



IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 09.07.2025

CORAM:

THE HONOURABLE MR. JUSTICE P.DHANABAL

W.P.No.25090 of 2022
and WMP.No.24043 of 2022

K.Arunkumar

... Petitioner

Vs

The Management,
TATA AIG General Insurance Co., Ltd.,
2nd Floor, Samson Towers, 403-L
Pantheon Road,
Suliaman Zakia Avenue,
Egmore, Chennai – 600 008.
State of Tamil Nadu.

... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, to call for the records of the Principal Labour Court at Hosur, made in I.D.No.34 of 2021 dated 01.06.2022 and quash the same and consequently direct the respondent-management of TATA AIG General Insurance Company Limited, Chennai to reinstate the petitioner into his service forthwith as a Channel Sales Manager along with all attendant service benefits, full back wages and other service benefits etc.

For Petitioner : Mr.K.Arunkumar – Party -in-Person

For Respondent : M/s. M.Sandhiya for
M/s.Rank Associates



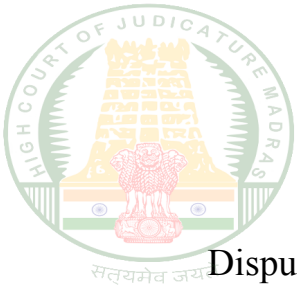
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ORDER

This writ petition has been filed by the petitioner to quash the order passed by the Principal Labour Court, Hosur in I.D.No.34 of 2021 dated 01.06.2022 and consequently direct the respondent to reinstate the petitioner into his service with full backwages with continuity of service and other attendant benefits.

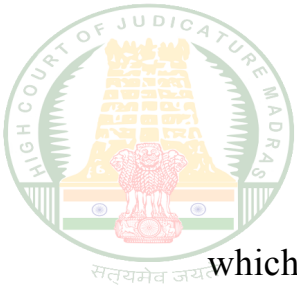
2. The short facts necessary to dispose of this Writ petition are as follows:-

The petitioner was appointed as a Channel Sales Manager in the respondent insurance company on 13.08.2018, and was subsequently transferred to the Erode Branch on 18.06.2019. Thereafter, the management falsely levelled charges of misconduct against him, alleging that he sent the amount to the agent bank through his personal bank account and used the cheque of Faith Management Systems Pvt Ltd to take 5 policies, and the commission amount for 5 policies was belatedly paid into the account of brokering company Faith Management Systems Pvt Ltd. Based on these allegations, the petitioner was terminated from service without conducting any enquiry. Aggrieved thereby, he raised an Industrial



Dispute in I.D.No.34 of 2021 before the Principal Labour Court, Hosur and the same was dismissed. Hence, the present writ petition has been filed challenging the said dismissal.

3. The petitioner would submit that he was appointed as a Channel Sales Manager in the respondent-insurance company and was subsequently transferred to the Erode branch on 18.06.2019. During his tenure, the petitioner had rendered service without any act of misconduct, however he was dismissed orally on 11.07.2019. On 15.07.2019, the officials of the respondent contacted the petitioner and compelled him to resign his job. Thereafter, at the office of the respondent Insurance company, salem, the respondent operations team used the official computer of the petitioner and sent an 'alleged resignation' letter, as if it was sent by the petitioner and the petitioner got a message through the computer system that the date of resignation was 15.07.2019 and the last working day was 12.10.2019, as if 90 days of the notice period, provided to the petitioner. The respondent had charged the petitioner and terminated the petitioner's services from the respondent company on the grounds of service misconduct. The respondent had alleged that the petitioner was provided certain amounts for



which the petitioner has not provided proper accounts, which tantamount to cheating.

4. He further submitted that the petitioner submitted a detailed written statement to the respondent company denying the allegations, and the reason attributed to the petitioner was that there could have been a mismatch of amounts on records and to save some section of persons or any vested interests, the respondent had initiated the action against the petitioner on the grounds of service misconduct. Without giving any opportunity to the petitioner and without conducting any enquiry, he was terminated from service. The main charges against the petitioner are that the petitioner had collected the amounts in his personal bank account and used for personal purposes, and the petitioner has used scanned copy of the cheque to enter cheque number on e connect portal to issue policy and failed to deposit the cheque. The respondent without clearly ascertaining that the amount has been collected by the petitioner in his personal bank account and used for his personal purposes, cannot make such statement or level such charges using the scanned copy of the cheque to enter cheque number on e connect portal is not against the law of organisation, of the respondent and if the cheque is not deposited it could be deposited within



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its validity period, hence, the charges stated herein are not grave so as to terminate the employment of the petitioner. The charges against the petitioner are vague and unsubstantiated and the punishment given to the petitioner is disproportionate, therefore the petitioner raised Industrial Dispute before the Principal Labour Court, Hosur. The Labour Court without considering the fact that no enquiry was conducted before the termination of service of the petitioner passed an order on mere assumptions of grave misconduct, committed by the petitioner. Therefore, the order passed by the Principal Labour Court, Hosur is liable to be set aside.

5. There is no representation on the side of the respondent, despite the opportunity being given to the respondent.

6. This Court heard the petitioner side and perused the materials available on record.

7. In this case, there is no dispute in respect of relationship between the parties. Before the Principal Labour Court, Hosur, the petitioner raised an Industrial Dispute, alleging that he was orally terminated from service



without following the legal procedures. On careful perusal of the records and the award passed by the Labour Court, it is seen that the charges levelled against the petitioner were that he had collected amounts in his personal bank and used them for personal purposes, and that he had used a scanned copy of a cheque to enter the cheque number on the e connect portal to issue policies and failed to deposit the cheque. Before the Labour Court, the management disputed the applicability of the Act, that the petitioner being employed as a Manager did not come within the definition of 'workman' under Section 2(s) of the Industrial Dispute Act. However, the Labour Court, after elaborate discussion rendered findings that the petitioner comes under the definition of workman under Section 2(s) of the Industrial Dispute Act and the said findings has not been challenged by the respondent/management. Therefore, this Court need not go into that aspect.

7. As far as the charges are concerned, it is an admitted fact that no domestic enquiry was conducted, but the Labour Court based on the available evidence came to a conclusion that the petitioner committed misconduct. Since there was no domestic enquiry conducted and the termination without any enquiry is against the law and the same is not



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considered by the Labour Court, this Court is of the view that the findings of the Labour Court suffer from infirmity and are liable to be set aside. However, considering the serious allegations levelled against the petitioner by the respondent management and having regard to the relationship between the parties, this Court is of the view that reinstatement may not be appropriate. Instead, it would be just and proper to award a lumpsum compensation to the petitioner. Taking into account the service rendered by the petitioner and the circumstances of the case, this Court deems it appropriate to award a sum of Rs. 5,00,000/- (Rupees Five Lakhs only) as compensation to the petitioner.

8. In the result, this writ petition is partly allowed. The order passed by the Principal Labour Court, Hosur in I.D.No.34 of 2021 is set aside. The petitioner is entitled to a compensation of Rs.5,00,000/- (Rupees Five Lakhs only) lakhs in lieu of re-instatement. The respondent is directed to pay the said amount within a period of two months from the date of receipt of a copy of this order, failing which, the compensation amount shall carry interest at the rate of 12% per annum from the date of award till the date of



realisation. No costs. Consequently, the connected Miscellaneous Petition stands closed.

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To

1. The Management,
TATA AIG General Insurance Co., Ltd.,
2nd Floor, Samson Towers, 403-L
Pantheon Road,
Suliaman Zakia Avenue,
Egmore, Chennai – 600 008.

2. The Principal Labour Court,
Hosur.



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P.DHANABAL, J.,

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