IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.03.2024

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

W.P.No.2930 of 2024

E.Rahini ...Petitioner

-Vs-

1. The General Manager,
Indian Bank Corporate Office,
Chennai – 600 014.

2. The Deputy General Manager,
Indian Bank Corporate Office,
Chennai – 600 014.

3. The Assistant General Manager
(Disciplinary Authority),
Indian Bank Corporate Office,
Chennai – 600 014.

4. The Chief Manager Vigilance,
Vigilance Department Corporate Office,
Chennai – 600 014. ...Respondents

Prayer : Writ Petition filed under Article 226 of Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus, to call for the records in respect of Ref.No.ZOT:VIG:CS:24735:2019-20 of the impugned order of removal passed against the petitioner late husband M.Elangovan dated 29.08.2019 passed by the third respondent and confirmed by the appellate authority, the second respondent vide order Ref.:CO:VG:TIRU:24735-585: 2020- 21 dated 30.05.2020 and quash the same and direct the first respondent herein forthwith pay all terminal benefits, monetary benefits with interest and continue to pay pension to the petitioner.

For Petitioner : Mr.N.Sairam Ganapathi

For Respondents : No appearance

ORDER

This writ petition has been filed for the issuance of Writ of Certiorarified Mandamus, calling for the records in respect of Ref.No.ZOT:VIG:CS:24735:2019-20 of the impugned order of removal passed against the petitioner late husband M.Elangovan dated 29.08.2019 passed by the third respondent and confirmed by the appellate authority, the second respondent vide order Ref.:CO:VG:TIRU:24735-585: 2020- 21 dated 30.05.2020 and quash the same and direct the first respondent herein forthwith pay all terminal benefits, monetary benefits with interest and continue to pay pension to the petitioner.

2. Heard the learned counsel for the petitioner and perused the materials available on record.

3. The petitioner's husband was working as Branch Manager of the Indian Bank. He was served with a charge memo consisting charges as follows:-

“ Charge 1:-

You abused your official position and misappropriated customers' money by raising loans fraudulently in their names. Some borrowers had given written complaints against you stating that you had raised loans in their names and utilized the amounts for your personal requirements, family functions. You had made part repayments in their loan accounts by yourself, requested them to wait for some more time to repay the balance etc. Thus you had misappropriated bank funds.

Charge 2:-

You had not followed the systems and procedures properly resulting in disproportionate amount sanctioned in 138 SME accounts. You also failed to ensure creation of assets on the loans disbursed. Thus, you failed to protect the interest of the Bank.

Charge 3:-

You blatantly violated the systems and procedures in sanction of 138 SME loans. You had not covered 138 SME accounts under Credit Guarantee Scheme as per extant guidelines. You also tampered with the systems by marking the accounts in the CBS system to show as if the accounts were covered under CGTMSE. You also obtained third party guarantees for certain SME accounts rendering the account ineligible for CGTMSE cover. The accounts turned NPA and Bank finds it difficult to prefer claim with Credit Guarantee Corporation. Thus you made false information to the Zonal Administration and failed to protect the interest of the Bank.

Charge 4:-

You failed to ensure end use of funds and allowed loan proceeds to be withdrawn by cash in three loan Rs.3.50 lakhs. Thus, you had accommodated the borrowers.

Charge 5:-

You had allowed 13 loan documents to get time barred, resulting in non enforceability of loan documents and recovery thereon. Thus, you failed to protect the interest of Bank, foregoing legal rights at the bank to proceed against overdue/defaulting borrowers.

Charge 6:-

You had failed to do proper appraisal with proper due diligence, verification of income proofs, units and end use/ asset verification for the 54 loan accounts. Due to poor appraisal, repayments are not forthcoming making the bank finding it difficult to recover the dues. Out of the above, 23 accounts are in NPA status for Rs. 31,42,285.71 and 11 Accounts are irregular/SMA with Rs 10,08,178.09. Thus, you had failed to protect the interest of Bank.

Charge 7:-

You had not created extension of EM/supplementary MOD for two Home Loan Plus loans sanctioned by you, not obtained Latest EVR/TPR periodically, not verified genuineness of title deeds with SRO. Thus you failed to ensure enforceability and saleability of bank assets and failed to protect the interest of the bank.

Charge 8:-

You violated extant guidelines by not taking timely action in auctioning overdue Jewel Loan revolting in uncovered balance of

Rs.0.16 lakhs (including MOI) without any security. Thus, you failed to protect the interest of Bank.

Charge 9:-

You had sanctioned 51 AMTL Loans for purchase of Milch Animals, to borrowers residing out of service area without any justification Out Of the above, one account is under NPA for Rs.31,416.00 and 16 accounts are irregular/SMA for Rs. 7,88,415 and you had not arranged to insure the Milch Animals with respect to 32 AMTL accounts for protecting the interest of the bank. Out of the above, one account is under NPA status for Rs. 31,416.00 and 8 accounts are irregular/SMA status for Rs.3,62,645 leaving the bank to face loss to that extent."

4. On receipt of the charge memo, the petitioner's husband submitted explanation. Without being satisfied with the explanation submitted by the petitioner's husband, enquiry was ordered and petitioner's husband participated in the enquiry. On the strength of the enquiry report, the petitioner's husband was removed from service by an order dated 29.08.2019. Aggrieved by the same, the petitioner's husband filed an appeal and the same was also rejected by the second respondent on 14.05.2020. Thereafter, the petitioner's husband fell sick and died on 26.03.2022. The petitioner challenged the order passed by the disciplinary authority as well as the appellate authority. When her husband was alive, he did not challenge the order of dismissal as well as the appellate order. Even after his demise, the writ petition has been filed after a period of two years from the date of demise of the petitioner's husband.

5. A perusal of the order of dismissal and the explanation submitted by the petitioner, this Court finds no infirmity or illegality in the orders passed by the disciplinary authority as well as the appellate authority. The petitioner's husband misused the official position and sanctioned loan in the name of customers. Thereafter, the loan proceeds were utilized for his personal requirements and family functions. Thus, he had misappropriated Bank's fund by committing fraud. Further, he also failed to ensure end use of funds and creation of assets on the loans sanctioned. Therefore, he had blatantly violated the system and procedures of the Bank. Further, he was found that he had not recovered SME loan sanctioned by him under various schemes and he had marked in the CBS systems, as if the accounts were covered under the various schemes. It is also observed that certain loans are covered with third party guarantee which is against the corporate guidelines/scheme guidelines, thereby, he failed to follow guidelines in respect of appraisal/sanction/disbursement of the loan amount by making cash payment. He had allowed to withdraw the loan proceeds by cash and committed fraud on the bank.

6. Therefore, the disciplinary authority as well as the appellate authority had passed detailed order complying all the procedures in accordance with law.

Therefore, this Court finds no infirmity or illegality in the orders passed by the disciplinary authority as well as the appellate authority and this writ petition is devoid of merits and is liable to be dismissed.

7. Accordingly, this writ petition is dismissed. There shall be no order as to costs.

15.03.2024

Internet: Yes
Index : Yes/No
Neutral Citation : Yes/No
Speaking/Non Speaking order
mn

G.K.ILANTHIRAIYAN. J,

mn

To

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   Indian Bank Corporate Office,
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