

State Bank of Indore

Vs

Govindrao

Civil Appeal No. 3136 of 1991

(J. S. Verma, S. C. Sen, S. P. Kurdukar JJ)

17.01.1997

JUDGMENT

SEN, J. -

1. Govindrao was an agent of Ujjain Branch of the State Bank of Indore. On 18-3-1977 a charge-sheet was served upon him in which it was alleged that loans were granted from his Branch of the Bank in total disregard of the rules regulating grant of such loans which had become irrecoverable and thereby had caused loss to the Bank. Govindrao was supplied with copies of all the documents demanded by him and was permitted to inspect records, vouchers, etc. but he did not file any reply to the allegations made against him. The Enquiry Officer found Govindrao guilty of negligence in the matter of granting of the loans and made his report after waiting for the report reply from Govindrao for a considerable period of time. Thereupon the Disciplinary Authority issued a show-cause notice to Govindrao calling upon him to show cause why he should not be dismissed. On 28-9-1977 Govindrao informed the Disciplinary Authority that the Development Officer, Shri Sharda, was primarily responsible for granting of the irrecoverable loans. Govindrao had acted only in supervisory capacity.
2. On 3-10-1977 the Disciplinary Authority, after taking into consideration the objection filed by Govindrao, passed an order dismissing him from service. On 2-6-1978 the Bank paid Govindrao full Provident Fund which was forwarded along with a letter of the same date. On 5-6-1978 Govindrao accepted the Provident Fund amount subject to certain objections and claim of interest. On 18-7-1978, an appeal preferred by Govindrao against the order of dismissal, was dismissed by the appellate authority. Nearly four years thereafter, another appeal (described as special appeal) was filed by Govindrao which was again dismissed.
3. Nothing happened thereafter for nearly five years. On 6-4-1987 Govindrao decided to move a writ petition challenging the validity of the order of dismissal passed on 3-10-1977. The writ petition came to be heard by a Division Bench of the Madhya Pradesh High Court. By a judgment and order dated 21-6-1990, V.D. Gyani and A.G. Qureshi, JJ, quashed the order of dismissal. V.D. Gyani, J., speaking for the Bench, held that the writ petitioner must be deemed to have retired on his due date of retirement i.e. 9-10-1977. The Bank was directed to pay all the dues, Provident Fund, pension, gratuity to the writ petitioner within three months from the date of the judgment.
4. The Bank has come up in appeal against this judgment.
5. It is difficult to see how this writ petition was entertained at all by the High Court. The date of dismissal was 3-10-1977. The appeal against that order was dismissed on 18-7-1978. The writ

petitioner did not choose to challenge that appellate order by way of a writ petition. What was described as special appeal was again dismissed on 12-5-1982. There was no reason for the High Court, after a long lapse of nearly ten years from the date of the order of dismissal, to entertain the writ petition and quash the order of dismissal. We are of the view that the High Court should not have entertained that at all. It should have been dismissed in limine.

6. Giani, J. examined the charges framed against Govindrao and held that "the chat-gee put tougher, merely point to lack of supervision or negligence".

7. This lack of supervision or negligence resulted in grant of huge irrecoverable loans by the Bank. The higher the position of an officer the greater is his responsibility. The power conferred on Sharda in the matter of granting of loans cannot absolve Govindrao in any way. In any event, an order of dismissal passed on 3-10-1977 cannot be entertained and set aside by a writ court after a long lapse of nearly 10 years by re-evaluating the evidence and reappraisal of the charge-sheet.

8. This appeal is allowed. The order passed by the High Court dated 21-6-1990 is set aside.

9. When the special leave petition was moved, on 26-11-1990 an interim order was passed directing the appellant Bank to pay the respondent an amount of Rs. 15,000 subject to adjustment within four weeks. It is directed that the respondent will be entitled to retain the said sum of Rs. 15,000. The Bank will play off all the outstanding dues to the respondent which may be payable to him in accordance with the rules, if any, as expeditiously as possible.

10. There will be no order as to costs.