

Reserved on : 04.02.2026

Pronounced on : 05.06.2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE K. V. ARAVIND

WRIT PETITION No. 6072 OF 2018 (S-CAT)

BETWEEN:

1. THE NATIONAL INSTITUTE OF MENTAL
HEALTH AND NEURO SCIENCES,
HOSUR ROAD,
BENGALURU - 560 029,
REP. BY ITS DIRECTOR.
2. THE ADMINISTRATIVE OFFICER,
THE NATIONAL INSTITUTE OF
MENTAL HEALTH AND NEURO SCIENCES,
HOSUR ROAD,
BENGALURU - 560 029.

...PETITIONERS

(BY SRI. PRABHAKAR RAO K., ADVOCATE)

AND:

1. MR. JEFFIN P. THANKACHAN,
AGED 31 YEARS,
S/O. MR. V. THANKACHAN,
STAFF NURSE,
DEPARTMENT OF PSYCHIATRIC NURSING,
THE NATIONAL INSTITUTE OF
MENTAL HEALTH AND NEURO SCIENCES,

HOSUR ROAD,
BENGALURU - 560 029.

...RESPONDENT

(BY SRI. A VISHWANATHA BHAT, ADVOCATE FOR
SRI M. NAGARAJAN, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER IN ORIGINAL APPLICATION No.170/00227/2017 PASSED BY THE HON'BLE CENTRAL ADMINISTRATIVE TRIBUNAL, BENGALURU AT ANNEXURE-A DATED 4.12.2017 BY ISSUING WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT AND ETC,.

THIS PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS, COMING ON FOR PRONOUNCEMENT THIS DAY, **K.V. ARAVIND J.**, MADE THE FOLLOWING:-

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE K. V. ARAVIND

C.A.V. ORDER

(PER: HON'BLE MR. JUSTICE K. V. ARAVIND)

Heard Sri K. Prabhakar Rao, learned counsel for the petitioner and Sri A. Vishwanatha Bhat, learned counsel for Sri M. Nagarajan, learned counsel for the respondent.

2. The respondent in O.A. No.170/00227/2017 is before this Court impugning the order dated 04.12.2017 passed by the Central Administrative Tribunal, Bangalore Bench (for short "the Tribunal").

3. The brief facts are that the petitioner-institution invited applications for the post of Staff Nurse. The respondent was found suitable and was appointed by appointment letter dated 16.09.2015. The appointment letter imposed certain conditions, including the minimum period of service to be rendered in the institution. The respondent, having accepted the terms and conditions, joined the petitioner-institution as Staff Nurse.

3.1 Thereafter, the respondent submitted resignation on 03.04.2017, which was accepted subject to payment of Rs.3,00,000/-. In terms of Clause 8 of the Memorandum dated 16.09.2025, the respondent paid the said amount, got relieved from service, and joined another employment.

3.2 Subsequently, the respondent filed an application before the Tribunal seeking refund of the sum of Rs.3,00,000/- paid towards the bond amount. The Tribunal, under the impugned order, directed refund of the said amount along with interest.

4. Sri K. Prabhakar Rao, learned counsel appearing for the petitioner, submits that the application before the Tribunal was in the nature of recovery proceedings and, therefore, not maintainable under Section 19 of the Administrative Tribunals Act, 1985. It is submitted that the respondent, having accepted

the conditions imposed in the appointment order, joined service pursuant to the order of appointment.

4.1 It is further submitted that when the respondent tendered resignation before expiry of the minimum period stipulated under Clause 8 of the Memorandum dated 16.09.2025, the respondent paid a sum of Rs.3,00,000/- and got relieved from service. Thereafter, upon joining employment in another institution, the respondent filed the application before the Tribunal seeking refund of the said amount.

4.2 It is further submitted that the Tribunal, without considering that imposition of such condition was permissible and that violation thereof would entail consequences, erroneously directed refund of the amount along with interest.

5. *Per contra*, Sri A. Vishwanatha Bhat, learned counsel appearing for Sri M. Nagarajan, learned counsel for the respondent, submits that there was no stipulation in the notification regarding execution of any bond and that such condition is not governed by the recruitment rules of the petitioner-institution. It is submitted that imposition of such a condition after selection of the candidate is impermissible. It is further submitted that the amount was paid under protest.

Learned counsel also submits that the Tribunal, having noticed that imposition of a condition requiring payment of Rs.3,00,000/- was contrary to the settled legal position, has rightly directed refund of the said amount.

6. We have considered the submissions made by the learned counsel for the parties and perused the writ papers.

7. The petitioner-institution invited applications for the post of Staff Nurse vide Notification dated 16.01.2015. The terms and conditions of the notification are silent regarding any minimum period of service. The memorandum dated 16.09.2015 is the order of appointment appointing the respondent to the post of Staff Nurse. The said appointment order imposes certain terms and conditions. One of the conditions requires the appointee to undergo such training as may be prescribed by the institution.

7.1 Clause 8 of the Memorandum dated 16.09.2025, mandates furnishing of an agreement bond to be executed with two sureties, undertaking to serve the institution for a minimum period of five years and, in the event of default, to pay a sum of Rs.3,00,000/-. Clause 8 reads as follows;

"8. The appointment is subject to furnishing of an agreement bond to be executed with two sureties (permanent employees of Central/State Government/P.S.U having not less than 5 years of service left for retirement, should not be his blood relatives and to be of Group B or higher rank officials) on Rs. 100/- Bond Paper, to serve the Institute for a minimum period 5 years and in the event of default to pay a sum of Rs.3/- Lakh (Rupees Three Lakh)."

7.2 It is clear from the undisputed facts that the respondent accepted the appointment and joined service by accepting the terms and conditions contained in the order of appointment. However, before completion of the minimum stipulated period of five years, the respondent submitted resignation and voluntarily paid a sum of Rs.3,00,000/- to the institution in terms of the conditions of appointment. It is only after joining service in the State of Kerala that the respondent filed the application before the Tribunal seeking refund of the said amount. In the said application, the validity of imposition of such condition was also questioned.

7.3 In support of the validity of imposing such conditions, learned counsel for the petitioner has placed reliance on the judgments of the Hon'ble Supreme Court in **Vijaya Bank vs. Prashant B. Narnaware [2025 SCC OnLine SC 1107]** and **Association of Medical Superspeciality Aspirants and**

Residents and others vs. Union of India and Ors [(2019) 8 SCC 607].

7.4 The Hon'ble Supreme Court in ***Association of Medical Superspecialty Aspirants and Residents and Others*** (*supra*) examined the competence of the State to impose such conditions, including in the context of Articles 14, 19(1)(g), and 21 of the Constitution of India, as well as the enforceability of such bonds. While answering the issue regarding jurisdiction and competence to impose such conditions, it was held that notifications imposing conditions requiring execution of compulsory bonds cannot be said to be vitiated for lack of authority or competence. While examining the question of arbitrariness and reasonableness in the context of Article 14 of the Constitution of India, the Hon'ble Supreme Court also observed that securing public health is the primary duty of the State and upheld imposition of such conditions. The relevant paragraphs are as under;

"17. Schedule VII List I Entry 66 to the Constitution refers to coordination and determination of standards in institutions for higher education or research and scientific and technical institutions. Schedule VII List III Entry 25 deals with education, including technical education, medical education and universities,

subject to the provisions of Entries 63, 64, 65 and 66 of List I. Legislations can be made by the State Legislature relating to medical education subject to the legislation made by Parliament. The Medical Council of India Act governs the field of medical education in this country. Admittedly, there is no provision in the Medical Council of India Act touching upon the subject-matter of compulsory bonds. Therefore, the States are free to legislate on the subject-matter of medical bonds. Executive authority of the State Government is co-extensive with that of the legislative power of the State Legislature. Even in the absence of any legislation, the State Government has the competence to issue executive orders under Article 162 of the Constitution on matters over which the State Legislature has the power to legislate. The notifications issued by the State Governments imposing a condition of execution of compulsory bonds at the time of admission to postgraduate courses and superspeciality courses cannot be said to be vitiated due to lack of authority or competence. The field of bonds requiring compulsory employment is not covered by any Central legislation. Therefore, the submissions made on behalf of the appellants that the States lacked competence to issue the notifications as the field is occupied are rejected.

25. *It is for the State to secure health to its citizens as its primary duty. No doubt the Government is rendering this obligation by opening government hospitals and health centres, but in order to make it meaningful, it has to be within the reach of its people, as far as possible, to reduce the queue of waiting lists, and it has to provide all facilities to employ best of talents and tone up its administration to give effective contribution, which is also the duty of the Government [State of Punjab v. Ram*

Lubhaya Bagga, (1998) 4 SCC 117, paras 26, 27 & 35 : 1998 SCC (L&S) 1021] .

26. *Right to health is integral to the right to life. Government has a constitutional obligation to provide health facilities [State of Punjab v. Mohinder Singh Chawla, (1997) 2 SCC 83 : 1997 SCC (L&S) 294] . The fundamental right to life which is the most precious human right and which forms the ark of all other rights must therefore be interpreted in a broad and expansive spirit so as to invest it with significance and vitality which may endure for years to come and enhance the dignity of the individual and the worth of the human person. The right to life enshrined in Article 21 cannot be restricted to mere animal existence. It means something much more than just physical survival. The right to life includes the right to live with human dignity and all that goes along with it, namely, the bare necessities of life such as adequate nutrition, clothing and shelter, and facilities for reading, writing and expressing oneself in diverse forms, freely moving about and mixing and commingling with fellow human beings. Every act which offends against or impairs human dignity would constitute deprivation pro tanto of this right to live and the restriction would have to be in accordance with reasonable, fair and just procedure established by law which stands the test of other fundamental rights [Francis Coralie Mullin v. State (UT of Delhi), (1981) 1 SCC 608 : 1981 SCC (Cri) 212] .*

27. *To live is to live with dignity. The draftsmen of the Constitution defined their vision of the society in which constitutional values would be attained by emphasising, among other freedoms, liberty and dignity. So fundamental is dignity that it permeates the core of the rights guaranteed to the individual by Part III of the Constitution. Dignity is the core which unites the*

fundamental rights because the fundamental rights seek to achieve for each individual the dignity of existence [K.S. Puttaswamy (Privacy-9J.) v. Union of India, (2017) 10 SCC 1] .

28. *The State's obligations are not satisfied solely by refraining from imposing limitations on the right to human dignity. The State must also take action to protect human dignity and to facilitate its realisation. The constitutional right to dignity is intended to ensure human beings' political and civil liberties as well as their social and economic freedoms [Aharon Barak, "Human Dignity: The Constitutional Value and The Constitutional Right" in Christopher McCrudden (Ed.), Understanding Human Dignity, Proceedings of the British Academy, 192 (Oxford University Press) pp. 361-80 at p. 367.]*

33. *The above discussion leads us to the conclusion that right to life guaranteed by Article 21 means right to life with human dignity. Communitarian dignity has been recognised by this Court. While balancing communitarian dignity vis-à-vis the dignity of private individuals, the scales must tilt in favour of communitarian dignity. The laudable objective with which the State Governments have introduced compulsory service bonds is to protect the fundamental right of the deprived sections of the society guaranteed to them under Article 21 of the Constitution of India. The contention of the appellants that their rights guaranteed under Article 21 of the Constitution of India have been violated is rejected."*

7.5 Further, in **Vijaya Bank** (*supra*), while considering an identical case involving a condition stipulating a minimum period of service in the appointment letter, the Hon'ble Supreme Court upheld the imposition of a condition requiring

minimum service or payment of the stipulated amount in the event of resignation before completion of the prescribed period.

The relevant paragraphs are as under;

"4. On 07.08.2007, respondent was issued an appointment letter. Clause 11(k) of the said letter reads as follows:—

"You are required to serve the Bank for a minimum period of 3 years from the date of joining the bank and should execute an indemnity bond for Rs. 2.00 lakhs. The said amount has to be paid by you in case you resign from the services of the bank before completion of stipulated minimum period of 3 years. For this purpose, you have to bring a blank non-judicial stamp paper of Rs. 100/- procured in the State of your posting."

5. Accepting the aforesaid condition, respondent voluntarily resigned from his erstwhile post i.e. Manager, MMG-II and joined the post of Senior Manager, MMG-III on 28.09.2007. Respondent also executed an indemnity bond in terms of the aforesaid clause."

"16. A plain reading of clause 11 (k) shows restraint was imposed on the respondent to work for a minimum term i.e. three years and in default to pay liquidated damages of Rs. 2 Lakhs. The clause sought to impose a restriction on the respondent's option to resign and thereby perpetuated the employment contract for a specified term. The object of the restrictive covenant was in furtherance of the employment contract and not to restrain future employment. Hence, it cannot be said to be violative of Section 27 of the Contract Act."

"25. From the prism of employer-employee relationship, technological advancements impacting nature and character of work, re-skilling and

preservation of scarce specialized workforce in a free market are emerging heads in the public policy domain which need to be factored when terms of an employment contract is tested on the anvil of public policy.

26. *Since the last decade of 20th century, India witnessed an era of liberalization. Golden days of monopolistic public sector behemoths were gone. Public sector undertakings like the appellant-bank needed to compete with efficient private players operating in the same field. To survive in an atmosphere of deregulated free-market, public sector undertakings were required to review and reset policies which increased efficiency and rationalized administrative overheads. Ensuring retention of an efficient and experienced staff contributing to managerial skills was one of the tools inalienable to the interest of such undertakings including the appellant-bank.*

27. *This prompted the appellant-bank to incorporate a minimum service tenure for employees, to reduce attrition and improve efficiency. Viewed from this perspective, the restrictive covenant prescribing a minimum term cannot be said to be unconscionable, unfair or unreasonable and thereby in contravention of public policy."*

"29. *The stance of the appellant-bank is neither unjust nor unreasonable. The appellant-bank is a public sector undertaking and cannot resort to private or ad-hoc appointments through private contracts. An untimely resignation would require the Bank to undertake a prolix and expensive recruitment process involving open advertisement, fair competitive procedure lest the appointment falls foul of the constitutional mandate under Articles 14 and 16.*

30. *Keeping these exigencies in mind, the appellant-bank had incorporated the liquidated damage clause in the appointment contract.*

31. *Respondent was serving in a senior middle managerial grade having a lucrative pay package. Judged from that perspective, the quantum of liquidated damages was not so high as to render the possibility of resignation illusory. In fact, the appellant had paid the said quantum and resigned from the post."*

35. *In light of the aforesaid discussion, we are of the view the restrictive covenant in clause 11(k) of the appointment letter does not amount to restraint of trade nor is it opposed to public policy."*

7.6 In the light of the above legal position, if the facts of the present case are examined, Clause 8 of the Memorandum dated 16.09.2025 imposed a condition requiring the respondent to serve the institution for a minimum period of five years and, in the event of default, to pay a sum of Rs.3,00,000/-. The respondent resigned before completion of the said period of five years and paid the sum of Rs.3,00,000/-. It is only after the respondent was relieved from service and joined another institution/establishment that the application came to be filed before the Tribunal seeking refund of the said amount and contending that imposition of such condition was violative of Articles 14, 16 and 21 of the Constitution of India.

7.7 In the judgments referred to *supra*, the Hon'ble Supreme Court, while considering identical contentions, has held that conditions imposing a minimum period of service or requiring

payment of a stipulated sum in the event of breach are legally valid. The Tribunal, without examining the settled legal position wherein imposition of a condition requiring minimum service has been upheld as valid, erroneously proceeded to direct refund of the amount.

7.8 The Tribunal has further failed to examine whether, when a condition contained in the appointment order was voluntarily accepted by the respondent and, upon resignation before completion of five years, the respondent had remitted a sum of Rs.3,00,000/-, it was not open to the respondent to challenge the imposition of such condition at a later stage.

8. Be that as it may, the order passed by the Tribunal is contrary to the law laid down by the Hon'ble Supreme Court in ***Vijaya Bank*** (*supra*) and, therefore, is not sustainable.

9. Accordingly, the following;

ORDER

- (i) The writ petition is ***allowed***.
- (ii) The order dated 04.12.2017 passed in O.A. No.170/00227/2017 by the Central Administrative Tribunal, Bangalore Bench, is hereby ***set aside***.

- (iii) The application filed by the respondent
before the Tribunal stands ***rejected***.
- (iv) No order as to costs.

**Sd/-
(S.G.PANDIT)
JUDGE**

**Sd/-
(K. V. ARAVIND)
JUDGE**

MV*