



WP Nos. 22613, 22869 and 23149 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 02.02.2026

PRONOUNCED ON : 13.02.2026

CORAM:

THE HONOURABLE MR. JUSTICE T.VINOD KUMAR

WP Nos. 22613, 22869 and 23149 of 2021

N.Sai Prasad

..Petitioner in all W.Ps

Vs

1. Indian Overseas Bank
Committee of Board (Reviewing Authority),
Central Office, No. 763, Anna Salai,
Chennai - 600 002.
2. Indian Overseas Bank
Committee of Board (Appellate Authority),
Central Office, No. 763, Anna Salai,
Chennai - 600 002.
3. Managing Director and Chief Executive
Engineer
(Disciplinary Authority), Indian Overseas



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Bank, Central Office, No. 763, Anna Salai,
Chennai - 600 002.

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4. Assistant General Manager and Board

Secretary

Indian Overseas Bank, Central Office, No.
763, Anna Salai, Chennai - 600 002.

5. General Manager

Human Resources and Management

Department, Indian Overseas Bank, Central
Office, No. 763, Anna Salai,
Chennai - 600 002.

..Respondents in all W.Ps

Prayer in W.P.No.22613 of 2021: Writ Petition is filed under Article 226 of the Constitution of India, praying to issue a Writ of certiorarified mandamus to call for the concerned records from the Respondents, quash the order of the 1st respondent dated 26.08.2021 bearing DO:RA:Board:VIG:IR/213:5450:2020-21 communicated through the 5th respondent, the order of the 2nd Respondent dated 27.01.2021 bearing DO:AA: Committee of Board: VIG:10215:5164:2020-21 communicated through the 4th respondent and the order of the 3rd respondent dated 31.01.2020 bearing No. DO:DA / MD and



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CEO / IR / 213 / Vig / 3178 / 2019-20 as illegal, arbitrary and contrary to law and consequently direct the respondent Bank to pay the monetary value of the reduction by one Grade in the scale of pay in respect of pension and encashment of leave salary and revise the pension of the petitioner, pay pension arrears and pay pension on the basis of not suffering any punishment.

Prayer in W.P.No.22869 of 2021: Writ Petition is filed under Article 226 of the Constitution of India, praying to issue a Writ of certiorarified mandamus to call for records from the respondents No.1 to 3 and quash the order of the 1st Respondent dated 26.08.2021 bearing DO:RA:Board:VIG:IR/ 10214 and 10215:5443:2020- 21 communicated through the 5th respondent, the order of the 2nd respondent dated 30.01.2021 bearing DO:AA: Committee of Board:VIG:10215:13480:2020-21 communicated through the 4th respondent and the order of the 3rd Respondent dated 31.01.2020 bearing DO:DA:MD&CEO:VIG:10214 &10215:4215 as illegal, arbitrary and contrary to law and consequently direct the respondent bank to pay the monetary value of the reduction in basic pay by one stage as on the date of retirement and revise the pension of the petitioner, pay pension arrears and



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COMMON ORDER

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Since the petitioner and the respondents in all the three writ petitions are one and the same, all the writ petitions are taken up for hearing together and are being disposed of by this common order.

2. The case of the petitioner is that he was appointed in the services of the respondent Bank in the year 1978 and after working at various places, he was posted to work as Chief Manager/Assistant General Manager -First Line at Rajbhavan Road Branch of the respondent Bank at Hyderabad, during the period 01.07.2007 to 31.05.2010; and that thereafter, he was transferred to respondent's Bank's Branch at Nariman Point, Mumbai and worked as Assistant General Manager from 01.06.2010 to 08.06.2012 and thereafter, was promoted as Deputy General Manager – First Line and worked at the same branch from 09.06.2012 to 01.09.2012.

3. The petitioner contends that while working in the aforesaid branches of the respondent, he did not face any charges; that at the fag end of his service, while he was due for his retirement on 31.01.2020, the respondents have issued three charge memos alleging that during his service



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at the aforesaid two branches between the period 2007 to 2012 he was not diligent and did not discharge duties as per the norms of the respondent Bank; and that by hurrying up the process of conducting enquiry, by appointing the Enquiry Officer, considering the explanation submitted by the petitioner to the charge memos, have passed three separate orders on 31.01.2020 and visited him with punishment/penalties :

- i) reduction in basic pay by one stage on the date of retirement;
- ii) reducing to a lower grade with immediate effect i.e., from Scale VII to VI and the pay is fixed at the maximum stage in Scale VI;
- iii) penalty of reduction by one stage in scale pay as on the date of retirement;

and that the respondent had passed all the aforesaid three (3) penalty orders on the last day of his service in order to prevent / settlement of terminal benefits on his retirement in the cadre in which he was last working i.e., Branch-General Manager.

4. It is also the further contention of the petitioner that, the 3rd respondent had passed the impugned orders pursuant to charge memos



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issued to him earlier alleging that while working as the Assistant General Manager-First Line at Hyderabad and thereafter as Assistant General Manager and Deputy General Manager – First Line at Mumbai during the period 2007 to 2010 and 2010 to 2012 respectively, he had recommended for granting of loans to two Firms at the respective locations without causing proper verification; and that based on his recommendation, the Regional Office of the respondent had advanced loans to the aforesaid Firms; and that the said loans advanced have become Non-Performing Assets (NPA) subsequently; that the petitioner failed to perform duties with utmost devotion and diligence; and that he did not adhere to the instructions contained in point no. X in Annexure to Vigilance Department, Central Office Circular ref. No. MISC/129/2007-08 dated 31.07.2007.

5. It is also contended that the respondents further alleged that the petitioner did not do proper due diligence on the supplier by making discreet enquiries; that the supplier had failed to supply the machineries to the borrower after receiving the advance loan from the respondent bank; that the petitioner during his tenure as Assistant General Manager/ Deputy General Manager did not ensure that the disbursed portion of loan was adequately



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secured by prime and collateral securities; and that due to the aforesaid omissions and commissions of the petitioner, monetary loss has been caused to the respondent bank involving public money.

6. It is the further case of the petitioner that the alleged incident in respect of which he has been issued with three charge memos by the 3rd respondent, relate to a period of 2007-2012; and that the said loan amount having become Non-performing Assets during the year 2016 after being serviced regularly by the borrower from the date of availing the said loan, the action of the respondents in issuing the impugned charge memos and passing the impugned orders on the date of his retirement from service on attaining the age of superannuation, is intended only to victimise the petitioner.

7. The petitioner further contended that since, the respondents by the charge memos issued and the impugned orders passed, admit to the fact that the 'occurrence of lapse' having taken place at an earlier point of time i.e., during the year 2007 – 2012, the initiation of disciplinary action by issuing charge memos and thereafter passing the impugned orders awarding



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punishments, are all beyond a period of four (4) years from the date of the alleged omission and commission committed by him and as such, the action initiated and the impugned orders by which he is visited with three (3) separate penalties, is contrary to Regulation 4(f) of Indian Overseas Bank Officer Employees' (Discipline & Appeal) Regulations 1976 (in short 'Regulations').

8. It is also contended by the petitioner that the action of the respondents in initiating disciplinary proceedings by issuing charge memos containing articles of charge are much after the alleged lapse of petitioner recommending for sanction of loans/advances to the borrower without undertaking due diligence, thereby not showing care to the discharge of duties and failing to protect and safeguard the interests of the bank, and relate to a period much beyond four years from the date of initiation of proceedings and thus, the disciplinary action initiated and impugned orders of punishment passed by the respondents are contrary to the "operational guidelines on Staff Accountability", as approved by the respondents' Board, issued in December 2019.



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9. The petitioner contended that as per the said guidelines, no disciplinary proceedings will lie against any official for any lapse not detected within two successive internal inspections or four years from the date of the event (i.e., the date of occurrence of the lapse), whichever is later; that since, the respondents admit that the alleged lapse on the part of the petitioner having occurred while he was working at Hyderabad and at Mumbai branches of the respondent Bank during the period 2007-2010 and 2010 -2012 respectively, the initiation of disciplinary action firstly, by issuing charge memos and thereafter passing the impugned orders of penalty are contrary to operational guidelines of the respondents and thus, the impugned orders as passed are void ab initio.

10. The petitioner further contends that the action of respondents in splitting up the alleged omissions and commissions and initiating three separate disciplinary proceedings and passing three separate orders, by which he has been visited with three different penalties are intended to harass the petitioner by entangling him in multiple disciplinary proceedings.

11. The petitioner contends that as the respondent Bank by the impugned orders, visited him with three penalties, i) reduction in basic pay



by one stage as on the date of retirement; ii) reduction in lower grade from Scale VII to Scale VI and iii) reduction by one stage in the scale of pay as on the date of retirement, the same are unenforceable, as by the date of the respondent passing the said order i.e. 31.01.2021, the salary of the petitioner for the month of January had already been credited to his account and thus, the said orders are unimplementable and unenforceable; and that such penalty cannot be awarded as per Regulation 4(f) of the regulations.

12. It is the further contention of the petitioner that, aggrieved by the orders passed by the 3rd respondent, awarding punishment of penalty, he had availed the remedy of appeal before the Appellate Authority as provided under Regulation 17; that the Appellate Authority however, rejected the appeal and confirmed the orders of the disciplinary authority without considering it in the correct and proper perspective; that the appellate authority rejected the appeal filed by him without assigning any reasons, and without passing a speaking order, and thus, abdicated his duty of the Appellate Authority.

13. The petitioner further contended that, aggrieved by the order in



appeal, he had preferred a review as per Regulation 18 of the Regulations; that the Reviewing Authority dismissed the review application by putting its stamp of approval on the appellate order without taking note of the fact that the appellate order was a non-speaking order and cannot stand on its own in absence of reasons, for it to be affirmed by the revisional authority.

14. It is the further case of the petitioner that the review order passed by the committee is vitiated, as one of the members of the committee which had considered the review application filed by the petitioner, had himself acted as the Enquiry Officer. For this reason also, the review order cannot be held to have been validly passed for it to be sustained.

15. In support of the aforesaid contentions, reliance is placed on the following decisions:

1. Mohd. Yunus Khan V. State of Uttar Pradesh and others – (2010) 10 SCC 539

2. Rattan Lal Sharma V. Managing Committee, Dr Hari Ram (Co-Education) Higher Secondary School and Others - (1993) 4 SCC 10

3. A.K. Kraipak & Ors. Etc Vs. Union of India & Ors - AIR 1970 SC 150

4. State Bank of India and Others Vs. D.C. Aggarwal and Another – (1993) 1 SCC 13



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***5. The Management of Tamil Nadu Vs.
J.Arumugam - W.A.(MD). No. 465 of 2013 and batch***

***6. Ministry of Defence and Others v. Prabhash
Chandra Mirdha - (2012) 11 SCC 565***

16. Contending as above, the petitioner seeks for quashing of the impugned and consequential proceedings as issued by respondents.

17. Counter affidavit on behalf of the respondents in W.P.No.22869 of 2021 and in WP.No.22613 of 2021 are filed.

18. The respondents by the counter affidavit in W.P.No.22869 of 2021 contended that the petitioner was issued with three charge memos dated 12.06.2019, 07.01.2020 and 27.01.2020 with regard to different charges; that the charge memo dated 27.01.2020 was issued to the petitioner for not conducting proper due diligence and also not taking proper steps in a timely manner while sending recommendation to the Regional Office for sanction of loans and also not causing verification of the supplier to whom part of the advance payment for supply of machinery to the borrower was paid, thereby, causing loss to the bank, resulting in loss of public money.



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19. By the counter affidavit, it is further contended that the petitioner was due for retirement on 31.01.2020; that the petitioner wanted to complete the disciplinary proceedings before due date; that on being issued with charge memo had submitted his explanation to the charge memo; that the petitioner also sought for enquiry to be completed immediately, to ensure that in the event of disciplinary proceedings not being finalised before the date of retirement, his terminal dues would not be settled on the date of his retirement; and that accordingly, the 3rd respondent completed the disciplinary proceedings by considering the explanation submitted by the petitioner and passed the impugned orders on 31.01.2020.

20. By the counter affidavit, it is further contended that in so far as the claim of the petitioner that all the disciplinary actions initiated relate to a lapse/incident which had taken place long back and as such, the authority being precluded from initiating action as per the “Staff Accountability Policy 2019”, the said pleas was never taken at the time of enquiry or before the imposition of punishment or in the appeal proceedings, and are raised for the first time only in the present writ petitions.



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21. The respondents by the counter affidavit also contended that the initiation of disciplinary/enquiry proceedings even if with a delay did not cause any prejudice to the petitioner, as the petitioner was given sufficient opportunity to defend himself.

22. By the counter-affidavit, it is also contended that the matter came to the notice of the respondent Bank Management only when the loan accounts of certain clients became Non-Performing Assets; that on investigation, the respondent have ascertained the loss was suffered due to the omissions and commissions on the part of the petitioner which could have been avoided, if only the petitioner had been diligent and acted in consonance with the Regulations of the Bank.

23. The respondent by the counter affidavit, further contended that all the charges made against the petitioner were in the normal course of banking business and thus, no prejudice is caused to the petitioner even if there occurred a delay in initiating the proceedings, as the enquiry authority after looking into the records, held that some of the charges proved and some not



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proved; and that the seriousness of proved charges are sufficient to condone the delay, even if there be any.

24. It is further contended that the respondent Bank conducted the enquiry in a fair and transparent manner; that the enquiry authority by his report, in respect of charge relating to recommending the proposal of QUAD Electronics Solutions Private Limited, held that the said charge as not proved; that the disciplinary authority also accepted the said findings of the enquiry officer; that in so far as the charge relating to recommending for release of loan for a sum of Rs.17 Crores to M/s.First Health Care Private Limited, Mumbai, the Enquiry Officer having found the charge as proved on account of lapse on part of the petitioner, the disciplinary authority has awarded the punishment of penalty.

25. On behalf of the respondents, it is further contended that the overall impact of the penalties imposed by the impugned orders is only around Rs.84/- and as such, this Court in writ jurisdiction cannot take up the examination of factual aspects by reappraising and re-evaluating the findings recorded by the disciplinary authority as confirmed in Appeal and review, by



replacing the conclusions arrived at by the disciplinary authority as confirmed by Appellate and Revisional authorities, with its own conclusions.

26. The respondent further contended that since, the Enquiry report had found only some of the articles of Charge as proved, the petitioner cannot claim that the Enquiry proceedings are vitiated or conducted in a biased manner for him to feel aggrieved.

27. By the counter affidavit, it is also contended that aggrieved by the disciplinary action, the petitioner had availed the remedy of appeal as well as the review as provided under Regulations 17 and 18 of the regulations; and that both the authorities having found as a fact, omission and commission on the part of the petitioner, this Court should not go into the factual aspects and considering the gravity of the misconduct committed by the petitioner, the impugned order does not call for any interference.

28. By the counter affidavit, it is further contended that in so far as the claim of the petitioner, of the review proceedings being vitiated on account of presence of the enquiry officer in the review committee, it is contended



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that the presence of the said member in the review committee was by virtue of position held by him as Executive Director of the respondents Bank; that being persona designata, mere presence of the Enquiry officer as one of the Member of the review committee did not cause any prejudice to the petitioner; and thus, the allegations of the review order being vitiated on account of the presence of the Enquiry Officer as a member of the Review committee, is baseless.

29. By the counter affidavit, it is also contended that if the petitioner was having any objection to the presence of the Enquiry Officer as member of the review committee, the petitioner ought to have raised objection on filing of the review application itself, as the composition of the review committee was well known being the Board of the respondent bank, and thus, petitioner cannot be permitted to raise the said plea after the review order going against him.

30. Contending as above, the respondents seek for dismissal of the W.P.No.22869 of 2021.

31. The respondent by the counter affidavit in W.P.No.22613 of 2021



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contended that the petitioner was issued with charge sheet dated 07.01.2020 relating to issue of false service certificate during the absorption process of messengers/sweepers in the year 2011-2012; that the petitioner taking advantage of settlement dated 17.02.2011 entered into between the management of the respondent Bank and the Union representing the workmen with regard to absorption of temporary messenger and sweepers, had issued a false certificate to one Mr. Ajit R Malpekar showing that he had worked for 240 days in a period of 12 consecutive calendar months, that too against the sanctioned vacancy for the said person to get his service regularised, even though the said person had only worked for 30 days intermittently.

32. By counter-affidavit, it is further contended that only after the CBI had received a number of complaints regarding large-scale malpractices with respect to absorbed persons, and ineligible persons obtaining permanent employment, the respondent Bank verified candidates' records and during the investigation, it transpired that even at the Nariman Point Branch, Mumbai, where the petitioner was the Branch Head, he had issued a certificate in favour of Mr. Ajith R Malpekar wrongly and based on the said



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certificate, the said person was absorbed into the respondent Bank's service.

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33. By the counter affidavit, it is further contended that only after complaints have been received by the CBI and on the respondent taking up verification, the aforesaid act of petitioner, had come to light and accordingly, an explanation was called for from the petitioner on 06.09.2019, followed by issuance of charge memo to which the petitioner had given his reply on 26.09.2019, denying the charges.

34. By the counter affidavit, it is contended that on petitioner denying the charge, the respondent bank ordered for domestic enquiry and examined the concerned staff who had conducted preliminary enquiry and found that the Branch manager who was working at the relevant point of time, had given the certificate in favour of Mr.Ajith R Malpaker as having worked continuously in the Bank during his tenure, even though there is no proof for payment of wages for the said period, and the available record being only for a period of 30 days.

35. The respondents, by counter-affidavit, further contended that the



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Enquiry Officer, after analysing the documentary and oral evidence adduced by the parties, concluded that the charges levelled against the petitioner were proved; and that the petitioner had acted in dereliction of his duties, which led to an ineligible person being employed in the Bank.

36. The respondent by the counter affidavit further contended that considering the long service put in by the petitioner with the respondent Bank, it had only awarded partly punishment of Grade reduction from Scale VII to Scale VI which is lesser in gravity than the charges levelled against the petitioner and the punishment awarded is proportionate to the proved misconduct.

37. In so far as the delay with regard to initiation of proceedings is concerned, it has been contended that only when complaints have been made to CBI, it had come to light that the malpractice have taken place with regard to implementation of agreement entered between the Employees Union on one hand and employer on the other hand, for absorption of sweepers and messengers in regular services of Bank and thus, the delay in initiating disciplinary action did not cause any serious prejudice to the



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petitioner.

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38. In so far as, the presence of the enquiry officer in the review committee is concerned, the stand taken in the counter affidavit in writ petition No.22869 of 2021 is reiterated.

39. The respondent on the basis of the submissions made in the above counter, contended that the punishment awarded to the petitioner is proportionate to the gravity of charges levelled and proved against him and as such, the petitioner cannot claim that the charges are not proved or that the penalty imposed is barred by limitation or intended only to harass him.

40. Contending as above, the respondents seek for dismissal of the writ petition.

41. I have taken note of the respective contentions.

42. Though on behalf of the petitioner as well as on behalf of the respondents, detailed submissions have been made touching upon the merits



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of the matter, it is to be noted that this Court in exercise of writ jurisdiction under Article 226 of Constitution of India does not act as an Appellate authority to take up the appeal examination on the articles of charge issued, explanation submitted and the order of penalty passed.

43. This Court in a writ jurisdiction also does not undertake the exercise of re-appraisal or re-evaluation of evidence to arrive at a different conclusion than the one arrived by the disciplinary authority or by the Appellate and revisional authority. Further, the Writ Court also cannot interfere with the quantum of punishment unless it is grossly disproportionate to the proved charges. (See: *Union of India v. Subrata Nath*, 2022 SCC OnLine SC 1617)

44. Keeping in consideration the aforesaid settled principle of law, the case of the petitioner is examined, it would be clear that this Court is only required to consider :-

i). whether the initiation of disciplinary action by the respondent in respect of the alleged lapse is within the period specified in Clause 14 of Chapter III of Staff Accountability



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Policy, 2019 of the respondent bank;

ii). Whether the non passing of speaking order and non recording of reasons by the Appellate authority can be held to be valid or the Appellate order on the said ground is vitiated; and

iii). Whether the Enquiry Officer being a member of review committee vitiates the review proceedings, causing prejudice to the petitioner.

45. In order to consider the claim of the petitioner of disciplinary action being initiated much after lapse of 4 years from the “occurrence of lapse” it would be appropriate to refer to Clause 14 of the Staff Accountability Policy, 2019 providing for “broad areas of responsibility” reading as under:

Clause 14: Limitation for taking action under this Policy:

“ No disciplinary proceedings will ordinarily lie against any official for any lapse not detected within two successive internal inspections or four years from the date of event i.e. date of occurrence of lapse, whichever is later.

Notwithstanding anything contained herein above if the lapses identified against any employee are found to be



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committed with malafide intention the concerned employee shall be accountable for such lapse. In cases where respective SAC observes that the lapse is committed with malafide intention then, respective SAC has to obtain concurrence of Competent Authority.

The Competent Authority in such cases shall be the following: -

- (i). For account involving Book outstanding less than 100 lakh, per borrower-Zonal Manager of the respective zone where the account exists.*
- (ii). For accounts involving book outstanding of Rs. 100 lakhs and above per borrower-Executive Director of the concerned Department.*

Based on such decision, the respective committee (ROSAC/ZOSAC/COSAC) should act accordingly.”

(Underlining supplied by Court)

46. The term ‘lapse’ as used in Clause 14 is defined in Clause 1.7 of the Policy and reads as under:

‘LAPSE’ defined

Any act of commission or omission in contravention of any laid down norms/systems & procedures/guidelines covered by Book of Instructions, Loan Policy, Document, Circulars



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or any other guidelines issued by way of circular letters and communicated to the branches from time to time in handling any credit proposal at any stage of the currency of the loan i.e., from the stage of accepting loan application to closure of the loan is a lapse. However, any deviation in respect of the above needs a written approval of the Competent Authority.

47. A reading of the definition of “lapse” as defined in the Policy and considering the limitation prescribed in Clause 14 of the Policy in Chapter -III of Policy, it could be clear that the respondents are required to initiate disciplinary proceedings against any official for any “lapse” within two successive internal inspections or 4 years from the date of “event / lapse” whichever is later.

48. Though, on behalf of the respondents, it is contended that the lapse on the part of the petitioner is for not causing due diligence at the time of making recommendations or devotion towards his duties, it is to be noted that the said acts are attributable only to the recommendations made by the petitioner during the year 2010 to 2012, on the basis of which, the Regional



Office had sanctioned the loans/advances to one M/s.First Health Care Private Limited. Thus, the event of lapse if any on the part of the petitioner, is for making the aforesaid recommendation.

49. While, the respondent contended that on account of the aforesaid recommendation, the Regional office having sanctioned the loan/advance amounts to the borrower and the said loan account having turned into Non-Performing Assets in the year 2016, the “lapse” complained against the petitioner is not relatable to the account becoming Non-Performing Assets at later date, but is in relation to recommending for sanction.

50. At this point, it is relevant to refer Clause 3.1. of the Staff Accountability Policy of the respondent bank, which reads as under:

Clause 3.1. The members may not be held responsible for accounts turning to NPA due to reasons beyond their control lest the “decision takers” will be at a disadvantage vis-à-vis those who do not take decisions at all. Microscopic scrutiny of all credit decisions with an obsessive pre-occupation with staff accountability will be counterproductive for a business organization where lending activity is the main bread earner. At the same time Bank officials must realize



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that they are the Custodians of Public Money held in trust. Hence, bank can ill afford to be lax on officials who indulge in motivated and reckless decision making, flagrantly violate the rules and policies of the bank and thereby cause damage to the organization.

51. A reading of the above Clause 3.1. of the Policy of the respondent bank makes it clear that the Members i.e, Bank employees cannot be held responsible for accounts turning into Non-performing Assets due to reasons beyond their control. In the facts of the present case on the recommendation of the petitioner, the Regional Office having sanctioned loan during the year 2011-12, and the said loan account having been regular till atleast 2015 and thereafter only becoming NPA in 2016, the respondent cannot hold the petitioner responsible for the said loan Account turning into an Non-Performing Asset 4 years later.

52. Further, as the policy of the respondent provides for time limit for initiating disciplinary action, it is not open for the respondents now to claim that the aforesaid “lapse” having come to their notice at a later stage, as late as during the year 2018 to 2020, for them to initiate disciplinary action by issuing the charge memo, conducting enquiry and passing impugned order

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on the basis of the Enquiry Report. Thus, the said contention advanced by the respondents, if accepted, then firstly, there would be no end (of time) for initiating action and secondly, limitation prescribed in the policy being rendered otiose and redundant.

53. Further, the respondents themselves having provided the time period for initiating disciplinary action, it would not lie in the mouth of respondents now to claim that the delay in initiating disciplinary proceedings would not and did not cause any prejudice to the petitioner.

54. It is also important to note that the respondent being a bank, its loan accounts are regularly audited in accordance with the guidelines issued by the Reserve Bank of India (RBI) from time to time as part of its internal control mechanism. Some of the audits which are conducted at different intervals are as follows:

- (i) Statutory Audit, - conducted annually;
- (ii) Concurrent Audit, involving continuous and/or examination of transactions;- monthly;
- (iii) Credit Audit,- conducted at intervals of three to six months; and
- (iv) Stock Audit, - conducted annually for working capital facilities



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such as cash credit and working capital loans.

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55. Further, the RBI also stipulates audits by issuing circulars and thus, the respondents cannot claim that the recommendation made by the petitioner for extending credit/loan facilities to M/s.First Health Care Private Limited, during the year 2010-2012 was not subjected to two successive internal inspections within given period of time i.e., 4 years. Even assuming no successive inspections took place, the 4-year period from the date of the “lapse” i.e., sending the recommendation for extending credit/financial assistance to the borrower having expired by the year 2016, the respondents are barred from initiating disciplinary proceedings by issuing the charge memo after 8 years of alleged “lapse” particularly, just before the petitioner retiring from service on attaining the age of superannuation. Thus, the claim of the respondents that the delay in initiating disciplinary action would not cause any prejudice to the petitioner does not impress this Court for being accepted.

56. On the other hand, initiation of proceedings under the three different charge Memos after lapse of such long period from the occurrence



of 'Lapse' would result in the entire proceedings being vitiated and in particular, when the petitioner was not even working at the relevant place or branch.

57. Thus, this Court is of the considered view that the initiation of disciplinary proceedings by issuing charge memo dated 12.06.2019, 07.01.2020 and 27.01.2020 are clearly barred by the limitation as provided in the respondents Policy.

58. The Division Bench of this Court, while considering a similar Clause as Clause 14 of the Policy providing for outer time limit of 4 years, in the case of ***K. Sadhasivam Vs. Principal District Judge, Thoothukudi District*** in W.P.(MD). No.30511 of 2024 (DB) by its order dated 14.10.2025 had held as under :

“11.....Therefore, it cannot be said that the charge sheet pertains to an event which had taken place within a period of four years preceding the date of institution. The embargo that the departmental proceedings shall not be initiated in respect of any event which took



place more than four years before such institution of charge sheet hits at the root of the contention of learned counsel for the respondent.”

59. Thus, it can safely be said that since, the charge memos as issued to the petitioner pertains to events / 'Lapses' that took place not within a period of four years preceding the date of institution of the proceedings, the embargo, that no departmental proceedings shall be initiated in respect of any event which took place more than four years prior to the date of issuance of the charge sheet would stand attracted.

60. As noted herein above, since “lapse” for which the petitioner is issued with charge sheet /charge memos resulting in passing the impugned orders by which, he is visited with separate penalties relate to the period 2010-2012, the same are beyond the period of 4 years and is clearly hit by the restriction imposed in Clause 14.

61. It is a trite law that the limitation is also a jurisdictional question (See: ***State of Punjab v. Bhatinda District Coop. Milk Producers Union***



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Ltd., (2007) 11 SCC 363).

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62. Further, Section 3 of Limitation Act, imposes a duty on Court to determine the limitation issue even if not pleaded and thus, the plea of limitation being a legal plea, such plea can be taken at any stage of the proceedings. The Hon'ble Apex Court in the case of ***Union of India and another vs. British India Corporation Ltd. And others***, reported in **(2003) 9 SCC 505** dealing with the aspect of limitations held as under:

“7..... the question of limitation is a mandate to the forum and, irrespective of the fact whether it was raised or not, the forum must consider and apply it, if there is no dispute on facts..... ,”

The said position of law has been reiterated in the case of ***State of Gujarat vs. Kothari and Associates*** reported in (2016) 14 SCC 761.

63. Though the respondents contended that the petitioner having not taken the plea of delay in initiating disciplinary action or being initiated after a long lapse of time and contrary to Clause 14 of the policy, it is to be noted that the petitioner had raised the said plea in the appeal filed under Regulation 17 of the Regulations before the Appellate Authority by referring



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to the Staff Accountability Policy. The said plea was also reiterated in the petition filed under Regulation 18 of Regulations. However, the said plea was not considered by either the Appellate Authority or the Reviewing Authority. The non-consideration of the said plea by both authorities, shows that they disposed of the appeal and review in a mechanical manner without considering the pleas taken. Thus, the respondents' claim in the counter-affidavit that the plea was taken for the first time is liable to be rejected.

64. On this Court coming to the conclusion that the impugned proceedings are barred by limitation, the other issues viz., Non-speaking Appellate order, and the enquiry officer being a Member of the Review Committee, thereby, making the said proceeding unsustainable, become academic. However, in order to decide the matter comprehensively, this Court intends to deal with the said pleas also.

65. As per the schedule appended to the Regulations, in respect of the employee in category of post in Scale VII, while the disciplinary authority is Chairman and Managing Director and in his absence, the Executive Director, the Appellate authority appointed under Regulations 17 is the “Committee of the Board” and Review authority under Regulation 18 is the



“Board” itself.

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66. Though it is stated that the appeal filed by the petitioner having been considered by the Appellate authority, it is to be noted that no order of appellate authority is communicated to the petitioner. On the other hand, the petitioner has been issued with a letter under the signature of the 4th respondent stating that he has been instructed to communicate the decision of the committee, that the appeal filed by the petitioner against the order of penalty imposed on him was found not to be interfered with and thereby, the appeal being dismissed, without enclosing therewith the decision of the appellate authority.

67. At the outset, it is to be noted that the appeal is a quasi-judicial proceeding and the concerned authority is required to discharge the said function by considering the appeal and recording its reasons for agreement or disagreement. Though in the facts of the present case, it is stated that the appellate authority being the committee of board, nonetheless, the said quasi-judicial functions bestowed on the committee cannot be turned into a formality like a regular board meeting. On the other hand the Appellate



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Authority being the committee members, the proceedings should indicate the members deliberating on the appeal and taking a decision to accept or reject the appeal by recording its reasons as to whether it was unanimously agreed by the committee or otherwise and communicating the same to the Appellant through its Secretary. The communication of the 4th respondent without enclosing the reasons of the Committee agreeing with the reasons of the disciplinary authority, cannot be considered as the committee discharging appellate functions of a quasi judicial nature. Thus, this Court has no hesitation to hold that the mere communication even be it of the decision of the Committee of Board cannot be considered as the decision of the Appellate authority without the order of the Appellate authority being enclosed with such communication.

68. Turning to the issue of the Enquiry Officer being a Member of the review committee under Regulation 18 of the regulations is concerned, it is to be noted that the Enquiry Officer who had conducted the enquiry against the petitioner in respect of the articles of charges having submitted his report stating that some of the charges as proved and other charge as not proved



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and based on the said report, the disciplinary authority having passed final order of penalty and the petitioner having filed the appeal and being unsuccessful, preferring a review, the presence of the Enquiring Officer as a member of the Board even though in the capacity of persona designata, vitiates the proceedings, as it is settled principle of law that, one cannot be a judge in his own case.

69. Though, on behalf of the respondents, it is contended that the Enquiry officer being one of the Member of the Board and as such, his presence would not have any hearing on the decision making process, it is to be noted that mere presence of the enquiry officer as Member of the Board itself is sufficient to cause prejudice and attracting the principle that justice is not only done but should appear to have been done. The fact that a Member of the Board who acted as an enquiry officer having not recused from the meeting of the Board whereat, the review application filed by the petitioner against the order of the disciplinary authority as affirmed by the Appellate authority, was the subject matter for consideration, resulted in the review proceedings being vitiated, and cannot be held as validly passed.

70. Thus, considered from any angle, this Court is of the considered



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view that the entire action as initiated, the order as passed by respondent No.3 awarding punishment and confirmed by the respondents 1 to 2 are contrary to Regulations and Policy of the respondents and thus, cannot be sustained.

71. Accordingly, the writ petitions are allowed and all the impugned proceedings passed by the respondents No.1 to 3 in relation to charge memos dated 12.06.2019, 07.01.2020 and 27.01.2020 are set aside. It is made clear that this Order cannot be made use in Criminal Proceedings if any pending against the petitioner, as the same is based on the questions framed and considered. No order as to costs.

13.02.2026

Msv

Index:Yes/No

Internet:Yes/No

Speaking order: Non-speaking order

Neutral Citation : Yes/No

To

1. Indian Overseas Bank

Committee of Board (Reviewing Authority),

Central Office, No. 763, Anna Salai, Chennai - 600 002.

2. Indian Overseas Bank

Committee of Board (Appellate Authority),

Central Office, No. 763, Anna Salai, Chennai - 600 002.

3. Managing Director and Chief Executive Engineer
(Disciplinary Authority),

Indian Overseas Bank, Central Office,

No. 763, Anna Salai, Chennai - 600 002.



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4. Assistant General Manager and Board Secretary

Indian Overseas Bank, Central Office, No. 763,
Anna Salai, Chennai - 600 002.

5. General Manager

Human Resources and Management Department,
Indian Overseas Bank, Central Office, No. 763,
Anna Salai, Chennai - 600 002.



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T.VINOD KUMAR,J.

Msv

Pre-Delivery order in

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