IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

TUESDAY, THE FOURTEENTH DAY OF JULY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT APPEAL NO: 1503 OF 2025

Writ Appeal under clause 15 of the Letters Patent preferred against the order dated 03/03/2025 in W.P.No.13749 of 2020 and pass on the file of the High Court.

Between:

E.Rajanna, S/o. Late Ramaiah, Age 59 years, R/o.H.No.9-6/40/3/303, Eshwarapri Colony, Nagaram, Keesara Mandal, R.R.District.

.....APPELLANT/WRIT PETITIONER

AND

1. Telangana Grameena Bank, Head Office. H.No.2-1-520, 2nd Floor, Vijayasri Sai Celestia, Street No.9, Shankarmatt Road, Hyderabad - 500044, Rep. by its Chairman.
2. Board of Directors-cum-Appellate Authority,, Telangana Grameena Bank, Head Office. H.No.2-1-520, 2nd Floor, Vijayasri Sai Celestia, Street No.9, Shankarmatt Road, Hyderabad 500044.

.....RESPONDENTS/RESPONDENTS

Counsel for Appellant : SRI VEDULA SRINIVAS, COUNSEL REPRESENTING M/s VEDULA CHITRALEKHA

Counsel for Respondents : SRI MUJIB KUMAR SADASIVUNI, STANDING COUNSEL SRI MUJIB KUMAR SADASIVUNI

The Court made the following JUDGMENT : -

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

<u>WRIT APPEAL No.1503 of 2025</u>

<u>DATE:14.07.2026</u>

Between:

E.Rajanna

....Appellant

And

Telangana Grameena Bank,

and another

....Respondents

<u>JUDGMENT</u>

Heard Mr. Vedula Srinivas, learned Senior Counsel representing Ms.Vedula Chitralekha, learned counsel for the appellant and Mr. Mujib Kumar Sadasivuni, learned Standing Counsel appearing for the respondent-Bank and perused the record.

Introduction

2. This writ appeal is filed by the appellant, Sri E. Rajanna, a former field supervisor of the respondent Bank, under Clause 15 of the Letters Patent, challenging the common order dated 03.03.2025 passed by a learned Single Judge of this Court in W.P.No.13749 of 2020 and other analogous writ petitions filed by other bank officials. The appellant seeks to challenge the learned Single Judge's order insofar as it permitted the respondent Bank to re-conduct the disciplinary enquiry and failed to direct payment of pensionary benefits upon setting aside the order of dismissal.

3. The appellant was dismissed from service on 23.01.2020 following a departmental enquiry into allegations of gross negligence, failure to exercise supervisory functions, and collusion in a large-scale fraud that caused substantial financial loss to the Bank. Aggrieved thereby, the appellant filed W.P.No.31749 of 2020, which was disposed of along with a batch of similar writ petitions vide common order dated 03.03.2025.

The Order of the Learned Single Judge

4. The learned Single Judge, after considering the rival submissions, framed five issues for determination, which are reproduced in the common order. The primary issues were:

a) Whether photocopies of Bank records could be marked as exhibits and whether they constitute admissible evidence in a domestic enquiry;

b) Whether mere marking of documents without proving their contents would satisfy the requirement of proof of misconduct;

c) Whether the charges stood proved in the domestic enquiry;

d) Whether the scope of judicial review under Article 226 is confined to examining the procedure followed; and

e) What relief the petitioners are entitled to.

5. The learned Single Judge held that the photocopies of the Bank records, which were in the custody of the CBI, could not be treated as admissible evidence in the enquiry, as they were not certified by the authority in whose custody the original documents lay. It was further held that mere marking of an exhibit does not dispense with the proof of documents, and the Management witnesses had failed to prove the contents of the documents or the allegations against the petitioners. Consequently, the learned Single Judge found that the disciplinary enquiry was vitiated due to violation of the principles of natural justice and the Bank's Service Regulations.

6. Accordingly, the learned Single Judge set aside the order of dismissal from service and directed the respondent Bank to either reconsider imposing a lesser punishment than dismissal or to re-initiate disciplinary action against the employees by following due process of law. The Bank was further directed to release provisional pension to the petitioners till a decision was taken.

The Respondent Bank's Appeal and the Division Bench Judgment

7. The respondent Bank, aggrieved by the directions of the learned Single Judge, filed a batch of writ appeals including W.A.No.665 of 2025 (arising out of W.P.No.13749 of 2020 filed by the appellant herein), challenging the common order dated 03.03.2025.

8. This Court, *vide* common judgment dated 03.09.2025, allowed the aforesaid writ appeals filed by the Respondent-Bank. This Court in the said common judgment held as follows:

i. The direction of the learned Single Judge to the Bank to impose a lesser punishment upon the delinquent employees was legally impermissible. If the disciplinary enquiry was found to suffer from serious infirmities, the proper course was to remit the matter to the enquiry officer for fresh proceedings from the stage of adducing evidence, cross-examination, and other necessary steps.

ii. The allegations against the officers were of a serious nature, involving dereliction of duty resulting in substantial financial loss to the Bank. Therefore, the learned Single Judge ought not to have given an option to the disciplinary authority to impose a lesser punishment and thereby allow the employees to escape the consequences of the serious charges.

iii. The Division Bench referred to Regulation 45 of the Deccan (now Telangana) Grameena Bank (Officers and Employees) Service Regulations, 2010, which permits continuation of disciplinary proceedings even after an employee's retirement.

iv. The Division Bench held that the procedure adopted by the Bank in obtaining photocopies from the custody of the CBI without seeking permission from the Special CBI Court was not proper in law. However, it clarified that if the documents are duly obtained with permission of the court or if copies were prepared before submission to the CBI, the necessity of seeking fresh permission would not arise.

v. The Division Bench set aside the latter part of the learned Single Judge's direction which gave the Bank the discretion to impose a lesser punishment and directed the Bank to conclude the disciplinary proceedings within a time-bound manner, preferably within six months from the date of receipt of the order.

The Present Writ Appeal by the Individual

9. The appellant has now filed the present writ appeal challenging the same common order dated 03.03.2025 passed by the learned Single Judge. The appellant seeks the following reliefs:

i. Setting aside the order of the learned Single Judge insofar as it permitted the Bank to re-conduct the enquiry;

ii. A direction to the respondent Bank to pay pensionary benefits to the appellant, as the order of dismissal has been set aside.

Submissions on behalf of the Appellant

10. Learned Senior Counsel for the appellant advanced the following submissions in support of the present appeal:

i. The learned Single Judge, after a thorough analysis of the evidence on record, categorically found that the charges levelled against the appellant were not proved in the domestic enquiry. The findings of the Single Judge were based on the specific conclusion that the photocopies of Bank records, which formed the bedrock of the prosecution case, were inadmissible as secondary evidence, and the Management witnesses had failed to prove the contents of the documents or connect them to the alleged misconduct. Once the learned Single Judge set aside the dismissal order on the substantive ground of failure to prove the charges, it was incumbent upon the learned Single Judge to direct the respondent Bank to reinstate the appellant with pensionary benefits. The learned Single Judge erred in giving the Bank an option to re-conduct the enquiry, as that would be tantamount to giving the Bank a second chance to make out a case that it had failed to establish in the first instance.

ii. The learned Senior Counsel for the appellant further argued that the direction to re-conduct the enquiry is wholly unjustified, especially in light of the fact that the appellant was superannuated on 31.10.2019. The disciplinary proceedings have already consumed over a period of time and a fresh enquiry would cause immense hardship and mental agony to the appellant, who has served the Bank for several years with an unblemished record. The learned Senior Counsel for the appellant asserted that the Bank's failure to obtain certified copies of the original documents from the CBI was deliberate and intentional, and no sympathy should be extended to the Bank for its own lapses.

iii. That Regulation 45 of the Regulations, has no application to the facts of the present case. Drawing the attention of this Court to Regulation 45(1), learned counsel submitted that the said provision applies only to an officer or employee who is under suspension on a charge of misconduct and attains the age of superannuation during the pendency of disciplinary proceedings. According to him, the Appellant was never placed under suspension at any point of time and, therefore, Regulation 45(1) is wholly inapplicable.

iv. That Regulation 45(3) also does not come to the aid of the respondent-Bank, as it contemplates a situation where disciplinary proceedings have been initiated prior to superannuation but remain pending on the date of retirement. In the present case, however, the disciplinary proceedings had culminated in a final order dated 23.01.2020 imposing the punishment of dismissal from service.

v. That upon the passing of the order of dismissal, the employer-employee relationship between the parties stood terminated. The notional extension of service contemplated under Regulation 45 is confined only to facilitating the completion of disciplinary proceedings and cannot be extended beyond the passing of the final order. Consequently, when the learned Single Judge set aside the order of dismissal, the appellant's service did not automatically revive, nor did the respondent-Bank acquire any jurisdiction to recommence the disciplinary proceedings.

vi. That it is a well-settled principle of service jurisprudence that disciplinary proceedings are a creature of the employer-employee relationship and cannot be initiated or continued after an employee attains the age of superannuation unless the governing service regulations specifically authorize such continuation. According to him, in the absence of an express statutory provision permitting a fresh or de novo enquiry after retirement, the respondent-Bank lacks jurisdiction to recommence the disciplinary proceedings.

vii. That the legal fiction created under Regulation 45 cannot be extended beyond the purpose for which it was enacted. Once the object of the fiction, namely completion of the disciplinary proceedings by passing a final order, stood achieved, the fiction ceased to operate. It was submitted that the Court cannot recreate or enlarge the statutory fiction so as to enable the respondent-Bank to reinitiate disciplinary proceedings after the earlier proceedings had culminated in a final order which was subsequently set aside.

Submissions on behalf of the Respondent

11. *Per contra*, the learned Standing Counsel for the respondent Bank raised the following preliminary and substantive objections:

i. The present writ appeal is not maintainable and is barred by the doctrine of *res judicata*. The respondent Bank had filed W.A.No.665 of 2025 challenging the same common order dated 03.03.2025. The appellant was a respondent in the said writ appeal and was also represented by his counsel. This Court, after hearing the parties, passed a comprehensive judgment dated 03.09.2025, which expressly dealt with and decided the very issues that the appellant now seeks to raise. The Division Bench held that when a disciplinary enquiry is vitiated due to procedural irregularities, the proper course is to remit the matter to the enquiry officer for fresh proceedings from the stage of adducing evidence, and that the direction to impose a lesser punishment was legally impermissible. These findings have attained finality and binding on the appellant. Having failed to file a cross-appeal or cross-objections in the Bank's appeal, the appellant cannot now be permitted to reagitate the same issues in a separate proceeding.

ii. The learned Standing Counsel for the respondent-Bank on the merits submitted that the learned Single Judge did not hold that the charges were not proved as a matter of fact. The finding was that the charges were not proved because the evidence was not properly admitted. The charges are of a serious nature, involving a huge financial loss of over Rs.8.94 crores to the Bank. The Bank has a legitimate right to prove the charges in a properly conducted enquiry. The direction to re-conduct the enquiry is in accordance with law and is supported by Regulation 45 of the Service Regulations, which permits continuation of disciplinary proceedings even after superannuation. The appellant's entitlement to pensionary benefits, if any, could be determined only upon the conclusion of the fresh disciplinary proceedings. The learned Standing Counsel for respondent-Bank prayed for dismissal of the appeal.

iii. That Regulation 45(3) of the Regulations squarely governs the present case. According to the learned counsel, the appellant's contention that the disciplinary proceedings had attained finality upon the passing of the order dated 23.01.2020 is misconceived; that the proceedings cannot be said to have concluded until a legally sustainable final order is passed. Since the order of dismissal was set aside by the learned Single Judge on account of procedural infirmities and violation of the principles of natural justice, the same cannot be treated as a valid final order.

iv. That the object underlying Regulation 45 is to ensure that disciplinary proceedings are not rendered infructuous merely because an employee attains the age of superannuation. The appellant is deemed to continue in service solely for the limited purpose of continuation and conclusion of the disciplinary proceedings. According to the learned counsel, once the earlier punishment order was set aside more particularly with the liberty to the employer to re-initiate the disciplinary proceedings, the disciplinary proceedings stood revived, and consequently the statutory fiction of continuation in service also continued to operate.

v. That where a statute creates a legal fiction, the same must be carried to its logical conclusion. The fiction of continuation in service under Regulation 45 is not exhausted merely upon passing the initial punishment order but extends until the disciplinary proceedings culminate in a legally valid final order.

Analysis and Findings of the Court

12. The present writ appeal is not maintainable on the ground of *res judicata*. The relevant facts which compel us to arrive at the said conclusion are as follows:

i. The respondent Bank filed W.A.No.665 of 2025 challenging the learned Single Judge's common order dated 03.03.2025.

ii. The appellant herein was the respondent in the said writ appeal.

iii. The Division Bench of this Court, by its judgment dated 03.09.2025, disposed of the Bank's appeal.

iv. The appellant was represented by counsel in the said appeal.

v. The appellant did not choose to file any cross-appeal or cross-objections challenging the findings of the learned Single Judge which were adverse to his interests, in the above said writ appeal filed by the Respondent-Bank.

13. The principle of *res judicata* is founded on the doctrine that there must be an end to litigation. The principle of *res judicata* provides that no Court shall try any suit or issue in which the matter directly and substantially in issue has been directly and substantially in issue in a former suit or legal proceeding between the same parties.

14. The principle applies not only to suits but also to writ proceedings and appeals. The Division Bench, in the earlier appeal, directly and substantially decided the following issues:

i. That the learned Single Judge erred in giving an option to the Bank to impose a lesser punishment upon the delinquent employees.

ii. That the proper course, when a disciplinary enquiry is vitiated due to procedural irregularities, is to remit the matter back to the enquiry officer for fresh proceedings from the stage of adducing evidence.

iii. That the disciplinary proceedings can be continued even after superannuation in terms of Regulation 45 of the Service Regulations.

15. These findings were rendered after hearing the parties, including the present appellant who was the respondent in that appeal. The appellant was represented by his counsel and had a full opportunity to raise all contentions, including the argument that the Bank should not be permitted to re-conduct the enquiry and that full pensionary benefits ought to be paid. Despite having an opportunity, the appellant chose not to file a cross-appeal or cross-objections in the said writ appeal filed by the respondent-Bank.

16. The issue that the appellant now seeks to raise in the present appeal, namely, that the learned Single Judge ought not to have permitted re-conduct of the enquiry and ought to have ordered pensionary benefits was directly and substantially in issue in the earlier appeal. The Division Bench has already decided that the proper course is to re-conduct the enquiry. This finding is final and binding on the appellant. The appellant cannot be permitted to reagitate the same issue in a separate appeal. The present appeal is clearly barred by the principle of *res judicata*.

17. It is pertinent to note that if a respondent does not file cross-objections, he is deemed to have accepted the decree or order and cannot challenge it subsequently. The appellant, having failed to file cross-objections in the Bank's appeal, is estopped from challenging the learned Single Judge's order in a separate writ appeal. The finding that re-conduct of the enquiry is the proper course, having been arrived at by the Division Bench in the Bank's appeal, operates as *res judicata* against the appellant.

18. The Hon'ble Supreme Court in ***Kaushik Coop. Building Society v. N. Parvathamma***[1] by reiterating the view taken in ***Sri Bhavanarayanaswamivari Temple v. Vadapalli Venkata Bhavanarayanacharyulu***[2], observed that:

> *"8. ....the doctrine of res judicata is not confined to a decision in a suit but it applies to decisions in other proceedings as well. But how far a decision which is rendered in other proceedings will bind the parties depends upon other considerations one of which is whether that decision determines substantial rights of parties and the other is whether the parties are given adequate opportunities to establish the rights pleaded by them. The doctrine of res judicata is not confined to the limits prescribed in Section 11 of the Civil Procedure Code. The underlying principle of that doctrine is that there should be finality in litigation and that a person should not be vexed twice over in respect of the same matter."*
>
> *(Empahsis supplied)*

19. The Hon'ble Supreme Court in ***Sheodan Singh v. Daryao Kunwar***[3] has held that where several proceedings to which the parties are common are disposed of through a common judgment, failure to prefer an appeal against one or some of proceedings covered by the judgment

[1] (2017) 13 SCC 138
[2] (1970) 1 SCC 673
[3] AIR 1966 SC 1332

would bring about finality to it and the same would operate as *res judicata*. The relevant portion of the said decision is extracted hereunder:

> *24. A consideration of the cases cited on behalf of the appellant therefore shows that most of them are not exactly in point so far as the facts of the present case are concerned. Our conclusion on the question of res judicata raised in the present appeals is this. (Where the trial court has decided two suits having common issues on the merit and there are two appeals therefrom and one of them is dismissed on some preliminary ground, like limitation or default in printing, with the result that the trial court's decision stands confirmed, the decision of the appeal court will be res judicata and the appeal court must be deemed to have heard and finally decided the matter. In such a case result of the decision of the appeal court is to confirm the decision of the trial court given on merits, and if that is so, the decision of the appeal court will be res judicata whatever may be the reason for the dismissal. It would be a different matter, however, where the decision of the appeal court does not result in the confirmation of the decision of the trial court given on the merit, as for example, where the appeal court holds that the trial court had no jurisdiction and dismisses the appeal even though the trial court might have dismissed the suit on the merits.) In this view of the matter, the appeals must fail, for the trial court had in the present case decided all the four suits on the merits including the decision on the common issues as to title. The result of the dismissal on a preliminary ground of the two appeals arising out of suits Nos. 77 and 91 was that the decision of the trial court was confirmed with respect to the common issues as to title by the High Court. In consequence the decision on those issues became res judicata so far as appeals Nos. 365 and 366 are concerned and s. 11 of the Code of Civil Procedure would bar the hearing of those common issues over again. It is not in dispute that if the decision on the common issues in suits Nos. 77 and 91 has become res judicata, appeals Nos. 365 and 366 must fail.*
>
> *(Empahsis supplied)*

20. The learned Single Judge set aside the order of dismissal on the ground that the enquiry was vitiated due to procedural irregularities. The learned Single Judge did not order reinstatement with full pensionary benefits but gave the Bank an option to either impose a lesser punishment or re-conduct the enquiry. This Court, in the Bank's appeal, set aside the option of imposing a lesser punishment and directed that the enquiry be re-conducted. Since the order of dismissal has been set aside and the matter is remitted to the enquiry officer for fresh proceedings, the question of payment of pensionary benefits does not arise at this stage. The appellant's entitlement to pensionary benefits, if any, will be determined upon the conclusion of the fresh disciplinary proceedings. If the appellant is exonerated in the fresh enquiry or if a lesser punishment is imposed, he may be entitled to consequential benefits as per the rules. However, at this stage, no direction for payment of pensionary benefits can be issued. The appellant cannot claim pensionary benefits merely because the earlier dismissal order was set aside on technical grounds.

21. The principal contention that Regulation 45 of the Regulations, does not permit the respondent-Bank to continue the disciplinary proceedings against the appellant after his attaining the age of superannuation, particularly when the earlier order of dismissal has been set aside and the matter has been remitted for continuation of the enquiry, does not merit acceptance.

22. We are unable to accept the contention that Regulation 45(3) is inapplicable. In our considered opinion, Regulation 45(3) is couched in wider terms and applies to every officer or employee against whom disciplinary proceedings have been initiated prior to superannuation. It specifically provides that, notwithstanding cessation from service on attaining the age of superannuation, the disciplinary proceedings shall continue as if the employee remained in service until the proceedings are concluded and a final order is passed.

Conclusion

23. For the foregoing reasons, this Court is of the considered view that the present writ appeal *vide* W.A.No.1503 of 2025 is devoid of merits and is not maintainable. The appeal is barred by the principle of *res judicata*. The issues raised by the appellant were directly and substantially decided by the Division Bench in the W.A.No.665 of 2025 filed by the respondent Bank. The appellant, having been a party to that appeal and having failed to file cross-objections, cannot now reagitate the same issues. The direction to re-conduct the enquiry is in accordance with law and is a proper course of action when the disciplinary enquiry is found to be vitiated due to procedural irregularities. The appellant cannot claim reinstatement or full pensionary benefits merely because the dismissal order was set aside on technical grounds. The appellant's entitlement to pensionary benefits, if any, will be determined upon the conclusion of the fresh disciplinary proceedings.

24. Accordingly, the Writ Appeal is dismissed.

As a sequel, miscellaneous petitions, pending if any, stand closed. No costs.

SD/- MOHD. ISMAIL
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. One CC to M/s VEDULA CHITRALEKHA, Advocate [OPUC]
2. One CC to SRI MUJIB KUMAR SADASIVUNI, Advocate [OPUC]
3. Two CD Copies

SA

TKS

HIGH COURT

DATED: 14/07/2026

JUDGMENT

WA.No.1503 of 2025

DISMISSING THE W.A
WITHOUT COSTS.

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12/8/26