

Regional Manager vs N.V.Arunkumar

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SooperKanoon Citation : sooperkanoon.com/1648052

Court : Karnataka

Decided On : Oct-27-2025

Judge : D K Singh,Rajesh Rai K

Appeal No. : WP/1357/2021

Appellant : Regional Manager

Respondent : N.V.Arunkumar

Judgement :

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IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF OCTOBER, 2025 PRESENT THE HON'BLE MR. JUSTICE D K SINGH AND THE HON'BLE MR. JUSTICE RAJESH RAI K WRIT PETITION NO. 1357 OF 2021 (L-TER) C/W WRIT PETITION NO. 34310 OF 2017 (L-PG) IN WP No. 1357/2021 BETWEEN: REGIONAL MANAGER (THE DEPUTY GENERAL MANAGER) STATE BANK OF INDIA DAVANGERE REGION REGIONAL OFFICE, DAVANGERE-577 001 PETITIONER (BY SRI. T P MUTHANNA, ADVOCATE) Digitally signed by PANKAJA S AND: Location: HIGH COURT OF N.V. ARUNKUMAR KARNATAKA N.H. 13 MALLAPURA ROAD, KANAKANAGARA 5TH CROSS, NEAR

TARAMANDALA CHITRADURGA-577 501 RESPONDENT (BY SRI. R. RAMACHANDRAIAH, ADVOCATE) THIS WP IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA PRAYING TO CALL FOR THE ENTIRE RECORDS LEADING TO PASSING OF THE AWARD DATED COURT, BENGALURU AND ETC. -2- IN WP NO. 34310/2017 BETWEEN: SRI ARUN KUMAR N.V AGED ABOUT 46 YEARS, S/O SRI.B.N.VARADARAJ, R/AT NO.NH-13, HOSPET ROAD, 5TH CROSS, KANAKANAGARA, CHITRADURGA-577 501 ...PETITIONER (BY SRI. NAIK V.S, ADVOCATE) AND: THE GENERAL MANAGER(HR) SBI ST. MARKS ROAD BENGALURU-560 001

(AMENDED AS PER COURT ORDER

DATED 11.04.2018) ...RESPONDENT (BY SRI. J. PRADEEP KUMAR, ADVOCATE FOR SMT. K. SUBHA ANANTHI, ADVOCATE) THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO CALL FOR THE ENTIRE RECORDS FROM THE RESPONDENT PERTAINING

TO ANNEX-D AND H; QUASH (i) PENSION PAYMENT ORDER

DATED 19.8.2014 AND (ii) THE REPLY RECEIVED FROM THE BANK BEARING REF. NO.PGP / PENSION DATED 17.1.2015 RECEIVED FROM THE RESPONDENT - BANK THE ORIGINALS AT ANNEX-D AND H RESPECTIVELY. THESE PETITIONS, COMING ON FOR ORDERS, THIS DAY,

ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE D K SINGH and

HON'BLE MR. JUSTICE RAJESH RAI K

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ORAL ORDER

(PER: HON'BLE MR. JUSTICE RAJESH RAI K) Both the employee and the employer-Bank have preferred these writ petitions.

2. The employee in WP.34310/2017 is seeking quashing of

pension payment order dated 19.08.2014, and a direction to the Bank to re-fix the pension by reckoning the period of suspension as period spent on duty and full salary as on the date of cessation of employment from the Bank and to pay arrears of pension and commutation benefit along with interest at 12% p.a.

3. The employer - Bank in WP.1357/2021 is seeking quashing of award dated 19.06.2020 in ID.No.40/2013 passed by the Central Government Industrial Tribunal (CGIT).

4. The facts of the case are that the employee was

appointed in the employer-Bank with effect from 06.02.1995. While he was working as a Special Assistant at Hosadurga Branch of e-State Bank of Mysore, now State Bank of India had committed certain serious misconduct and as such, he was placed under suspension on 10.06.2011 and was thereafter -4- issued with charge sheet on 16.04.2012. After holding disciplinary proceedings, the employee was removed from

services of the Bank with effect from 23.03.2013 with superannuation benefits in terms of Clause 6(b) of Bipartite Settlements dated 10.04.2002. Aggrieved by the same, the employee preferred an appeal before the Appellate Authority and the Appellate Authority, after consideration of material documents, has rejected the appeal. Against which, the employee raised an industrial dispute before the Assistant

Labour Commissioner and on failure of conciliation, he submitted a report to the appropriate Government. Thereafter, the dispute was referred to the CGIT,.

5. In the meanwhile, even after removal from service, the

employee was not paid gratuity as per his entitlement, however, he received a sum of Rs.2,58,200/- towards gratuity. As such the employee approached the

Controlling Authority under the Payment of Gratuity Act claiming balance amount of gratuity along with interest. The said application was partly allowed vide order dated 24.06.2015 by the Assistant Labour Commissioner and Controlling Authority. The Bank was directed to pay the difference of gratuity amount of Rs.81,568/- along

-5- with interest at Rs.55,047/-. Against which, the Bank preferred an appeal before the Chief Labour Commissioner (Central) and Appellate Authority. The said appeal came to be dismissed vide

order dated 30.09.2016 and the Bank was directed to pay

Rs.72,737/- towards the difference of gratuity along with interest of Rs.54,156/-. Though the said order was complied by the Bank, it did not fix the pension and payment of commutation amount by reckoning the period of suspension as service on the date of cessation of the employment of the employee. Thereafter, the Bank has issued Pension Payment

Order dated 19.08.2014 to the employee. Since the said

payment order was incorrect, the employee submitted several representations and the Bank rejected the claim of the petitioner. Aggrieved by which, the employee is before this Court.

6. Subsequently, the CGIT passed an award dated

19.06.2020 setting aside the punishment of removal from service imposed on the employee dated 22.03.2013 and directed the Bank to reinstate the employee to his original post with continuity of service and 40% backwages, which is challenged by the Bank before this Court. -6-

7. We have heard Sri Naik V.S., learned counsel for the employee and Sri J.Pradeep Kumar, learned counsel for Smt.K.Subha Ananthi, learned counsel for the employer - Bank.

8. Learned counsel for the Bank contended that the

misconduct committed by the respondent is prejudicial to the interest of the Bank, inasmuch as the current account and SB account of employee's wife disclosed several cash transactions which were disproportionate to known sources of his income, for which the employee had not satisfactorily explained and some of the transactions were more than Rs.50,000/-. In addition, the employee had

caused financial loss to the Bank by crediting the commission amount to his wife's account instead of crediting to Bank's commission account. Apart from the same, in respect of corresponding transfer credit vouchers of documentation charges, the employee credited the same to his wife's accounts and additionally, the employee took gold loan in the name of third party and transferred

-7- the same to his wife's account and repayment of said loan was made through the account of employee's wife, which was a gross misconduct in terms of paragraph 5 (j) of the Memorandum of Settlement dated 10.04.2002.

9. It is also contended that though all the allegations were proved in the disciplinary proceedings, the CGIT has erred in holding that there is no direct evidence that

the employee got the benefit of loan transactions pertaining to third party and as such, he has made undue profit out of the same. The CGIT has also erred in holding that the irregularities committed by the employee do not come under the purview of misconduct, though the employee has committed misconduct prejudicial to the interest of the Bank by not adhering to the procedure and

guidelines of the Bank by misusing the public money.

Thus, the CGIT without considering the materials in right perspective, has ordered reinstatement of the employee with 40% backwages, which requires to be interfered with -8- at the hands of this Court. With these submissions, he prays to allow the writ petition filed by the Bank.

10. On the other hand, since the petitioner in his petition is seeking quashing pension payment order, learned counsel appearing for the employee contended

that the

order passed by the Appellate Authority under Payment of

Gratuity Act dated 13.09.2016 directing the Bank to pay Rs.72,737/- towards difference amount of gratuity and Rs.54,156/- towards interest i.e., totaling to Rs.1,26,893/- is totally incorrect and as such, the Bank is duty bound to re-fix the pension of the employee by recalling the period of suspension as period spent on duty with full salary as on date cessation of the employment of the employee with the Bank.

11. He further contended that admittedly, in the gratuity claim application filed by the employee, the period of suspension was ordered to be recalled for the purpose of gratuity since the said period was also treated as qualifying service. The order passed by the Controlling -9-

Authority in respect of difference of gratuity amount was confirmed in the statutory appeal filed by the Bank and the Bank thereafter complied the said order. In such circumstances, the Bank ought to have treated the period of suspension as period on duty. Accordingly, he prays to allow the petition of the employee.

12. It could be gathered from records that in respect of

charge No.1 i.e., transactions in the current account/SB account of his wife were disproportionate to the known source of income of the employee, the CGIT has held that the said charge cannot be said to be prejudicial to the interest of Bank since the same was not proved to be misconduct as contemplated in para 5(j) of Bipartite Settlement. In respect of charge No.2 i.e., transactions of credit, debit vouchers from the account of loanees towards documentation charges were credited to the account of employee's wife, the CGIT has held the then Manager had ratified the same and even there was no complaint to the

Bank from any loanees that documentation charges - 10 -

deducted was exorbitant and that there was no calculation as to how much amount the Bank had incurred towards said expenses. In respect of charge No.3

i.e., negligence of employee involved the Bank in serious loss, the CGIT has held that the amounts are credited to account of the employee's wife and as such, for any acts committed by his wife, the employee cannot be faulted. In respect of charge No.4 that the loan was granted to third party and the same was transferred to the account of employee's wife, the CGIT held that there was no direct evidence that the employee got the benefit of loans transaction thereby made undue profit out of it.

13. On careful perusal of charges, the findings of the CGIT and the evidence on record, it is clear that the employee had caused financial loss to the Bank by crediting the commission amount to his wife's account

instead of Bank's commission account. Further, the transactions of credit, debit vouchers from the account of loanees towards documentation charges were credited to - 11 -

the account of employee's wife. The disciplinary enquiry depicts that the loan of Rs.2,00,000/- has been granted in the name of third party and the same was transferred to the account of employee's wife and that she was repaying the same through her account. As such, the act of employee has definitely caused severe repercussions on the Bank financial transactions.

14. The Bank employee is expected to maintain absolute integrity and honesty since the Bank is the custodian of public money and the public have utmost trust and faith on the Bank.

15. In view of the aforesaid, we are of the opinion that

the CGIT has set aside the order of removal of service of the employee based on surmise and conjectures which requires interference at the hands of this Court. Thus, the

order of the CGIT ordering reinstatement of the employee

with backwages being a very lenient approach of the CGIT, is set aside. However, in view of the charges leveled against the employee, we are of the opinion that the

matter requires reconsideration at the hands of the General Manager of State Bank of India, Regional Office, Davanagere, in respect of quantum of punishment, since the employee is 55 years old and is still having service. The General Manager is directed consider the plea of the employee afresh in respect of quantum of punishment, within a period of two months from the date of receipt of a copy of this order. Till such time, if the Bank is paying wages as per Section 17B of the Industrial Disputes Act to the employee, the same shall be continued.

16. Accordingly, the writ petition of the Bank is allowed in part. Consequently, the writ petition of the employee does not survive for consideration for the time being.
SD/- (D K SINGH) JUDGE SD/- (RAJESH RAI K) JUDGE PKS/List No.: 1 SI No.: 24