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Compassionate Appointments: A Legal Perspective – Analysis of Canara Bank v. Ajithkumar G.K.

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Introduction

Compassionate appointments are a significant exception to the general principles of public employment, intended to provide immediate relief to families facing financial distress due to the untimely demise of a government or public sector employee. However, the scope and application of such appointments have been subject to judicial scrutiny, particularly in cases where financial necessity is debated. The recent Supreme Court decision in *Canara Bank v. Ajithkumar G.K.* sheds light on this issue, addressing key legal principles and precedents governing compassionate appointments. The case involved a long-drawn legal battle over whether the rejection of a compassionate appointment by Canara Bank was justified, given the financial condition of the applicant's family.

Table of contents

- Introduction
- The Facts of the Case
- Legal Battle Before the High Court
- Rival Contentions Before the Supreme Court
- Supreme Court's Consideration of Judicial Precedents
- Supreme Court's Final Decision
- Conclusion

The Facts of the Case

The dispute arose when the respondent's father, an employee of Canara Bank, passed away in December 2001, just four months before retirement. At the time, Canara Bank had a 1993 Compassionate Appointment Scheme, under which the respondent applied for a job in January 2002. However, the Bank rejected his application in October 2002, citing two reasons:

1. The family was receiving a pension (Rs. 4367.92 per month) and had also received terminal benefits, so they were not in financial distress.
2. The respondent had crossed the maximum age limit (26 years) prescribed for compassionate appointments.

Despite multiple requests for reconsideration, the Bank **maintained its stand** and eventually discontinued the compassionate appointment scheme in 2005, replacing it with a lump sum ex-gratia scheme.

Legal Battle Before the High Court

The respondent challenged the rejection before the Kerala High Court, leading to two key rulings:

- **Single Bench (June 2015)**: Quashed the rejection order, stating that the 1993 scheme was applicable, and the Bank had failed to consider age relaxation. It directed reconsideration in light of the Supreme Court rulings in Canara Bank v. M Mahesh Kumar and State Bank of India v. Somveer Singh.
- **Division Bench (November 2019)**: Dismissed the Bank's appeal, holding that the denial was unjustified. It ordered immediate appointment of the respondent and imposed an exemplary cost of Rs. 5 lakh on the Bank.

Rival Contentions Before the Supreme Court

- **Canara Bank's Arguments:**
  - The **financial condition of the family** must be considered, and the pension and terminal benefits proved that the respondent's family was **not in financial distress**.
  - **Age relaxation** could only apply **if the applicant was otherwise eligible**, which was not the case.
  - The High Court's reliance on Canara Bank v. M Mahesh Kumar was misplaced and **not binding precedent**.
- **Respondent's Arguments:**
  - The **1993 scheme did not mandate financial distress** as a criterion for compassionate appointment.

- The **Bank had the power to relax the age limit**, and the rejection on age grounds was **arbitrary**.
- The financial assessment was **flawed** and contrary to Supreme Court precedent.

Supreme Court's Consideration of Judicial Precedents

The Supreme Court extensively examined past judgments on compassionate appointments, including:

- **General Manager, SBI v. Anju Jain** – Compassionate appointment is an exception to merit-based recruitment.
- **Umesh Kumar Nagpal v. State of Haryana** – The purpose is to assist families in financial distress, not provide employment as a right.
- **Canara Bank v. M Mahesh Kumar** – Terminal benefits cannot be treated as a substitute for compassionate appointments.
- **State Bank of India v. Somveer Singh** – Financial status, including pension and benefits, must be evaluated before granting compassionate appointments.
- **Union of India v. Amrita Sinha** – There is no vested right to compassionate appointment.

Supreme Court's Final Decision

After considering the legal and factual aspects, the Supreme Court set aside the High Court's judgment and upheld Canara Bank's **rejection** of the respondent's application. The Court ruled that:

1. **Financial distress is a crucial factor** – Since the respondent's family was receiving a pension and terminal benefits, they were **not in penury**.
2. **The Bank's assessment was valid** – The rejection was not arbitrary, and the Bank had rightly exercised discretion under the 1993 scheme.
3. **Age relaxation was not an automatic right** – It applied only if other eligibility conditions were met, which the respondent did not satisfy.
4. **The High Court erred in ordering direct appointment**

However, recognizing the long legal battle and exercising its powers under Article 142, the Court ordered Canara Bank to pay Rs. 2.5 lakh to the respondent as full and final settlement.

Conclusion

The Supreme Court's ruling in Canara Bank v. Ajithkumar G.K. reinforces the core principle of compassionate appointments – that they are intended to provide immediate relief in cases of extreme financial distress, not function as an alternative mode of recruitment. The judgment also clarifies that financial status, including pension and terminal benefits, must be assessed before granting such appointments.

By balancing legal principles with humanitarian concerns, the Supreme Court has reaffirmed that while compassionate appointments serve an important social function, they cannot be granted in disregard of established norms and precedents. This ruling will be a guiding precedent in future cases concerning compassionate appointments.

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