



W.A.(MD)No.879 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 19.08.2025

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**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN
and
THE HONOURABLE MR.JUSTICE K.RAJASEKAR**

**W.A.(MD)No.879 of 2023
and
C.M.P.(MD)No.7032 of 2023**

- 1.The Chairman and Managing Director,
Corporate Office, Indian Bank,
Chennai.
 - 2.General Manager (Reviewing Authority),
Corporate Office, HRM Department,
Indian Bank, Chennai - 600 014.
 - 3.Deputy General Manager / Appellate Authority,
Corporate Office, HRM Department,
Indian Bank, Chennai - 600 0014.
 - 4.The Assistant General Manager/
Disciplinary Authority,
Indian Bank, Zonal Office,
Vigilance Department,
1/17, II New Floor, GRR Building,
Perumalpuram, Tirunelveli.
 - 5.Branch Manager,
Indian Bank,
Kovilan Kulam Branch,
Virudhunagar District.
- ... Appellants



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Vs.

P.Sampath Kumar

... Respondent

Prayer : Writ Appeal filed under Clause XV of Letters Patent, to allow the writ appeal by setting aside the order passed in W.P.(MD)No.10608 of 2016 dated 22.11.2022 on the file of this Court.

For Appellants : Mr.Jayesh B.Dolia, Senior Counsel,
For M/s.Aiyar and Dolia.

For Respondent : Mr.T.Lajapathi Roy, Senior Counsel,
For Mr.F.Deepak.

JUDGMENT
(By G.R.SWAMINATHAN, J.)

Heard both sides.

2.The management of Indian Bank has filed this writ appeal challenging the order dated 22.11.2022 passed by the learned Single Judge allowing W.P.(MD)No.10608 of 2019 filed by the respondent (herein after referred to as writ petitioner).

3.The writ petitioner joined Indian Bank as Clerk in the year 1981. When he was working as Branch Manager of Kovilankulam Branch,



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Virudhunagar District, he had granted loans to a number of self help groups. Those loan accounts became NPA. The bank was put to loss to the tune of Rs.74.44 lakhs. The management was of the view that this loss was caused on account of the negligence on the part of the writ petitioner while processing the loan papers. In this regard, charge memo dated 19.04.2014 was issued. It contained the following articles of charge:-

“Charge No. 1

That you had sanctioned DRI loans to members of certain SHGs without proper appraisal and routed the loan proceeds of DRI loans through the SB accounts of the SHGs instead of individual SB accounts of the SHG members in violation of guidelines. The payments were made by way of withdrawal slips by debiting the SB account of the SHG.

Charge No. 2

That you had not ensured withdrawals duly backed by latest resolutions signed by the members of certain SHGs. It is observed that in 11 group resolutions dates were altered from the earlier dates while allowing payments at later dates.

Charge No. 3

That you had failed to verify the documentary evidences for formation and functioning of the SHGs at earlier dates before



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sanctioning the loans. You had not ensured obtention of info cards from 31 groups, address proof and ID proof of members were not verified with members of 31 groups. You had not verified the genuineness of photos of members in info cards in the SHG accounts, but accepted scanned photos in 14 SHG loan accounts.

Charge No. 4

That you had sanctioned enhanced Term Loan limits for 33 SHGs immediately after closure of the earlier loans by lump sum payment. You had not noticed that the closure vouchers do not have the name and signature of the remitter.

Charge No. 5

That you had given free hand to Pengal Membattu Maiyam and Mrs J G Lakshmi during your tenure as Branch Manager of our Kovilankulam Branch in dealings of the SHGs sponsored by the NGO with the branch. Though the loan proceeds were routed through the SB accounts of the SHGs and authorized representatives received the loan proceeds from the branch, money was not distributed to many members of the SHGs as per group resolutions and there was large scale misappropriation by coordinators and NGO. The repayments were collected by the staff of NGO and not repaid to the bank properly. You had failed to notice the misappropriation taken place in 29 existing accounts other than ARC accounts amounting to Rs 74.44 lakhs.”



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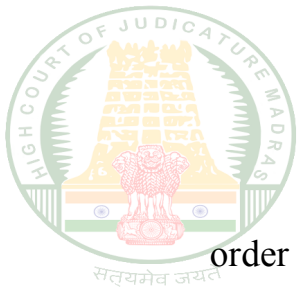
4.The writ petitioner offered his explanation. It was found to be unsatisfactory. Hence, enquiry was ordered. The enquiry officer came to the conclusion that the charges 1 and 3 are partly proved, charges 2 and 4 are proved and charge 5 is not proved. The enquiry report was furnished to the delinquent and his further representation was obtained. Thereafter, the disciplinary authority vide order dated 31.01.2015 concurred with the findings of the enquiry officer and imposed the following punishment:-

“In view of the foregoing lapses on the part of CSO have been proved, I impose the Major penalty of

Reduction of pay by two stages in the time scale of pay for a period of two years with further directions that the officer will not earn increments of pay during the period of punishment and the reduction will have the effect of postponing his future increments of pay.

Under Regulation 4(f) of Indian Bank Officer Employees' (Discipline and Appeal) Regulations 1976 (as amended from time to time)”

Aggrieved by the same, the writ petitioner filed appeal before the appellate authority. The appellate authority dismissed the appeal vide



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order dated 17.12.2015 and confirmed the order of the disciplinary authority. Questioning the same, the writ petitioner filed the aforesaid writ petition. The learned Single Judge took note of two aspects. (a) The delinquent was not charged with any act of misappropriation. (b) He was dealing with a difficult portfolio of handling self help group loans. In that view of the matter, the orders impugned in the writ petition were set aside and the writ petition was allowed. Challenging the same, the management has filed this writ appeal.

5.Our attention has been drawn to the following case laws:-

“(i) (2000) 7 SCC 517 (Janatha Bazar Vs. Secretary Shakari Noukarara Sangha)

(ii) Damoh Panna Sagar Rural Reg. Bank Vs. Munna Lala Jain, (Civil Appeal No.8258 of 2004 dated 16.12.2004)

(iii) (2021) 2 SCC 612 (Deputy General Manager (Appellate Authority) Vs. Ajai Kumar Srivastava)

(iv) (2021) 3 SCC 806 (Boloram Bordoloi Vs. Lakshmi Gaolia Bank)

(v) (2022) 7 SCC 475 (Union of India Vs. M.Duraisamy)

(vi) 2022 LiveLaw (SC) 998 (Union of India Vs. Subarata Nath)



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(vii) 2023 LiveLaw (SC) 49 (Union of India Vs. Const
Sunil Kumar)”

6.The scope of judicial review in disciplinary matters had been delineated in the aforesaid decisions. The sum and substance of the same is that so long as the disciplinary authority had conducted the proceedings with a modicum of fairness and the principles of natural justice have been fully complied with and there is some evidence in support of the findings of guilt, the Writ Court cannot interfere.

7.The learned senior counsel for the writ petitioner pointed out that the delinquent had asked for the following documents:-

“1.Copy of the letter from Zonal Office, Tirunelveli to the Branch to sanction the DRI loans.

2.Copy of the letters emanated from LDM, Virudhunagar addressed to the Branch for sanctioning of DRI loans.

3.Applications with regard to the DRI loans from BDO, Arupukottai.



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4. *Communication after sanctioning the DRI loans from Branch to BDO.*

5. *Copy of the Special Inspection report by Mr.A.Gnaguru, SM, IC, Tanjore.*

6. *Copy of the Special Inspection report by Ramasamy, SM, IC, Tanjore.*

7. *Copy of the Special Inspection report by Mr.A.Raja, RDO, ZO:Tirunelveli dated 28.07.2012.*

8. *Regular Inspection report copy of Mr Sundaram for the year 2009.*

9. *Regular Inspection report copy of Mr Ashokan for the year 2010.*

10. *Copy of the Resolutions and Genuiness of the group (relating to imputation no.5) duly signed by the Project Officer and the Branch Manager along with the Group Representatives on various dates.*

11. *NPA statement for the month of August 2010.”*



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8. Admittedly, these documents were not furnished to the delinquent. The learned Single Judge had also given two reasons. (1) The delinquent was not charged with any act of misappropriation. (2) He was dealing with a difficult portfolio of handling self help group loans.

9. In normal circumstances, we would have remanded the matter to the file of the disciplinary authority. The delinquent gave his consent through his counsel that he would be satisfied if minor penalty is imposed on him.

10. Recording the concession given by the delinquent, instead of remanding the matter, we modify the punishment imposed on the writ petitioner. The modified punishment is as follows:-

“Reduction of pay by two stages for a period of one year without cumulative effect and not adversely affecting his pension”

11. We have taken recourse to this course of action for the simple reason that the delinquent was faced with two charge memos and both of



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them are almost similar though they are for a same period but pertained to two different sets of loan accounts. Therefore, the authority was not justified in taking a harsher view in respect of one delinquency while being rather lenient in respect of the other delinquency.

12.The order of the learned Single Judge is modified and the writ appeal is partly allowed. No costs. Consequently, connected miscellaneous petition is closed.

**(G.R.S. J.,) & (K.R.S. J.,)
19.08.2025**

NCC : Yes/No
Index : Yes / No
Internet : Yes/ No
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