IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.11.2025

CORAM:

THE HONOURABLE MR JUSTICE K.SURENDER

W.P.No. 7267 of 2017 and
W.M.P.No.7922 of 2017

Mr.S.Balasubramaniam .. Petitioner

versus

1. Assistant General Manager/
Disciplinary Authority,
Indian Bank, Circle Office,
Salem-646305.

2. Assistant General Manager/
Concurrent Disciplinary Authority,
Indian Bank, Head Office,
Chennai-600 001.

3. Deputy General Manager/
Appellate Authority,
Indian Bank, Head Office,
Chennai-600 001. .. Respondents

Prayer: Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, to call for the records of the order of the 3rd respondent in his proceedings Ref.F428:SAL:VIG:2010-11:3629, dated 01.02.2011 and the order of the 2nd respondent in his Ref.CO:SAL:VG:96: 2010-11 dated 05.10.2010 and to quash the same and consequently, provide the petitioner with the service benefits and other emolouments.

For Petitioner : Mr.Shoaib Fazil S.

for M/s.Vandana Parasuram
For Respondent(s): Mrs.Rita Chandrasekar

ORDER

This Writ Petition has been filed seeking for issuance of a Writ of Certiorarified Mandamus, to call for the records of the order of the 3rd respondent in his proceedings Ref.F428:SAL:VIG:2010-11:3629, dated 01.02.2011 and the order of the 2nd respondent in his Ref.CO:SAL:VG:96: 2010-11 dated 05.10.2010 and to quash the same and consequently, provide the petitioner with the service benefits and other emoluments.

2. Briefly stated facts, in this case, are that the petitioner, while working as a Branch Manager of Veerapandi Branch, Indian Bank, was alleged to have committed certain lapses in the matter of granting and disbursing the agricultural loans to the Agriculturists. The Bank found that the petitioner indulged in sanctioning and disbursing the loans without following the guidelines and due procedure and that such lending was irregular. An inspection was conducted and based on the inspection report, a show cause notice, dated 27.05.2009 was issued. The petitioner denied his

involvement in any kind of illegality. Later, a charge memo, dated 29.12.2009 was issued whereby, as many as 20 charges were framed. An Enquiry Officer was appointed and an opportunity was given to the petitioner to participate in the enquiry. After conducting the enquiry, the Enquiry Officer vide his report, dated 07.08.2010 held that 14 charges were proved. Based on the findings of the Enquiry Officer, the Assistant General Manager, who is the Disciplinary Authority, the 2nd respondent herein, vide order dated 05.10.2010 imposed major penalty of dismissal from service on the petitioner. Aggrieved by the same, the petitioner approached the Appellate Authority, viz., Deputy General Manager, the 3rd respondent herein. The Appellate Authority also found favour with the Disciplinary Authority and thereby, dismissed the appeal vide order dated 01.02.2011. Challenging the same, the petitioner has come forward with the present Writ Petition.

3. Learned counsel appearing for the petitioner would submit that the petitioner had suffered ill health and undergone mental trauma since he was imposed with the extreme punishment of dismissal from service and in

such circumstances, he could not file the Writ Petition before this Court and there occurred delay, which is not intentional.

4. The learned counsel would further submit that even according to the respondents, the petitioner was allegedly involved in irregular disbursal of the agricultural loans without following guidelines. As such, the punishment imposed on the petitioner is harsh and not proportionate to the charges levelled against him. The learned counsel submits that he does not intend to get into the facts of the case, but only urges this Court to show indulgence with regard to the quantum of punishment imposed on the petitioner.

5. The learned counsel for the petitioner relied upon the judgments of the Hon'ble Supreme Court reported in ***'Syndicate Bank versus B.S.N.Prasad'*** reported in (2025) 3 SCC 601, wherein, despite the delinquent therein being involved in misappropriation, however, considering delinquent's long unblemished service, the Hon'ble Supreme Court was of the view that the penalty of dismissal was disproportionate and modified by

reducing the delinquent to a lower stage of pay for a period of one year without cumulative effect. The learned counsel would submit that in the present case, the petitioner had put in 28 years of unblemished service and reached the age of superannuation and further, he was not involved in any fraudulent transactions or dishonest personal enrichment. Therefore, the learned counsel would submit that there is no proportionality in the punishment imposed by the Disciplinary Authority as well as the Appellate Authority, which requires interference by this Court.

6. On the other hand, the learned counsel for the respondents would submit that the petitioner had indulged in lending loans which resulted in huge loss to the bank. In fact, the petitioner was the only person who dealt with the disbursal of the loans. He has not taken due care and caution while disbursing the loans nor assessed the ability of the borrowers to repay the loan amounts. Further, the documents produced by the borrowers were also not properly verified and the petitioner also failed to properly maintain the Registers and Accounts pertaining to the loans granted by the Bank. The learned counsel further submits that the petitioner being

an employee of the bank, he occupies a position of trust, honesty, integrity and any irregularity or negligence on his part, especially in the matters like loan disbursement causing loss to the bank, should not be dealt with leniently. The punishment of dismissal from service imposed on the petitioner due to whose negligence, the bank had sustained huge loss, is proportionate to the charges levelled and proved against the petitioner and requires no interference. The learned counsel relied upon a decision of the Hon'ble Supreme Court in "***Deputy General Manager versus Ajai Kumar Srivastava'*** reported in (2021) 2 SCC 612, wherein, it has been held that in banking business, discipline, absolute devotion, integrity and honesty is a *sine qua non* for every bank employee. It is a basic requirement that the employee shall maintain good conduct and discipline while dealing with the public money. The learned counsel would further submit that the petitioner failed to maintain such conduct and discipline, since he misused the discretionary authority that was vested in him as a Branch Manager, resulting in huge loss to the bank. Therefore, the learned counsel for the respondent seeks to dismiss the Writ Petition.

7. Heard the learned counsel for the petitioner and the learned counsel for the respondent and perused the entire material placed on record.

8. The allegations against the petitioner in nutshell, are that 20 agricultural loans were sanctioned and disbursed by the petitioner and while sanctioning the loans, he did not maintain the records properly and the sanction of the loans was found to be not in accordance with rules and procedure laid down by the bank. In certain cases, verification was not properly done regarding the documents that were furnished by the borrowers.

9. It is not in dispute that the borrowers who availed loans are the agriculturists in the area and that there was neither impersonation nor any fake documents were filed for the purpose of securing the loans. There is no allegation of any kind of deliberate collusion with the borrowers by the petitioner to cause loss to the bank in a fraudulent manner.

10. As seen from the bank records, two of the loan borrowers have repaid the entire loan and other borrowers repaid part of the loans. It is contended on behalf of the respondents that in case no recovery could be made from the borrowers, the Bank is likely to incur possible financial loss to the extent of the loan amounts disbursed by the petitioner. But it is to be noted that nowhere it is mentioned as to whether the securities furnished by the borrowers were invoked by the bank in order to realize the loan amounts.

11. The main allegations against the petitioner are that of reckless and irregular lending. The said allegations do not in any way attribute any kind of conscious act to defraud the bank or to cause any kind of loss to the bank. No doubt, there are irregularities in disbursement of the loans, however, that by itself would not indicate any fraudulent nature of the petitioner nor his involvement in disbursal of the loan amounts in collusion with the borrowers. The loss caused to the bank alone cannot be considered as the basis to impose the major punishment, but all other factors have also to be taken into consideration. When it is not found that the petitioner was involved in any fraudulent activity in collusion with the borrowers or

misappropriated the amount, the imposition of the punishment of dismissal from service, in the opinion of this Court, is harsh and disproportionate to the charges levelled against the petitioner.

12. In the light of the above discussion, this Court is inclined to modify the punishment of dismissal from service into one compulsory retirement. Accordingly, the Writ Petition is allowed to this extent. As a corollary to the modification of dismissal into compulsory retirement, the petitioner is entitled to pension and other retirement benefits. The respondents are directed to settle and disburse all the benefits including the pension arrears without interest, to the petitioner, within the period of eight (8) weeks from the date of receipt of a copy of this order. No costs.

K.SURENDER, J.
18.11.2025

Index:Yes/No
Neutral Citation:Yes/No
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