IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-02-2026

CORAM

THE HON'BLE MR.JUSTICE HEMANT CHANDANGOUDAR

WP No. 42059 of 2016

Muthu Chandra Sekar

..Petitioner

Vs

1. The Secretary to the Government,
   Co operative Food and Consumer
   Protection Department,
   Fort St. George,
   Chennai.

2. The Joint Registrar of Co op Societies, Thoothukudi
   Region,
   Thoothukudi.

3. The Special Officer (presently ….),
   The Nazerath Urban Co operative Bank Ltd,
   Nazerth,
   Tuticorin District.

..Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for the issuance of a writ of Certiorari Mandamus calling for the records in G.O. Ms. No.181 dated 18.10.2013 passed by the first respondent, quash the same and direct the third respondent to reinstate the petitioner in service with all attendant benefits.

For Petitioner : Ms.D.Geetha

For Respondents : Mr.S.Ravikumar
Special Government Pleader (Co-operaive)
for R1 and R2

Mr.L.P.Shanmugasundaram
for R3

ORDER

The petitioner challenges the order dated 18.10.2013 issued by the first respondent. By the said order, the first respondent, in exercise of its powers under Section 153 of the Tamil Nadu Co-operative Societies Act, 1983, dismissed the revision petition and confirmed the orders passed by the Disciplinary Authority and the Appellate Authority dismissing the petitioner from service.

2. The petitioner, while serving as Cashier in the respondent Bank, was issued a charge memo dated 13.08.2002 containing three charges. The first charge alleged that, on 30.07.2002, during the auction of pledged jewellery , the petitioner committed breach of trust. The second charge alleged abetment of misconduct by the Branch Manager. The third charge alleged engagement in illegal acts, thereby tarnishing the reputation of the Bank.

3. The petitioner submitted a reply denying the charges. As the explanation was found to be unsatisfactory, a disciplinary enquiry was initiated.

The Enquiry Officer, after conducting the enquiry, submitted a report holding that the charges against the petitioner were proved. Upon receipt of the enquiry report, the third respondent issued a second show cause notice to the petitioner.

4. The petitioner submitted a further explanation challenging the findings of the Enquiry Officer and contended that relevant documents had not been furnished to him and, therefore, he did not effectively participate in the enquiry. The third respondent, after considering the enquiry report and the further explanation, passed an order dismissing the petitioner from service.

5. The petitioner challenged the said order before the Appellate Authority and thereafter before the Revisional Authority, namely the first respondent. However, the challenge was rejected and the order of dismissal was confirmed.

6. Learned counsel for the petitioner submitted that the allegation against the petitioner is only that he assisted the Branch Manager, who had allegedly not followed the prescribed procedure in conducting the auction of pledged jewels, thereby tarnishing the reputation of the Bank. It was further submitted that the departmental proceedings initiated against the Branch Manager culminated in dismissal from service, but the said dismissal was set aside by the Appellate Authority under the Tamil Nadu Shops and Establishments Act. The third respondent accepted the said order and disbursed all retirement benefits to the

Branch Manager.

7. Therefore, it was contended that there is no material to substantiate the allegation that the petitioner assisted the Branch Manager in violating the prescribed procedure. Hence, the impugned order passed by the third respondent and confirmed by the first respondent is not legally sustainable.

8. Per contra, learned State Counsel appearing for respondent Nos.1 and 2, and learned counsel appearing for respondent No.3, submitted that the petitioner was duty bound to report the illegal acts of the Branch Manager and that he actively assisted the Branch Manager in committing the said irregularities. It was further submitted that the findings of the Enquiry Officer are based on evidence on record and, in the absence of any perversity or arbitrariness, the order of dismissal does not warrant interference.

9. The submissions made by the learned counsel appearing on either side have been duly considered.

10. The sum and substance of the allegations against the petitioner are that while he was working as Cashier, he assisted the Branch Manager in committing irregularities during a gold loan auction held on 30.07.2002. It is claimed that certain pledged jewels were not properly sent to the Head Office for auction, false

entries were made to show that auction proceeds were received, and part of the money was not properly accounted for. Instead of reporting these irregularities, the petitioner allegedly supported the Branch Manager in creating false records, thereby causing financial loss to the Bank and bringing disrepute to the institution.

11. The departmental inquiry was also proceeded against the Branch Manager which culminated in dismissal from service. The order of dismissal was challenged by the Branch Manager under Section 41(2) of the Tamil Nadu Shops and Establishments Act, 1947 before the Deputy Commissioner of Labour Court, Tirunelveli-2 in Case No.TNSE.5/20. The Labour Court vide order dated 09.04.2007, held that there is no breach of trust, misappropriation, or abuse of authority occurred on the part of the Branch Manager and all the actions were carried out responsibly as Branch Manager, and furthermore the internal inquiry did not provide the Branch Manager with statutory salary during the period of suspension and accordingly, set aside the order of dismissal.

12. The said order has attained finality and the respondent No.3 has implemented the order by disbursing all the retirement benefits to the Branch Manager including all the dues. The respondent No.3 having accepted the said order against the Branch Manager against whom it was alleged that he did not follow the procedure prescribed in conducting the auction of the pledged jewels,

the allegation that the petitioner assisted the Branch Manager in committing the said illegality is without any substance and misplaced.

13. Furthermore, there is no allegation that the petitioner was entrusted with the responsibility of conducting the auction. There is also no material on record to substantiate the allegations made against him. The charges remain mere allegations without any supporting proof. In such circumstances, the impugned order passed by the third respondent and confirmed by the first respondent are not legally sustainable.

14. The writ petition is allowed. The G.O.Ms.No.181 dated 18.10.2013 is quashed. The third respondent is hereby directed to compute the pension and pensionary benefits to which the petitioner is admissible and disburse the same to the petitioner, within a period of three months from the date of receipt of a copy of this order. However, it is made clear that the petitioner is not entitled for arrears of salary from the date of dismissal till the date of superannuation by applying the principle no pay no work.

18-02-2026

Neutral Citation: Yes/No
MRN

To

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HEMANT CHANDANGOUDAR, J.

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