WEB COPY

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 12.09.2025

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

W.P.(MD)No.18280 of 2019 &

W.M.P.(MD)Nos.14713 of 2019 & 1203 of 2020

1.The Managing Director Cum
Chief Executive Office,
Karur Vysya Bank Ltd.,
Central Office - HRD,
Erode Road, Karur - 639 002.

2.The General Manager,
Karur Vysya Bank Ltd.,
Central Office - HRD,
Erode Road, Karur - 639 002.

3.The Deputy General Manager - HRD,
Karur Vysya Bank Ltd.,
Central Office - HRD,
Erode Road, Karur - 639 002.

4.The Chief Manager,
Divisional Office,
Karur Vysya Bank Ltd.,
Madurai. ... Petitioners

Vs.

https://www.mhc.tn.gov.in/judis

WEB COPY

1.The Appellate Authority Under
The Tamil Nadu Shops and Establishments Act
(Joint Commissioner of Labour), Madurai.

2. C.Rajendirabhabu ... Respondents

Prayer: Writ Petition filed under Article 226 of the constitution of India, seeking for the issuance of Writ of Certiorari calling for the records of the order dated 27.03.2019 in TNSE Case No.3 of 2017 on the file of the first respondent and quash the same.

For Petitioners : Mr.P.Raghunathan
for M/s.T.S.Gopalan and Co.

For Respondents : Mr.Mohammed Imran
for M/s.Ajmal Associates for R2

Mr.S.Vinodh,
Government Advocate for R1

O R D E R

This writ petition has been filed to quash the order dated 27.03.2019 in TNSE Case No.3 of 2017 on the file of the first respondent.

2. The petitioners are officials of Karur Vysya Bank Limited. The Deputy General Manager - HRD / Disciplinary Authority issued a charge sheet on 12.09.2013 with six allegations against the second respondent.

https://www.mhc.tn.gov.in/judis

WEB COPY

Enquiry was conducted and the Authority has filed a Report on 19.04.2014, stating that five of the charges are proved and one charge is partly proved. Based on the Report, after issuing a second show cause notice, the third petitioner, the Disciplinary Authority by his proceedings dated 29.09.2014, has dismissed the second respondent from service. The second respondent has preferred an appeal before the General Manager / Appellate Authority and the same was rejected by order dated 19.12.2014. Thereafter, the second respondent preferred an appeal before the Appellate Authority under the Tamil Nadu and Shops and Establishments Act (Joint Commissioner of Labour, Madurai), the first respondent herein. The same was allowed by the first respondent on 27.03.2019, against which, the Management has filed this writ petition.

3. The learned counsel appearing for the petitioners submits that the charges levelled as against the second respondent are serious in nature. The second respondent / Branch Manager has abused his official position, received subsidy even before sanctioning loan, indulged in private transaction with the loanee and gave excess subsidy, received kick backs, granted One Time Settlement (OTS) without adhering to the OTS

https://www.mhc.tn.gov.in/judis

WEB COPY

sanctioning norms. Therefore, Charge Memo has been issued and proper enquiry has been conducted after affording opportunity to him. The enquiry officer has also given a finding that the charges have been proved and it is confirmed by the Appellate Authority. However, the first respondent without considering the findings of the General Manager / Appellate Authority, has erroneously allowed the appeal filed by the second respondent. He further submits that the second respondent who has acted beyond his Authority is deemed to have committed a misconduct. In support of his contention, he relied upon the decision of the Apex Court in the case of *Disciplinary Authority cum Regional Manager and others vs. Nikunja Bihari Patnaik* reported in *(1996) 9 SCC 69*. He also submits that even if there is no loss to the Bank, it cannot be an defence for misconduct, as per the findings of the Apex Court in the case of *State Bank of India and Another vs. Bela Bagchi and others* reported in *(2005) 7 SCC 435*.

4. The learned counsel for the second respondent submits that the second respondent has served without any bad remarks for a period of 20 years. There is no misappropriation as projected by the Management. It is one Praveen Kumar, a Loan Processing Officer, who has committed certain

https://www.mhc.tn.gov.in/judis

WEB COPY

mischief. Since the same has been questioned by the second respondent / Bank Manager, these charges have been levelled against him on the complaint of Praveen Kumar and he has been prosecuted for those charges. By referring to the first charge, he submits that, no doubt, the processing fees and the initial amount have been transferred from the savings bank account of the second respondent. However this account is a joint account, which stands in the name of the petitioner and his wife. The loanee is the second respondent's landlord. Therefore, his wife without his knowledge, transferred the amount to help the landlord, for which, the second respondent cannot be held accountable. He submits that the landlord, who has purchased a car by availing loan has also settled the same and hence, there is no loss caused to the Bank. Similarly, by referring to the other charge, he submits that the disbursement of subsidy and payment of excess subsidy were done by Loan Disbursing Officer, Mr.Praveen Kumar and the second respondent was not aware of it. With regard to the other charges, he submits that he is having a valid defence and the same has been properly appreciated by the first respondent / Appellate Authority. He also relied on number of Judgements on the scope of judicial review on the findings of the Appellate Authority.

https://www.mhc.tn.gov.in/judis

WEB COPY

5. This Court considered the rival submissions made and also perused the materials placed on record.

6. The second respondent was the Branch Manager of the petitioners' Bank. He was issued with the following charges on six allegations, on 12.09.2013, as under.

> *"01. You have failed to take all necessary steps to ensure and protect the interest of the Bank, failed to discharge your duties with utmost integrity, honesty, devotion and diligence and thereby acted in a manner unbecoming of a bank officer in violation of Regulation 3(1) of Karur Vysya Bank Officer Employees' (Conduct) Regulations.*
> *02. You have failed to act in your best judgement in the performance of your official duties in violation of Regulation 3(3) of Karur Vysya Bank Officer Employees' (Conduct) Regulations."*

7. A domestic enquiry was thereafter conducted. The Inquiry Officer found that five allegations have been proved and sixth allegation has been partly proved. Based on the Report, second show cause notice was issued to the second respondent and thereafter, an order of punishment has been

https://www.mhc.tn.gov.in/judis

WEB COPY

issued and he was terminated from service. The General Manager / Appellate Authority has rejected the appeal filed by the second respondent. However, the first respondent / Appellate Authority under the Tamil Nadu and Shops and Establishments Act (Joint Commissioner of Labour, Madurai) has allowed the appeal preferred by him.

8. Admittedly, a loan has been availed for purchasing a Skoda car in the name of the second respondent's landlord. A sum of Rs.8,00,000/- has been sanctioned as a loan. The loan was released on 03.05.2013 and it was closed on 05.06.2013 within a period of one month. The processing fee of Rs.2,250/- and margin amount of Rs.2,00,782/- were paid on behalf of the loanee from the savings bank account of the second respondent bearing No. 119415670. The defence taken during the trial is that the said account is a joint account and his wife has paid the amount to the landlord without his knowledge.

9. As per the Regulations of the Bank, a Bank Manager is not expected to have personal transaction with anybody. However, in violation of the same, the second respondent has permitted his wife to pay the

https://www.mhc.tn.gov.in/judis

WEB COPY

processing fee of Rs.2,250/- and margin amount of Rs.2,00,782/- on behalf of the loanee towards the Skoda car loan. The charges also read that the Skoda car was not produced before the Authorities. However, the first respondent / Appellate Authority, without any basis, has simply stated that the Skoda car was produced before the Authorities. The findings of the first respondent / Appellate Authority for this first charge itself would expose that the order of the first respondent is perverse. Hence, the impugned order is liable to be set aside.

10. The first respondent / Appellate Authority has allowed the appeal filed by the second respondent, setting aside the order of punishment and issued an order of reinstatement, against which, the present writ petition has been filed. There is an interim order by this Court, dated 13.03.2025, directing the petitioners to pay the last drawn wages, in terms of Section 41A of the Act to the second respondent from the month of March 2025. However, the second respondent is entitled for wages under Section 41A of the Act from 10.01.2020 i.e., the date on which, he has filed an affidavit that he is not gainfully employed elsewhere. Therefore, the petitioners' Bank is directed to pay wages under Section 41A of the Tamil Nadu and

https://www.mhc.tn.gov.in/judis

WEB COPY

Shops and Establishments Act to the second respondent from 10.01.2020 till February 2025.

11. In view of the above discussions, the Writ Petition stands allowed. The impugned order of the first respondent dated 27.03.2019 in TNSE Case No.3 of 2017 is set aside. No costs. Consequently, connected Miscellaneous Petitions are closed.

12.09.2025

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

mbi

To

1.The Appellate Authority under
The Tamil Nadu Shops and Establishments Act
(Joint Commissioner of Labour), Madurai.

https://www.mhc.tn.gov.in/judis

WEB COPY

B.PUGALENDHI, J.

mbi

W.P.(MD)No.18280 of 2019

12.09.2025

https://www.mhc.tn.gov.in/judis