IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

TUESDAY, THE NINETEENTH DAY OF AUGUST TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH AND

THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT APPEAL NO: 731 OF 2025

Writ Appeal under clause 15 of the Letters Patent preferred against the order dated 25/04/2025 in W.P.No.33546 of 2021 on the file of the High Court.

Between:

The Punjab National Bank, Represented by Disciplinary Authority (Zonal Manager) Zonal Office, Lakdikapul, Hyderabad.

.....PETITIONER / RESPONDENT IN W.P

AND

Mattapudi Bhanu Chand, S/o Mattapudi Ashok Babu, Aged about 40 years, Occ ; Employee under disciplinary proceedings, R/o Door No. 17-6-11, Pezzonipet, Vijayawada, Krishna District, A.P. 520 003.

.....RESPONDENT/PETITIONER IN W.P

I.A.NO:2 OF 2025

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the order dated 25/04/2025 passed in W.P. No. 33546/2021 by the Hon'ble Learned single Judge, pending disposal of the above writ appeal.

Counsel for the Appellant : SRI V.MURALI MANOHAR, LEARNED COUNSEL APPEARING FOR SMT V.DYUMANI

Counsel for the Respondents : SRI N.KUMARASWAMY

The Court made the following JUDGMENT : -

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT APPEAL No. 731 of 2025

JUDGMENT:

Heard Sri V. Murali Manohar, learned counsel appearing for Smt. V. Dyumani, learned counsel for the appellant and Sri N. Kumaraswamy, learned counsel for the respondent/writ petitioner.

2. The respondent/writ petitioner, who was working as an Officer-in-charge of Toopran Branch, Secunderabad Circle, of the appellant bank in 2016, was proceeded in a departmental enquiry on the basis of an allegation that he committed pre-sanction lapses and post-sanction lapses and sanctioned loans beyond his vested powers and not moved confirmation of action, by charge sheet dated 01.10.2020. The statement of imputation of misconduct in support of article of charge was on 191 such instances enumerated under the article of charge from Page Nos.53 to 97 of the memo of appeal.

3. Under Regulation 6 of Punjab National Bank Officer Employees' (Discipline & Appeal) Regulations, 1977 (for short 'the Regulations, 1977'), procedure for imposing major penalties is prescribed which reads as under:

> **"6. Procedure for Imposing Major Penalties:**
>
> (1) No order imposing any of the major penalties specified in clauses (f), (g), (h), (i) and (j) of Regulation 4 shall be made except after an enquiry is held in accordance with this regulation.
>
> (2) Inquiring Whenever the Disciplinary Authority is of the opinion that there are grounds for into the truth of any imputation of misconduct or misbehaviour against an officer employee, it may itself enquire into, or appoint any other person who is, or has been, a public servant (hereinafter referred to as the inquiring authority) to inquire into the truth thereof.
>
> In view of shortage of experienced senior executives for conducting departmental enquiries, the Board of Directors in its meeting held on 27.12.2006 has approved the empanelment and appointment of retired officers as Inquiry Officer, from among those who retired as officers in SMG Scale IV & V & TEG Scale VI & VII.
>
> **Explanation:**
>
> When the Disciplinary Authority itself holds the inquiry any reference in sub-regulation (8) to sub-regulation (21) to the inquiring authority shall be construed as a reference to Disciplinary Authority.
>
> (3) Where it is proposed to hold an inquiry, the Disciplinary Authority shall, frame definite and distinct charges on the basis of the allegations against the officer employee and the articles of charge, together with a statement of the allegations, list of documents relied on along with copy of such documents and list of witnesses along with copy of statement of witnesses, if any, on which they are based, shall be communicated in writing to the

officer employee, who shall be required to submit, within such time as may be specified by the Disciplinary Authority (not exceeding 15 days), or within such extended time as may be granted by the said Authority, a written statement of his defence;

Provided that wherever it is not possible to furnish the copies of documents, disciplinary authority shall allow the officer employee inspection of such documents within a time specified in this behalf;

(4) On receipt of the written statement of the officer employee, or if no such statement is received within the time specified, an enquiry may be held by the Disciplinary Authority itself, or if it considers it necessary so to do appoint under Sub-regulation (2) an Inquiring Authority for the purpose.

Provided that it may not be necessary to hold an enquiry in respect of the articles of charge admitted by the officer employee in his written statement but shall be necessary to record its findings on each such charge.

(5) The Disciplinary Authority shall, where it is not the inquiring authority, forward to the inquiring authority:

(i) a copy of the articles of charges and statements of imputations of misconduct or misbehavior;

(ii) a copy of the written statement of defence, if any, submitted by the officer employee;

(iii) a list of documents by which and list of witnesses by whom the articles of charge are proposed to be substantiated;

(iv) a copy of statements of the witnesses, if any;

(v) evidence proving the delivery of the articles of charge under sub-regulation (3);

(vi) a copy of the order appointing the 'presenting officer' in terms of sub-regulation (6)

(6) Where the Disciplinary Authority itself enquires or appoints an inquiring authority for holding an inquiry, it may, by an order, appoint a public servant to be known as the 'Presenting Officer' to present on its behalf the case in support of the articles of charge.

(7) The officer employee may take the assistance of any other officer employee but may not engage a legal practitioner for the purpose, unless the presenting officer, appointed by the Disciplinary Authority is a legal practitioner or the Disciplinary Authority, having regard to the circumstances of the case so permits.

Note:

The officer employee shall not take the assistance of any other officer employee who has two pending disciplinary cases on hand in which he has to give assistance.

(8) (a) The Inquiring Authority shall by notice in writing specify the day on which the officer employee shall appear in person before the inquiring authority.

(b) On the date fixed by the Inquiring Authority, the officer employee shall appear before the Inquiring Authority at the time, place and date specified in the notice.

(c) The Inquiring Authority shall ask the officer employee whether he pleads guilty or has any defence to make and if he pleads guilty to any of the articles of charge, the Inquiring Authority shall record the plea, sign the record and obtain the signature of the officer employee concerned thereon.

(d) The Inquiring Authority shall return a finding of guilt in respect of those articles of charge to which the officer employee concerned pleads guilty.

(9) If the officer employee does not plead guilty, the Inquiring Authority shall adjourn the case to a later date not exceeding 30 days or within such extended time as may be granted by the Inquiring Authority.

(10) The Inquiring Authority while adjourning the case as in sub-regulation (9), shall also record by an order that the officer employee may for the purpose of preparing defence.

(i) complete inspection of the documents as in the list furnished to him immediately and in any case not exceeding 5 days from the date of such order if he had not done so earlier as provided for in the proviso to sub-regulation (3);

(ii) submit a list of documents and witness, that he may want for the enquiry;

(iii) give notice within ten days of the order or within such further time not exceeding ten days as the Inquiring Authority may allow for the discovery or production of the documents referred to in item (ii)

Note: The relevancy of the documents and the examination of the witnesses referred to in item (ii) shall be given by the officer employee concerned.

(11) The Inquiring Authority shall, on receipt of the notice for the discovery or production of the documents, forward the same or copies thereof to the authority in whose custody or possession the documents are kept with a requisition for the production of the documents, on such date as may be specified.

(12) On receipt of the requisition under sub-regulation (11), the authority having the custody or possession of the requisitioned documents, shall arrange to produce the same before the Inquiring Authority on the date, place and time specified in the requisition;

Provided that the authority having the custody or possession of requisitioned documents may claim privilege if the production of such documents will be against the public interest or the interest of the bank. In that event, it shall inform the Inquiring Authority accordingly.

(13) On the date fixed for the inquiry, the oral and documentary evidence by which the articles of charge are proposed to be proved shall be produced by or on behalf of the Disciplinary Authority. The witnesses produced by the Presenting Officer shall be examined by the Presenting Officer and may be cross-examined by or on behalf of the officer employee. The Presenting Officer shall be entitled to re-examine his witnesses on any points on which they have been cross examined, but not on a new matter, without the leave of the Inquiring Authority. The Inquiring Authority may also put such questions to the witnesses as it thinks fit.

(14) Before the close of the case, in support of the charges, the Inquiring Authority may, in its discretion, allow the Presenting Offer to produce evidence not included in the charge sheet or may itself call for

new evidence or recall or re-examine any witness. In such case the officer employee shall be given opportunity to inspect the documentary evidence before it is taken on record, or to cross-examine a witness, who has been so summoned. The Inquiring Authority may also allow the officer employee to produce new evidence, if it is of the opinion that the production of such evidence, is necessary in the interests of justice.

(15) When the case in support of the charges is closed, the officer employee may be required to state his defence, orally or in writing, as he may prefer. If the defence is made orally it shall be recorded and the officer employee shall be required to sign the record. In either case a copy of the statement of defence shall be given to the Presenting Officer, if any, appointed.

(16) The evidence on behalf of the officer employee shall then be produced. The officer employee may examine himself in his own behalf, if he so prefers. The witnesses produced by the officer employee shall then be examined by the officer employee and may be cross-examined by the Presenting Officer. The officer employee shall be entitled to re-examine any of his witnesses on any points on which they have been cross-examined, but not on any new matter without the leave of the Inquiring Authority.

(17) The Inquiring Authority may, after the officer employee closes his evidence, and shall, if the officer employee has not got himself examined generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the officer employee to explain any circumstances appearing in the evidence against him.

(18) The Inquiring Authority may, after the completion of the production of evidence, hear the Presenting Officer, if any appointed, and the officer employee or permit them to file written briefs of their respective cases within 15 days of the date of completion of the production of evidence, if they so desire.

(19) If the officer employee does not submit the written statement of defence referred to in sub- regulation (3) on or before the date specified for the purpose or does not appear in person, or through the

assisting officer or otherwise fails or refuses to comply with any of the provisions of these regulations, the inquiring authority may hold the inquiry ex-parte.

(20) Whenever any Inquiring Authority, after having heard and recorded the whole or any part of the evidence in an inquiry ceases to exercise jurisdiction therein, and is succeeded by another Inquiring Authority which has, and which exercises, such jurisdiction, the Inquiring Authority so succeeding may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor, and partly recorded by itself;

Provided that if the succeeding Inquiring authority is of the opinion that further examination of any of the witnesses whose evidence has already been recorded is necessary in the interest of justice it may recall, examine, cross-examine and re-examine any such witnesses as herein before provided.

(21) (i) On the conclusion of the inquiry, the Inquiring Authority shall prepare a report which shall contain the following:

(a) a gist of the articles of charge and the statement of imputations of misconduct or misbehavior;

(b) a gist of the defence of the officer employee in respect of each article of charge;

(c) an assessment of the evidence in respect of each article of charge;

(d) the findings on each article of charge and the reasons therefor.

Explanation - If, in the opinion of the Inquiring Authority, the, proceedings of the inquiry establish any article of charge different from the original article of charge, it may record its findings on such article of charge;

Provided that the findings on such article of charge shall not be recorded unless the officer employee has either admitted the facts on which such article of charge is based or has had a reasonable opportunity of defending himself against such article of charge.

(ii) The Inquiring Authority, where it is not itself the Disciplinary Authority, shall forward to the Disciplinary Authority the records of inquiry which shall include -

(a) the report of the inquiry prepared by it under clause (i);

(b) the written statement of defence, if any, submitted by the officer employee referred to in sub-regulation (15);

(c) the oral and documentary evidence produced in the course of the inquiry;

(d) written briefs referred to in sub-regulation (18), if any; and

(e) the orders, if any, made by the Disciplinary Authority and the Inquiring Authority in regard to the inquiry."

4. Annexure III of the charge sheet refers to the list of copies of documents/witnesses, if any, which is extracted hereunder:

"**List of copies of documents/witnesses, if any:**

Annexure to Charge Sheet dated ____/___/2020 (Major-Vigilance): Shri Bhanuchand Mattapudi, while working as Officer / Officer-Incharge for alleged lapses committed by him at BO: Toopran (9197), Secunderabad Circle.

1. Copies of connected accounts record/vouchers/printouts pertaining to charges contained in the charge sheet. All entered, posted and verified transactions/ID numbers (M) in CBS system contained in the charge sheet should be thoroughly examined/scrutinized and case be presented strongly before the Enquiry Officer with all the required documents as above or which she/he may deem fit for the charges to be proved.

2. Presenting Officer should ensure to verify as to how and by debit to which accounts all these entries were reversed.

The Presenting Officer, if any, to be appointed by the Bank reserves the right to add or delete any documents while presenting the case."

5. Undisputedly, no list of documents or copies of such documents and list of witnesses or copies of statement of witnesses, if any, as required to be furnished along with the articles of charge under Regulation 6(3) of the Regulations, 1977, were supplied to the writ petitioner/Charged Officer. The enquiry was concluded by imposition of major penalty of COMPULSORY RETIREMENT *vide* order dated 01.11.2021. The writ petitioner filed a representation seeking *de novo* enquiry on 25.11.2021 which was rejected treating it as an appeal *vide* order dated 21.11.2022. In the meanwhile, the Charged Officer/respondent herein had preferred Writ Petition No.33546 of 2021 challenging the punishment imposed in violation of principles of natural justice and the Regulations, 1977. The learned writ Court on being satisfied with the case of the writ petitioner set aside the impugned order dated 01.11.2021 and directed the appellant bank to conduct *de novo*

enquiry into the allegations against the writ petitioner strictly in conformity with the applicable Regulations and conclude it and pass appropriate orders within a period of four (4) months. During that period, the writ petitioner was kept to be under suspension and to be paid subsistence allowance as per Rules. This aggrieved the bank to prefer this appeal.

6. During the course of hearing, learned counsel for the appellant bank has not been able to dislodge the specific ground urged by the writ petitioner as upheld by the learned writ Court that the disciplinary proceedings were conducted without conforming to the procedure prescribed under Regulation 6 of the Regulations, 1977, i.e., without supplying the list of documents/copies of documents and list of witnesses/statement of witnesses to the Charged Officer. The disciplinary authority also did not specifically aver that it is not possible to furnish the copies of documents in which case the employee was allowed inspection of such documents within a timeframe as per proviso to Regulation 6(3) of the Regulations, 1977. In order to meet this infirmity, during the course of submissions, learned counsel for the appellant bank

has produced a memo which contains the minutes of the disciplinary enquiry of the writ petitioner. He refers to the minutes dated 10.05.2021.

7. A perusal of the minutes dated 10.05.2021 indicates that on that date, for the first time, 434 Management Exhibits were proposed and produced before the Enquiry Officer. The Charged Officer was asked whether he has any objection to any of the documents, to which, he replied 'No'. On the next date i.e., 01.06.2021, the Charged Officer submitted documents in support of his defence which were also accepted and marked as Defence Exhibits 1 to 236. The Charged Officer did not produce any witness in his support on being asked. Based on these minutes, learned counsel for the appellant bank has sought to fulfill the infirmity in initiation of the departmental proceedings and submitted that the documents as relied upon by the Presenting Officer were duly given to the Charged Officer during the course of enquiry proceedings. He has also sought to refer to the findings recorded by the Enquiry Officer *vide* his report dated 21.09.2021 asking the Charged Officer to submit his views within seven (7) days from the

date of receipt of the same. It is submitted that the Charged Officer/employee was in complete knowledge of the contents of the documents as reflected from the enquiry report which were supplied to him for furnishing his views after conclusion of the enquiry proceedings and before the order of penalty was passed.

8. The procedure for imposing major penalties under Regulation 6 of the Regulations, 1977, requires not only the articles of charge together with a statement of allegations but also the list of documents relied on along with copy of such documents and list of witnesses along with copy of statement of witnesses, if any, on which they are based, to be communicated in writing to the employee for submission of written statement of his defence. In the absence of such documents or statement/list of witnesses and statement of witnesses, the delinquent employee is precluded from properly and effectively furnishing his written statement of defence. Regulation 6(4) of the Regulations, 1977, provides that only after receipt of the written statement of the officer employee, or if no such statement is received within the time specified, an