THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

AND

THE HON'BLE SRI JUSTICE G.SHYAM PRASAD

WRIT APPEAL Nos.636, 637 and 681 of 2016

08.08.2016

Between:

Nalgonda District Cooperative Central Bank Limited, Nalgonda

..Appellant

And

R.Veeraiah and others

..Respondents

Counsel for the appellant: Mr.Amarnath Goud Thodupunuri

Counsel for the respondents: --

The Court made the following:

COMMON JUDGMENT: (Per the Hon'ble Sri Justice C.V.Nagarjuna Reddy)

The common order, dated 19.01.2016, in W.P.Nos.17871, 17900 and 17938 of 2001 of the learned Single Judge is called in question in these writ appeals filed by the Nalgonda District Cooperative Central Bank Limited, Nalgonda - respondent No.2 in the said writ petitions.

2. For convenience, the parties are referred to as they are arrayed in the writ petitions.

3. The facts in these cases lie in a narrow compass. The petitioners at the time of filing the writ petitions are working as the Supervisors in respondent No.2. Departmental proceedings were initiated against them and pending the issue of charge memoes, they were placed under suspension with effect from 22.10.1996. The gravamen of the charge against them was that during khariff season - 1996 and rabi season - 1995-96, they indulged in serious irregularities in disbursement of DTP loans. Dr.N.Muralidhar, Chief Project Officer, ICDP - respondent No.3 was appointed as an Enquiry Officer. He submitted a detailed report, dated 27.07.1998, wherein he, *inter alia,* observed as under:

> "4. There were no recorded reports of non receipt of loans by the members. Thus, it cannot be construed in the absence of contrary information that the loans have not reached the intended beneficiaries. Further, there were no recorded reports of mis-utilisation of loan. However, all the charged employees have violated the guidelines, policies and procedures communicated by the Head Office.
>
> 5 . All the charged employees have deposed that they have acted hastily only with an intention to achieve higher percentage of recovery of loans."

4. Based on the aforesaid enquiry report, respondent No.2 imposed the penalty of reducing the petitioners' pay to the minimum level. However, in the departmental appeals filed by the petitioners, the said punishment was modified to that of stoppage of five annual grade

increments with cumulative effect. Assailing the said orders, the petitioners filed the aforementioned writ petitions. The primordium of their contention was that the Enquiry Officer did not find the petitioners guilty of mis-utilisation and mis-appropriation of the bank's funds and that he only found violation of the procedural norms, which act falls under 'minor misconduct' within the meaning of Clause 6 (vi) (d) of the Memorandum of Settlement, dated 15.06.1997, and not under 'gross misconduct' within the meaning of Clause 6 (iv) thereof.

5. A perusal of the common order of the learned Single Judge shows that he considered both Sub-Clauses (iv) and (vi) of Clause 6 of the aforesaid Memorandum of Settlement and accepted the plea of the petitioners that their conduct as per the findings of the Enquiry Officer falls under the following Sub-Clause (vi) (d) of Clause 6 of the said Memorandum of Settlement - "breach of any rule of business of the bank or instruction for the running of any department", pertaining to 'minor misconduct'.

6. Having carefully considered the relevant portion of the report of the Enquiry Officer as reproduced hereinbefore and the findings of the learned Single Judge, we are in complete agreement with the reasoning of the learned Single Judge that as per the findings of the Enquiry Officer, there was no mis-utilisation of loan amounts and that the petitioners violated only the guidelines/policies/procedures, which falls under 'minor misconduct'. Admittedly, the petitioners were punished treating their misconduct as 'gross misconduct'.

7. In the aforementioned facts of the cases, the learned Single Judge has rightly directed respondent No.2 to re-consider the penalties imposed on the petitioners by treating their misconduct as 'minor misconduct'. Therefore, we do not find any merit in these Writ Appeals and the same are, accordingly, dismissed.

8. As a sequel to dismissal of these Writ Appeals, miscellaneous applications pending in these Writ Appeals shall stand dismissed as infructuous.

_____

C.V.NAGARJUNA REDDY, J

_____

G.SHYAM PRASAD, J

08th August, 2016
GHN