



WEB COPY



W.P No.32692 of 2013

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.01.2026

CORAM

THE HONOURABLE MR.JUSTICE HEMANT CHANDANGOUDAR

W.P No.32692 of 2013

G.Selvakumar

..Petitioner

Vs

1. The Chairman & Managing Director,
Canara Bank
Corporate Office, Gandhi Nagar,
Bangalore-560009.

2.The General Manager (P) & Appellate Authority,
Personnel Department,
Canara Bank, Head Office,
Manipal -576104
Udupi District.

3.Deputy General Manager
& Disciplinary Authority,
Personnel Department and Disciplinary Authority,
Industrial Relation division
Canara Bank, Head Office,
Manipal-576104, Udupi District.
(R1 to R3 cause title amended vide
order of this Court dated 25.09.2023)

..Respondents



W.P No.32692 of 2013

Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records relating to the order dated 24.10.2009 passed by the 2nd respondent by proceedings No. 072/PD:IRD/DA-7 confirming the order of punishment passed by the 3rd respondent dated 02.07.2009 in proceedings No. 168/PD:IRD/DA-6 and quash the same and consequently direct the respondents to pay all attending benefits which the petitioner is entitled to from 02.07.2009 (date of order) to till date which is held up due to the above orders of the 2nd & 3rd respondents and pass such further or other orders.

For Petitioner : Mrs.S.Yogalakshmi
For M/s. K.Rajasekaran

For Respondents : Mr.P.Raghunathan
M/s. T.S.Gopalan & Co

ORDER

This Writ Petition has been filed challenging the proceedings of the second respondent dated 24.10.2009 bearing No.072/PD:IRD/DA-7, confirming the proceedings of the third respondent dated 02.07.2009. By the said proceedings dated 02.07.2009, the third respondent imposed the punishment of reduction in basic pay by one stage for a period of one year without cumulative effect and without adversely affecting the petitioner's pension, if he had opted for the same, and the said order was confirmed by the first respondent.

2. The petitioner, while serving as Senior Branch Manager, had applied for voluntary retirement. During the pendency of the said request, he was issued with a charge memo dated 12.05.2009 alleging that he had failed to ensure that



W.P No.32692 of 2013

the officials placed under his control were discharging their duties diligently, in accordance with the guidelines of the Bank, particularly while issuing cheque books and ATM cards to customers.

3. The petitioner submitted a written explanation denying the charges. The third respondent, vide order dated 02.07.2009, imposed the punishment of reduction of basic pay by one stage for a period of one year without cumulative effect. Challenging the said order of punishment, the petitioner preferred an appeal before the Appellate Authority/first respondent. The first respondent, vide order dated 24.10.2009, confirmed the said punishment. These orders are under challenge in the present Writ Petition filed on 03.02.2019.

4. The learned counsel for petitioner assails the impugned orders primarily on the ground that the relevant documents and materials relied upon by the Disciplinary Authority were not furnished to him; that the charges were framed when his request for voluntary retirement was pending consideration; that no departmental enquiry was initiated against the subordinate staff and officers who had actually committed the alleged acts; and that, as on the date of issuance of the ATM cards, he was working at Agra Cantonment Branch and not at Chennai George Town Branch. Hence, according to the petitioner, the



W.P No.32692 of 2013

impugned orders passed by the Disciplinary Authority and confirmed by the Appellate Authority are arbitrary, discriminatory, and legally unsustainable.

5. In response, Mr. P. Raghunathan, learned counsel for the respondent-Bank, submitted that the petitioner, as Branch Manager, was primarily responsible for preventing illegal activities by his subordinates and that his failure to discharge his duties diligently had necessitated the Bank to compensate customers to the extent of approximately ₹2.67 lakhs. Therefore, the impugned order, which does not suffer from any arbitrariness or illegality, does not warrant interference.

6. The arguments advanced by the learned counsel on either side and the materials placed on record have been duly considered.

7. In the show cause notice dated 12.05.2009, the following lapses were attributed to the petitioner:

1. Being in charge of the Branch, you failed to ensure that the staff members placed under you were discharging their duties diligently as per the guidelines Bank to protect the interest of Bank, while issuing cheque books /ATM card to the customers of the Branch.



WEB COPY



W.P No.32692 of 2013

- 2. You failed to report to the Competent Authority at RO regarding fraudulent withdrawal in customer's account caused through an ATM card issued by the Branch to a person other than account holder and kept them in the dark.***
- 3. You failed to obtain permission from your Higher Officials before parting with Bank's internal information to the outside investigation authorities.***

8. The petitioner submitted his reply to the show cause notice denying the allegations. He stated that the duties and responsibilities in question pertained to the officers concerned and that it was humanly impossible for a Branch Manager to minutely observe the day-to-day activities of staff members, particularly in respect of minor lapses such as non-filing of a requisition letter for issuance of a cheque book. Insofar as the issuance of ATM cards is concerned, the petitioner contended that specific office orders had been issued assigning responsibility to the concerned officers and that any lapse in that regard was attributable to such officers alone.

9. The petitioner further stated that no departmental action had been initiated against the subordinate staff who had allegedly issued the cheque book and debit/ATM cards. He also submitted that he had joined the George Town Branch only on 19.06.2006 and that the first ATM card had been issued when



W.P No.32692 of 2013

the Branch was functioning under the TBM system, at which point of time he was not posted there. The Branch had migrated to the CBS system in February 2005. As per the records available with the Branch, the ATM card issued under the CBS system was flagged to the Savings Bank account of Smt. Jai Kumari on 19.08.2005. This, according to the petitioner, clearly establishes that both the issuance of the ATM card under the TBM system and the subsequent issuance under the CBS system had taken place much prior to his joining at the George Town Branch.

10. Regulation 4 of the Syndicate Bank Officer Employees' (Conduct) Regulations, 1976 deals with minor penalties, and withholding of increment of pay, with or without cumulative effect, falls within the category of minor penalties.

11. Regulation 8 of the said Regulations prescribes the procedure for imposing minor penalties and does not contemplate the holding of a detailed enquiry. Regulation 20 stipulates that the employee concerned shall be informed in writing of the imputations of lapses against him and be afforded an opportunity to submit his written statement of defence within a period not exceeding 15 days. Any defence statement so submitted is required to be taken into consideration by the Disciplinary Authority before passing orders.



W.P No.32692 of 2013

12. In the impugned order passed by the third respondent, though the explanation submitted by the petitioner has been recorded, no reasons have been assigned for rejecting the same. The third respondent appears to have proceeded to pass the impugned order merely on verification of certain documents, without advertng to the petitioner's explanation. Further, the said documents were not furnished to the petitioner along with the charge memo.

13. The IP message dated 17.10.2008, reporting the incident by the customer, evidence that the fraud had already been reported. This fact is reflected in the orders passed by both the Disciplinary Authority and the Appellate Authority. Therefore, the allegation that the petitioner had furnished internal bank information to outside investigating authorities (Police) without obtaining prior permission from higher officials is misplaced and devoid of substance.

14. The further allegation that the petitioner had furnished internal bank information to outside investigating agencies without prior permission is also untenable, inasmuch as the petitioner had taken a categorical defence that the Manual Instructions authorised him to furnish such information to investigating agencies without prior sanction from higher officials. No material was placed to demonstrate that the subordinate staff who committed the alleged illegal acts



W.P No.32692 of 2013

were subjected to disciplinary proceedings or that appropriate punishment had been imposed on them, while fastening supervisory liability on the petitioner.

15. Furthermore, the petitioner was also subjected to another enquiry alleging negligence in the opening of bank accounts and sanctioning of loans, thereby exposing the Bank to financial risk, which culminated in his dismissal from service. The said punishment of dismissal was subsequently substituted with compulsory retirement by this Court in W.P. No. 32693 of 2013.

16. In light of the aforesaid discussion, I am of the considered view that the respondents have failed to establish the allegations against the petitioner. The impugned order has been passed without assigning reasons for rejecting the petitioner's explanation and is, therefore, arbitrary, discriminatory, legally unsustainable, and liable to be set aside.

17. Accordingly, the following order is passed:

(i) The Writ Petition is allowed.

(ii) The impugned order passed by the second respondent dated 24.10.2009 confirming the order of the third respondent dated 02.07.2009 is hereby set aside.



WEB COPY



W.P No.32692 of 2013

(iii) The respondents are directed to grant and disburse all attendant benefits to which the petitioner is entitled flowing from this order.

(iv) Consequently, the connected Miscellaneous Petitions are closed. There shall be no order as to costs.

30.01.2026

Index : Yes
Internet : Yes
Neutral Citation : Yes/No
ak



WEB COPY



W.P No.32692 of 2013

HEMANT CHANDANGOUDAR, J.

ak

W.P No.32692 of 2013

30.01.2026