplinary Authority, hence, have attained finality which includes recovery of bond money of Rs.10 lac. Mr. Mishra, learned Senior Advocate further submits that the petitioner admitted the terms and conditions of the contract even regarding the said bond and therefore, subsequently, she cannot turn back and allege that the same to be unfair, unreasonable and unsustainable. On the pension claimed by the petitioner, referring to Regulation 22 of the UCO Bank Employees') Pension Regulations, 1995, it is contended by Mr. Mishra, learned Senior Advocate that the deceased is not entitled to the same as it is a self-financing scheme and in so far as the decision in **Sanwar Mal** (supra) relied on from the side of the petitioners is concerned, it does not help them, rather, substantiates the Bank's stand and furthermore, the demand towards the Bank's contribution to provident fund and its payment to her in lieu of pension is totally misconceived. With the submissions as above, it is finally contended by Mr. Mishra, learned Senior Advocate that the petitioner is not entitled to any such amount from the Bank and for that matter, the writ petition is devoid of merit and thus, liable to be dismissed, rather, she is liable to pay an amount of Rs.4,32,463/- to the Bank after adjustment of her entitlements as per Annexure-11 with the recovery of bond money of Rs.10 lac.

8. The following facts pleaded by the petitioner are briefly reiterated. The petitioner, while continuing as a Senior



Manager in UCO Bank, Suryanagar Branch, Bhubaneswar, applied for overseas posting in terms of Bank's circular i.e. Annexure-2 and on being selected was posted at Singapore Branch vide letter dated 21st May, 2004. According to the Bank, the petitioner signed a bond for an amount of Rs.10 lac in lieu of minimum period of five years payable to it in case of breach of such undertaking as liquidated damages. The petitioner was posted at Singapore Branch of the Bank on 1st November, 2004 and while she was continuing there, was further promoted to the Executive Cadre in Scale-IV but on 6th September, 2007 vide Annexure-4 tendered her resignation for personal reasons. But the Bank referring to the letter of resignation dated 6th September, 2007 and her correspondence dated 7th September, 2007 intimated the petitioner under Annexure-6 that the Competent Authority declined to accept the same. Thereafter, the petitioner submitted a representation dated 26th September, 2007 stating therein that the bank policy did not prohibit her from leaving the job when she was posted abroad and intimated that she is ready to pay the bond money and be repatriated to India at her own cost. The Bank referred to the above letter as Annexure-7 filed by the petitioner in W.P.(C) No.1480 of 2008. But, the petitioner with another representation dated 6th October, 2007 mentioned the said date to be treated as last date of service in the UCO Bank having relinquished the employment and annexed a cheque with 9372.30 SGD being three month's salary in lieu of notice. According to the petitioner, she intimated the Chief



Executive (Singapore Operations) of the Bank by a letter dated 8th October, 2007 for having departed Singapore to India. As made to understand, the petitioner was intimated by letter dated 6th October, 2007 about non-acceptance of her resignation and relieving her until and unless clearance from the Head Office and on 15th October, 2007, it is said that the Chief Executive (Singapore Operations) sent a letter stating that the petitioner be repatriated to India at her own expense and that her resignation would be considered by the Personnel Department. At that time, the petitioner sent a letter dated 29th October, 2007 to the effect that she had already relinquished her service from the Bank since 6th October, 2007.

9. In the meanwhile, the petitioner received a letter from the Bank dated 25th October, 2007 along with a show cause notice dated 15th October, 2007 on the ground that on 6th October, 2007, she submitted a letter about that date to be her last date in the Bank and relinquished the employment and since has not reported the duty from 7th October, 2007 without the leave of the Bank and was called upon as to why disciplinary action shall not be initiated for such misconduct but thereafter, the subsequent events followed with the commencement of departmental proceedings against her. This Court finds that the petitioner was ultimately penalized in both the proceedings. In the first departmental action, the Disciplinary Authority by order dated 13th August, 2013 at Annexure-B of the counter affidavit imposed realization of bond amount as one of the penalties and reduction of her



basic pay by three stages in the time scale of pay for a period of three years etc. The aforesaid punishment was inflicted upon the petitioner for misconduct on account of her unilateral relinquishment of employment in violation of Regulation 3(1) & (2) of the UCO Bank Officer Employees' (Conduct) Regulations, 1976 for failing to maintain good conduct and discipline in service. In the second proceeding by order dated 30th August, 2013, the petitioner on the charges of failing to discharge her duties with utmost integrity and in taking steps to protect the interest of the Bank unbecoming on the part of an officer of the Bank violative of the provisions of the Regulations and ultimately, imposed penalty with similar reductions by three stages in her time scale for a period of three years with cumulative effect. It was also directed therein by the Disciplinary Authority that the above penalties shall run concurrently. It is made to understand that the petitioner did not or fail to respond to the show cause notice and did not even challenge the penalties directed against her.

10. According to the Bank, since the petitioner was not reporting the duty from 7th October, 2007, as a matter of abundant caution, it took up the matter with Ministry of Manpower (Work Pass Division), Govt. of Singapore on 17th October, 2007 for cancellation of Employment Pass No.G5765335K issued to her which was responded to with an enquiry that it had already been cancelled and she left Singapore on 6th October, 2007. The Bank had also lodged a complaint with Singapore Police Authority against the



petitioner for abandonment of the bank service despite the fact that her resignation was not accepted and it was in breach of terms of employment as she had not turned up at work from 7th October, 2007. After a discreet enquiry by the Bank, it was learned that the petitioner joined the DBS Bank, Singapore informing them that she had submitted her resignation yet to be accepted by its Competent Authority and such decision was conveyed to her and while the matter stood thus, an e-mail was received in the Bank's account at Singapore wherein a request was made to verify her employment history and in reply to the same, it was replied that she continued to be an employee of the UCO Bank and hence, DBS Bank, Singapore is not entitled to hire her services. It is pleaded that in spite of the above, the petitioner did not join the Bank which had requested the DBS bank to ask her to resume duty with them as soon as possible. But in view of the relinquishment from service by the petitioner before acceptance of her resignation by the Bank Authority, a disciplinary proceeding was initiated.

11. The record reveals that the petitioner had earlier approached this Court couple of times in W.P.(C) Nos.1480 of 2008 and 20403 of 2015 disposed of on 15th September, 2008 and 17th November, 2015 respectively. The earlier writ petition was filed by the petitioner for a direction to the Bank to accept her resignation, wherein, this Court expressed there is no scope for offering three month's salary in lieu of notice and on a reading of the relevant provisions of the Regulations and since the disciplinary proceedings



were pending disposal, it was held that no such direction could be issued for acceptance of resignation especially when legality of such proceedings was not challenged, however, to expedite the proceedings and to conclude the same as earliest possible and in the latter writ petition, the direction was only to dispose of the representation dealing with her grievances therein within a stipulated period. As against the order in C.S. No.515 of 2008 instituted by the petitioner seeking declaratory relief with compensation on the premise that the enquiry and the disciplinary proceeding initiated has been vitiated being against the policy of the Bank, the petitioner had filed W.P.(C) No.17810 of 2008 disposed of on 7th May, 2009. With such litigations between the parties, the petitioner knocked the doors of this Court herein demanding release of the dues in her favour and for quashing of the impugned letter i.e. Annexure-11.

12. According to Mr. Panda, learned counsel for the petitioner, the terminal dues of the petitioner have been held up by the Bank and the bond money of Rs.10 lac is not recoverable claiming it to be liquidated damages and furthermore, she was entitled to pension having exercised the option, while in service in 1995. Mr. Mishra, learned Senior Advocate appearing for the Bank, on the other hand, submits that the petitioner having tendered resignation, she is not entitled to any pension or Bank's contribution to the provident fund as has been demanded. Such a question, according to Mr. Mishra, learned Senior Advocate, stands foreclosed in view of the Court's order dated 18th February,



2016 when it was admitted that the petitioner is not entitled to receive pension since she resigned from service with the claim confined to the Bank's contribution whether to be disbursed in her favour. Besides the above, the contention is that the Bank has refunded the petitioner's contribution to provident fund as pleaded in the counter affidavit and when for the petitioner's own admission that she is not entitled to pension under the Regulations, her claim for reimbursement of the Bank's contribution to the provident fund is not legally tenable. Notwithstanding any such admission and before considering whether the petitioner is entitled to the Bank's contribution to the provident fund in lieu of pension or pension, this Court is inclined to deal with the demand of Rs.10 lac towards liquidated damages and whether it is really justified.

13. A copy of the agreement executed between the parties is at Annexure-3. As per the said agreement and in terms of Clause 3(iii) therein, an officer shall not leave the employment of the Bank or accept any assignment elsewhere during the period of posting at any overseas branches/offices of the Bank and on expiry of such term shall be recalled to India and to report for duty. Clause 5 therein stipulates that on returning to India, the officer of the Bank shall continue for a period of five years at any of the branches of the Bank in India as directed. According to Clause 6 of the agreement supra, in the event of breach of any of the covenants/undertakings, the officer shall pay to the Bank a sum of Rs.10 lac by way of liquidated damages.



The record reveals that the petitioner was well aware of terms of the contract and never questioned it on any such grounds pleaded on record. When the petitioner had acknowledged the agreement, according to this Court, she shall have to abide by its terms and conditions. Such acknowledgement of the agreement by the petitioner in W.P.(C) No.17810 of 2008 is brought to the notice of this Court by Mr. Mishra, learned Senior Advocate for the Bank. Though initially the petitioner declined having executed any such agreement with the Bank and simply signed a draft agreement being notarized at Bhubaneswar and it was at the instance of the Bank on 27th May, 2004 but having admitted about it and also agreed to comply the same in W.P.(C) No.1480 of 2015 and the same is revealed from the order dated 15th September, 2008 therein, this Court holds that such bald denial by her to the contract is unacceptable though the question as to if the same is conscionable is to be examined independently.

14. The petitioner tendered the resignation to the Bank and admittedly, it had not been accepted and before such acceptance by the Authority concerned, she left the job. According to the Bank, such relinquishment of the job by the petitioner is considered a breach of service conditions and according to this Court, it is rightly so. In Service law, resignation is generally not effective until formally accepted by the Competent Authority. If an employee/officer of the Bank attending the work relinquishes duty before acceptance of resignation, it would amount to abandonment



of service or breach of employment contract. In such a situation, enforcement of a bond may be justifiable. In fact, employment norms and minimum service period clause in the agreement are lawful unless found to be unreasonable. In fact, the decision in **Prashant B. Narnaware** (supra) was overruled by the Apex Court in Civil Appeal No. 11708 of 2016 disposed of on 14th May, 2025 and reported in **2025 INSC 691**, wherein, the validity of the bonds to meet premature exit in Public Sector Banks was upheld. It is no doubt that under Section 74 of the Indian Contract Act, a Bank cannot enforce an arbitrary, purely punitive penalty instead the bond money must relate to the liquidated damages meaning thereby that the amount should be reasonable estimate of the actual financial loss or investment for the bank suffered because of employee's departure by resignation. In the case at hand, the petitioner left the job before her resignation was accepted by the Bank Authority and was not relieved till 2014 for the initiation and pendency of disciplinary proceedings. Such relinquishment from service by the petitioner is an unilateral act in derogation of the terms and conditions of the service overseas when her resignation was yet to be accepted by the Bank and rightly, therefore, the departmental action was initiated. Of course, the other disciplinary proceeding was in relation to some irregularities committed by the petitioner as a Bank Officer while on duty in a branch at Bhubaneswar and for the charges framed, she was penalized apart from punishment, which included recovery of the bond money of



Rs.10 lac. It was a breach of contract that the petitioner is liable and, hence, for the relinquishment from service prematurely before the tenure expired in Singapore, she was departmentally proceeded with and penalized and it is, therefore, perfectly justified.

15. If departmental proceedings were initiated and the petitioner left the job before its commencement, to recover the damages, the Bank has the right to realize the same from her unpaid salary, gratuity, leave encashment etc. But it is quite unusual to notice that the Disciplinary Authority in one of the proceedings imposed the penalty for recovery of bond money. No doubt, the Bank has the right to demand the bond money being an explicit condition in the employment contract but it cannot be a measure of punishment. nevertheless, the Bank has a right to demand and realize the bond money irrespective of any such recovery directed as a means of penalty from the petitioner provided it is not unconscionable. As previously stated, such penalty on the petitioner at the end of the departmental action was challenged. Irrespective of any such penalty towards recovery of bond money, whether challenged by the petitioner or otherwise, is not relevant, since, it is realizable being a condition of contract. The Apex Court notably re-enforced and validated the employment lock-in bonds and liquidated damages as justiciable and held that it does not validate Section 27 of the Indian Contract Act. It has also been upheld by the Apex Court that the minimum service bonds required by the Public Sector Banks are legally



permissible to retain skilled staff and recoup administrative, training and recruitment costs when an employee/officer leaves such employment at any time before expiry of tenure. The employee/officer cannot unilaterally sever the employment contract just by walking away. A resignation tendered by a Bank employee/officer becomes effective only when it is accepted by the Competent Authority and he or she is thereafter relieved from service. It is reiterated that if the employee/officer relinquished the job and abandons the service or left without an authorized relieving order or before the resignation was formally accepted, such an act is treated as a breach of contract and also unauthorized action on duty. In the case of the petitioner, though she sent intimation to the Bank to treat a particular date as the date of relinquishment but before acceptance of her resignation leaving the job shall have to be treated as abandonment of service and therefore, it was followed by departmental action and the punitive measure. Such penalty for recover of Rs.10 lac being the bond money towards liquidated damages is though legally untenable as it cannot be a penalty or a measure of punishment and only be realized as a civil liability, the Bank has a right to recover the same in view of contract with the petitioner to which she cannot avoid or stay away from. But the question is, whether, the bond is unconscionable? Nothing is on record to suggest as to if the bond amount is really commensurate with any loss suffered by the Bank. In so far as interest saddled on the bond money @ of 12.36% thereon, according to the Court,



in absence of any such stipulation in the contract, the same is not legally sustainable. The question that remains to be answered whether the bond money is held to be unconscionable and realizable from the petitioner in the facts and circumstances of the case

16. Regarding the reimbursement of income tax, it is emphatically pleaded by the Bank that such was the demand to the petitioner payable from 1st January, 2007 to 6th October, 2007 and it was by a letter dated 18th January, 2008 of the Singapore Authority and since she failed to deposit the same, hence, any such demand for refund does not arise. It has been claimed by the Bank that when the tax was not deposited at Singapore by the petitioner on a demand by the Inland Revenue Authority, the Bank, since legally bound, complied the same on her behalf for an amount of 1426.52 SGD. Nothing is on record to show that the petitioner did make the above deposit of the tax on such a demand made by the Inland Revenue Authority, Singapore. The claim is that the tax amount was deposited by the Bank from its Suspense Account and not the petitioner. The further claim is that the Bank through the Chief Executive, Singapore Operations addressed to the General manager (Personnel Services), UCO Bank sent a copy of the letter dated 16th April, 2008 mentioning therein that a sum of 1426.52 SGD was remitted to Inland Revenue Authority, Singapore by debiting Sundry Debtors Account for the income tax duty payable on the salary paid to the petitioner but it has also been clarified that thereafter, the Inland Revenue Authority,



Singapore returned the cheque without encashment by citing the reason that there is no outstanding payable and accordingly, it was cancelled. A copy of the said letter dated 16th April, 2008 is annexed to the written note is produced and is at Annexure-A to the written note submitted. In view of the aforesaid correspondence by the Chief Executive, Singapore Operations, such deposit from Suspense Account with a cheque issued and its cancellation is prima facie established, hence, shall have to be accepted rejecting the plea of the petitioner, who miserably failed to submit any proof of tax deposited by her or duly encashed upon such deposit by the Bank on a demand by the Inland Revenue Authority, Singapore. In view of the above, this Court's conclusion is that the claim for reimbursement of the tax amount by the petitioner is liable to be rejected in absence of any proof regarding such payment instead the Bank said to have made a deposit from Suspense Account but ultimately cheque was not encashed and returned to it by the Inland Revenue Authority, Singapore with an endorsement that there is no outstanding payable duly proved on record.

17. As regards encashment of accumulated PL the period between 2004 and 2007 in favour of the petitioner while she was at Singapore, it shall have to be considered in terms of Bank's circular dated 10th January, 2002 and according to opposite party, the petitioner was entitled to a confirmed balance 217 days as PL to her credit for which she was paid Rs.1,27,320/- as is evident from Annexure-11. According to the petitioner, encashment of 100 days accumulated PL



during her tenure at Singapore stands at Rs.4,36,609/-. It is claimed that the accumulated PL is allowed for encashment to all the officers of the Bank on repatriation over and above leave earned in India prior to their overseas postings. According to the above circular dated 10th January, 2002, an employee resigned from service on or after 1st April, 2001 after giving due notice as per Regulation 20(2) of the Regulations may be paid a sum equivalent to the emoluments in respect of the PL to the extent of half of such leave to his credit on the date of cessation of service subject to a maximum 120 days. As per the Bank, according to the relieve order dated 28th October, 2004 issued before the petitioner's joining at Singapore, confirmed a balance of 217 days as PL in her credit and therefore, she was eligible for half of the same as leave encashment and on calculation, it amounts to Rs.1,27,320/-. But the demand of the petitioner is with regard to accumulated PL during the period between 2004 and 2007 while she was at Singapore. Mr. Panda, learned counsel for the petitioner would submit that over and above the leave earned by the petitioner in India, she was entitled to encashment of accumulated PL of her overseas posting. No doubt, the Bank had disbursed leave encashment in favour of the petitioner considering credit prior to such posting in terms of the circular dated 10th January, 2002, but the demand is in relation to the unpaid terminal benefits towards accumulated PL during her tenure at Singapore. A bank employee/officer is entitled to leave encashment for the period of service rendered at overseas



branch. In fact, such period of service counts as active duty for leave accrual which means any earned or accumulated PL may be encashed as a part of terminal dues up to the Bank's specific limits. In other words, the period spent working in a branch abroad is treated as duty provided. No doubt, any such demand for encashment of the accumulated PL by a bank employee/officer is not absolute but subject to discretion of Sanctioning Authority and in certain cases, it may be refused or postponed due to service exigency. In Service law, leave of any description cannot be claimed as an absolute right and the Authority, hence, has the discretion to accede to it. Upon superannuation or death or resignation of the employee or the legal heirs can receive cash for the accumulated P.L typically capped between 120 and 240 days depending upon the nature of cessation and the bank's bipartite settlement. It is to mean that the exact management of leave encashment and terminal benefits while abroad is subject to specific settlement of bipartite settlement/joint note applicable to the Bank and specific foreign service rules agreed upon at the time of overseas deputation. As earlier mentioned, any such service rendered overseas posting is counted as an active duty for leave approval, hence, it may be stated that the petitioner is entitled to the same subject to conditions and foreign service rules applicable to the bank's employees/officers on overseas postings and in so far as the petitioner is concerned, she has demanded encashment of 100 days of accumulated PL. Such demand depends on the service conditions and the contract



between the parties entered into at the time of overseas deputation. In absence of denial from the Bank with regard to the leave encashment to the petitioner while at Singapore with a reply that the terminal dues disbursed at the time when she was relieved in 2004 and hence, the payment of Rs.1,27,320/- has been made, this Court is inclined to hold that the Bank is to consider such entitlement with reference to the regulations/rules applicable in respect of the employees/officers on overseas deputation. In fact, no any provision was brought to the notice of this Court by either of the parties about any specific Bipartite Settlement/Joint Note applicable to the Bank with reference to the foreign service rules agreed upon at the time of the petitioner's overseas posting, but in case, it is permissible, it shall have to consider such payment as against the claim based on the calculation furnished.

18. The petitioner deposited an amount 9272.0 SGD towards three month's service in lieu of notice and it is claimed that the same should be refunded in Indian currency along with interest. According to the Bank, while accepting the resignation of the petitioner on 25th January, 2014 approved refund of the said amount without interest which was deposited by her on 6th October, 2007 towards shortfall of notice period. Mr. Panda, learned counsel for the petitioner submits that the aforesaid amount needs refund with interest but Mr. Mishra, learned Senior Advocate opposed it. In fact, this Court while disposing of W.P.(C) No.1480 of 2008 by order dated 15th September, 2008



concluded that the Regulations do not have any provision for three month's salary to be deposited in lieu of notice. Nonetheless, the petitioner made the deposit and demands refund with interest. No specific provision in the Regulations or covenants/undertakings in the contract deals with interest on such amount deposited. The petitioner tendered resignation but it was accepted in 2014, hence, the petitioner claims interest on the deposit made by her. According to the Court, when an employer delayed the acceptance of the resignation, obligation lies with them to clear the dues with interest. Whether interest payable any such deposit depends on the Bank's service Regulation. Since the Regulations of the Bank is silent and also the contract and when no such provision mandates deposit of three month's salary in lieu of notice, it was incumbent upon the Bank to forthwith refund the amount. Any such deposit not statutorily to be deposited or one is not obligated under a contract, if received by the bank, it would be obligatory to refund it with no delay. In the case at hand, the Bank retained the amount for nearly seven years with no justifiable reason when the Regulations never prescribed any such deposit in lieu of notice and therefore, in absence of any explanation coming forth from its side, this Court has no hesitation to conclude that the amount so deposited by the petitioner is refundable with the prevailing rate of interest.

19. Another demand is for release of Bank's contribution or pension in favour of the petitioner needs a determination



even though the plea is that it stood foreclosed. According to Mr. Panda, learned counsel, the petitioner opted for the pension scheme on 2nd November, 1995 accepting the condition of the Bank that with effect from 1st November, 1993, the contribution to the provident fund shall be deposited in the pension fund and therefore, the Bank's contribution from 26th September, 1977 to 1st November, 1993 for a period of 16 years was not transferred to that fund and in that connection, a copy of the pension option form is referred to submitted vide memo dated 1st January, 2025. On the other hand, Mr. Mishra, learned Senior Advocate would submit that the petitioner having resigned from service, she is not entitled to any pension in view of the Regulations of the Bank. It is further submitted that as the petitioner had exercised her irreparable option for pension under the Regulations and since Regulation 22(1) thereof envisages that resignation of employee from service of the bank entails forfeiture of past service record, she is not qualified for pensionary benefits. In other words, the Bank claims that the petitioner is not entitled to pension. The stand of the Bank is that there are no provisions in the Pension Regulations either that in case an employee is not eligible for pension he shall be eligible for employers' contribution to the provident fund in lieu of pension.

20. As per the Pension Regulation, 1995 and according to Regulation 3(1)(b) thereof, an employee of the Bank is eligible for such pension provided an option is exercised in writing within the time stipulated so as to become a member



of the fund. According to Regulation 22(1) of the Pension Regulation, an employee is disqualified to receive pensionary benefits in case of resignation or dismissal or removal or termination from service of the Bank as it would result in forfeiture of the entire past service rendered by him, referring to which, Mr. Mishra, learned Senior Advocate claims that the petitioner cannot demand any such pension or contribution of the Bank to the provident fund in lieu of pension. In support of such contention, Mr. Mishra, learned Senior Advocate refers to a decision of the Apex Court in **UCO Bank and others Vrs. Sanwar Mal** with connected cases reported in **AIR 2004 SC 2135**. The contention is that the petitioner having resigned from service in view of Regulation 22(1) of the Regulations, she is not entitled to pension and in the case (supra), the Apex Court held and concluded that such a provision is not arbitrary or unreasonable and is also not violative of Article 14 of the Constitution of India.

21. As against the rival contentions, this Court is inclined to refer to the relevant extracts of the decision (supra) which reproduced hereinbelow:

“8. Shri R.P. Bhatt, learned senior counsel appearing on behalf of the respondent in Civil Appeal No.1506 of 2003 inter alia urged that Regulation 22 to the extent it provides for forfeiture of service and disqualifying those who have resigned for pensionary benefits is an arbitrary and unreasonable classification and repugnant to Article 14 of the Constitution, that



Regulation 22 was contrary to the objects of the pension scheme embodied in the regulations, that employees who have resigned after completing qualifying service contemplated by Regulation 14 were entitled to opt for pension as they were in a position to bring in their contribution of retiral benefits to their credit for having worked for a minimum service of 10 years in the bank and that the respondent had worked for more than 10-years after which he resigned and, therefore, he fulfilled the qualifying service contemplated by Regulation 14 and consequently, he was entitled to the benefit of the pension scheme.

9. We find merit in these appeals. The words - 'resignation' and 'retirement' carry different meanings in common parlance. An employee can resign at any point of time, even on the second day of his appointment but in the case of retirement he retires only after attaining the age of superannuation or in the case of voluntary retirement on completion of qualifying service. The effect of resignation and retirement to the extent that there is severance of employment but in service jurisprudence both the expressions are understood differently. Under the Regulations, the expressions 'resignation' and 'retirement' have been employed for different purpose and carry different meanings.

The pension scheme herein is based on actuarial calculation; it is a self-financing scheme, which does not depend upon budgetary support and consequently it constitutes a complete code by itself. The scheme essentially covers retirees as the credit balance to their provident fund account is larger as compared to employees who resigned



from service. Moreover, resignation brings about complete cessation of master and servant relationship whereas voluntary retirement maintains the relationship for the purposes of grant of retiral benefits, in view of the past service. Similarly, acceptance of resignation is dependent upon discretion of the employer whereas retirement is completion of service in terms of regulations/rules framed by the bank. Resignation can be tendered irrespective of the length of service whereas in the case of voluntary retirement, the employee has to complete qualifying service for retiral benefits.

Further, there are different yardsticks and criteria for submitting resignation vis-a-vis voluntary retirement and acceptance thereof. Since the pension regulations disqualify an employee, who has resigned, from claiming pension the respondent cannot claim membership of the fund. In our view, Regulation 22 provides for disqualification of employees who have resigned from service and for those who have been dismissed or removed from service. Hence, we do not find any merit in the arguments advanced on behalf of the respondent that Regulation 22 makes an arbitrary and unreasonable classification repugnant to Article 14 of the Constitution by keeping out such class of employees. The view we have taken is supported by the judgment of this Court in the case of Reserve Bank of India and Another v. Cecil Dennis Solomon and Another reported in (2004) ILLJ782 SC. Before concluding we may state that Clause 22 is not in the nature of penalty as alleged. It only disentitles an employee who has resigned from service from becoming a member of the Fund. Such employees have received their retiral benefits



earlier. The pension scheme, as stated above, only provides for a second retiral benefit. Hence there is no question of penalty being imposed on such employees as alleged. The pension scheme only provides for an avenue for investment to retirees. They are provided avenue to put in their savings and as a term or condition which is more in the nature of an eligibility criteria the scheme disentitles such category of employees out of it.”

22. Upon a reading of the above decision, it is crystal clear that an employee who resigns after his appointment and the one who retires after attaining the age of superannuation have been treated differently. An employee of the Bank either retires or in case of voluntary retirement on completion of qualifying service is eligible for pension. A reference has been made to Regulation 22(1) of the Regulation therein with other relevant provisions having been discussed, it has been observed by the Apex Court in the decision (supra) that a pension scheme embodied in the regulation is a self-financing supporting scheme and a code by itself where the Bank is a contributor to the pension fund which is to ensure availability of funds to make due payments to the beneficiaries under the Regulations and the beneficiaries are the employees covered by Regulation 3 and in that context, Regulation 22 shall have to be construed. On a reading of Regulation 22(1) and stipulation therein, it is explicitly stated that there shall be forfeiture of past service of an employee in case of resignation etc. and consequently, it disqualifies the pensionary benefits and as per the decision in **Sanwar Mal** (supra), the reason is not



far to seek as in a self-financing scheme, separate fund is earmarked as such scheme is not based on budgetary support and it essentially stands on adequate contributions received from the members of the fund and for this reason that under Regulation 11, every bank is required to cause an investigation to be made by an actuary into the financial condition of the fund from time to time and depending on the deficits, a bank is to make annual contribution to the same. In this regard, Regulations 12 and 13 are also relevant which deal with investment of the fund and payment out of such fund to the beneficiaries, but in case of retirement, voluntary or on superannuation, there is a nexus between retirement and retiral benefits under the provident fund rules as further held therein where in the case of former, it is allowed only on completion of qualifying service but it is not there in the event of resignation. It is further observed therein that when a retiree opts for self-financing pension scheme, he brings his accumulated contribution earned by him after completing qualifying number of years of service under provident fund rules, whereas, a person who resigns may not have adequate credit balance to his provident fund account and therefore, Regulation 3 does not cover such employees.

23. In the case of the petitioner, it is claimed that she updated for the pension scheme and such option was exercised in the year 1995. Whether the petitioner is eligible for pension or to the Bank's contribution to the provident fund. In fact, a reference is made to Rule 19 of the UCO



Employees Provident Fund Rules and it is submitted by Mr. Panda, learned counsel that the petitioner was entitled to receive the Bank's contribution with accrued interest to her credit as she had completed minimum of 10 years of service. According to the Court, the petitioner has resigned from service, hence, she is not entitled to pension nor to the Bank's contribution to the pension fund in view of Regulation 22(1) of the Regulations and decision of the Apex Court in **Sanwar Mal** (supra). The further question is whether the petitioner is entitled to receive the Bank's contribution to the provident fund as per the provident fund rules. The relevant provisions with regard to the UCO Bank Employee's Provident Fund Rules are extracted hereinbelow:

"19. Subject to the above Rules the amount standing to the credit of member shall be payable to him on retirement, resignation or discharge, if he shall have served the Bank for a period of at least 10 years or if he shall have attained the age of 55 years or if he shall have been duly certified by a medical authority recognized by a Trustee as incapacitated for further service or he being an employee under agreement of service for a definite period his agreement is not renewed, or if his services shall have been dispensed with in consequence of reduction on reorganization of establishment and not from any fault of his own.

20. If any member shall cease of his own accord to serve the Bank before the completion of service of 10 years with the Bank and he shall not be entitled to payment under Rule 19 but to receive the



amount of his own contributions to the fund with interest credited thereon subject to the above Rules and the Bank's Contribution shall lapse to the fund."

24. According to Rule 45 of the Provident Fund Rules under Chapter-IX-Terminal Benefits, every officer shall become a member of the provident fund constituted by the Bank and shall agree to be bound by the rules governing such fund as per Sub-Rule (1) thereof and according to Sub-Rule (2), the Bank shall contribute to the provident fund in accordance with the rule from time to time. Mr. Panda, learned counsel therefore claims that the petitioner is entitled to Bank's contribution to the provident fund in terms thereof. On a proper reading of Rules 19 and 20 read with Rule 45 of the Provident Fund Rules, it is understood that Bank contributes to the fund for its eligible employees. It is also made to understand that under the provident fund rules and standard industry norms for Public Sector Banks, it matches the mandatory employee contribution of 10-12% of basic pay and dearness allowance. In such view of the matter, even when petitioner is not eligible for pension but the pension regulation in view of her resignation, she is entitled to the Bank's contribution to the provident fund as admissible under the PF Rules, it is submitted by Mr. Panda, learned counsel that such contribution of the Bank to the provident fund has not been released in favour of petitioner towards the terminal benefits. This Court is in agreement with the argument advanced by Mr. Mishra, learned Senior Advocate that the petitioner is not eligible for pension since stood



disqualified on account of her resignation from service for Regulation 22(1) of the Pension Regulations and is also inclined to hold that the release of the provident fund in her favour is not to be accompanied with the Bank's contribution she having resigned. As per Mr. Panda, learned counsel, the Bank was paying its share of contribution @ 10% of the basic pay per month of the members of the provident fund. At the cost of repetition, the petitioner having opted for pension scheme in 1995, she is entitled to refund of the provident fund and not the Bank's contribution even though availed such option to be governed by the pension regulation. In case, an employee resigns, he or she is not legally entitled to retain the Bank's contribution to the provident fund having opted for the pension scheme. Under the UCO Bank and Standard Indian Banking Regulations, pension is a second retiral benefit and is granted in lieu of banks provident fund contribution and therefore availing the pension, upon resignation, requires such an employee to refund the entire of the bank's provident fund contribution along with accrued interest. It is claimed that the petitioner opted for the pension scheme with a condition that the bank shall not contribute to the provident fund, but deposit the same in the pension fund with effect from 1st November, 1993. The demand is for the bank's contribution for 16 years' service rendered by the petitioner. But since it is a pension fund, when one chooses to exercise the pension option, the banks require prospective payment of pension to begin only after it has successfully received the employer's



provident fund contribution with accrued interest thereon for disbursement. But in view of forfeiture of service as per Regulation 22 of the Pension Regulations, the petitioner is fully disqualified to receive the standard pension benefits and also the Bank's contribution to the provident fund even though availed the pension scheme. In other words, the petitioner is only entitled to her contribution to the provident fund and not the Bank's share to it for having resigned from service and invited disqualification to the pension in view of the Regulation 22(1) of the Regulations. So, it has to be held that any such bank's contribution cannot be demanded by the petitioner even though she availed pension scheme with an option exercise in 1993 as it is only to refund the provident fund with her contribution. The conclusion is therefore that the petitioner is not entitled to the share of contribution of the Bank to the provident fund and obviously not the pension.

25. The petitioner submitted her resignation on 6th September, 2007 as per Annexure-4 addressed to the Chief Executive (Singapura Operations) of the Bank on the ground of her family problems but it was declined by the Bank vide Annexure-6 which was responded to by a representation i.e. Annexure-7 stating therein that the Banks' policy did not prohibit her from tendering resignation while she was posted abroad and when she agreed to pay the bond money and while being repatriated to India. Again, on 6th October, 2007, the petitioner made a representation stating therein that her last date of service at



UCO Bank should be treated as on 6th October, 2007 for having relinquished her employment and submitted a cheque for 9372.30 SGD being three months of salary in lieu of notice and said to have left Singapore sometime thereafter revealed from Annexure-12. No doubt, the resignation of the petitioner had not been accepted until then and pending acceptance of resignation, the petitioner relinquished her job with effect from 6th October, 2007 and the same has been treated as an abandonment of service hence departmentally proceeded with. It is stated that for personal reason, the petitioner left Singapore shortly after. Nothing is on record to reveal that the petitioner accepted any such offer with another Bank and joined there pending approval of the resignation by the Competent Authority of the Bank. No doubt, as per Annexure-7 in W.P.(C) No.1480 of 2008, the petitioner made a request to the Bank to accept the resignation even after denial vide Annexure-6 therein stating that she is ready to pay the bond money and be repatriated to India at her own cost. Notwithstanding Annexure-7 (supra), this Court is inclined to hold that the petitioner tendered her resignation and when it was not accepted by the Bank, she left the employment by making a deposit of three months of salary in lieu of notice though not required under the Regulation, which only stipulates a three months' notice. In absence of any such provision in the regulation about three months' salary to be deposited in lieu of notice, it can well be said that the petitioner should have waited for three months in expectation of acceptance of her



resignation and having not done so, it was justified on the part of the Bank Authority to initiate departmental action. But according to this Court under the circumstances narrated hereinbefore though the petitioner was liable for disciplinary action and accordingly one of the proceedings was initiated against her for having relinquished the employment pending decision on her resignation but before such relinquishment, she decently deposited three of months' salary in lieu of notice. No doubt, for relinquishment of her employment, it must have inconvenienced the Bank and in absence of approval of the resignation, a departmental enquiry and action was definitely to follow suit and so it was but she having deposited three months of salary in lieu of notice though contemplated under the Regulation, recovery of Rs.10 lac towards liquidated damages in terms of the bond executed is not justified and is also unconscionable in absence of any proof of loss suffered by the Bank. Of course, the Bank has the rights to demand three months' notice failing which it is entitled to recover the bond money but under the facts and circumstances leading to the leaving of the employment by the petitioner which though invited and made her liable to departmental action, any such demand of bond money is unwarranted. As stated, before the bank authority directed recovery of the bond money as a penalty in one of the disciplinary proceedings initiated and concluded against the petitioner. It has also been concluded before that the above penalty is impermissible under law. No doubt, the petitioner



did not challenge the penalties imposed by the Bank which included the bond money of Rs.10 lac. The Court has considered the explanation offered by the Bank for having not recovered the bond money from the petitioner. For whatever reasons, no recovery was made on the bond money and when it could not have been a penalty even though such a decision of the Authority was not challenged thereafter, for the facts described hereinbefore, it would not be just and proper to direct realization of the bond money from the petitioner. A reference may be made to Regulation 4 of the Conduct and Discipline and Appeal Regulations, 1976, wherein, minor and major penalties are stipulated. As per Regulation 4(d) thereof, recovery from pay or such other amount as may be due to an employee of the Bank either the whole or part of any pecuniary loss caused to the Bank by negligence or breach of orders is treated as a minor penalty. But in the humble of the Court recovery of a bond money is not a penalty in terms thereof. It is at the cost of repetition stated that such recovery of the bond amount is a civil action and cannot be termed as a penalty under Regulation 4 (supra). By no stretch of imagination, such provision is to be construed to include a bond money as may be due to a Bank employee imposable as penalty under the Regulations.

26. The Court reaches at a final conclusion that the petitioner is not entitled to pension or Bank's contribution to the provident fund transferable to the pension fund in view of Rule 22(1) of the Regulations. In so far as the reimbursement of income tax paid in 2007 is concerned, the



petitioner is not entitled to any such amount having not deposited it with the Singapore Authority but was complied with by the Bank itself and subsequently, the cheque issued in such compliance was returned back with an endorsement for 'no outstanding' payable. Regarding leave encashment for the period between October, 2004 and 2007 at Singapore, in view of the discussion earlier, the Bank Authority is to consider the same over and above, the encashment allowed to the petitioner before she was relieved to join abroad with reference to any such foreign service rules and provisions of the Regulations. As regards the deposit made towards three months' salary in lieu of notice, the Bank is liable to pay interest thereon @ 6% per annum even in absence of any such contract or stipulation in the Regulations refundable at the average exchange rate to Indian currency in the year 2007 for the fact that it could not have been retained for so long in the garb of pendency of disciplinary proceedings. Rather, according to the Court, the Bank ought to have refunded the deposit soon after its receipt instead of keeping it idle for such a long period fully knowing that such deposit is not required under the Regulations. But recovery of the bond money of Rs.10 lac, it is restated that the petitioner even though was subjected to disciplinary action for the unauthorized absence upon relinquishment of employment, notwithstanding any such representation as per Annexure-7 in W.P.(C) No.1480 of 2008, is unconscionable since she requested repatriation to India at her own cost and made a deposit of three months'



salary in lieu of notice on account of personal family problems.

27. It is clarified that the case laws cited by both sides have been taken judicial notice of but only the decisions found relevant were discussed for the sake of brevity.

28. Accordingly, it is ordered.

29. In the result, the writ petition stands allowed to the extent as aforesaid with a direction to the opposite party to immediately ensure disbursement of the terminal benefits of the petitioner in terms thereof and to take a decision on the claim of leave encashment for her tenure at Singapore from 2004 till 2007 over and above the period prior to the overseas posting in the light of the discussions and observations made hereinabove concluding the entire exercise at the earliest preferably within a period of six weeks from the date of receipt of a copy of this judgment.

30. In the circumstances, there is no order as to the costs.

(R.K. Pattanaik)
Judge

Alok/Tudu

Signature Not Verified

Digitally Signed
Signed by: THAKURDAS TUDU
Reason: Authentication
Location: OHC, CTC
Date: 30-Jun-2026 19:37:41

