IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.01.2026

CORAM:

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

W.P. No.2527 of 2024
and
W.M.P. No.2765 of 2024

G.Purushothaman ... Petitioner

Vs

1. The Zonal Manager
LIC of India, Zonal Manager Secretariat,
Anna Salai,
Chennai.

2.The Senior Division Manager
O.S.Department, Vellore Division,
Jeevan Prakash, Arcot Road,
Vellore-632 004. ... Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India to issue Writ of Certiorarified Mandamus calling for the records pertaining to the order of the 2nd respondent dated 28.08.2023 and quash the same in so far as the order holding that the petitioner is not eligible for the payment of incentive bonus for the broken period for the appraisal year ending 2008 by treating the suspension period of the petitioner in between 22.05.2008 and 28.08.2010 as "Dies-Non" is concerned and consequently direct the respondents to pay petitioner the incentive bonus for the suspension period from 22.05.2008 to 28.08.2010.

For Petitioner : Mr.C.K.M. Appaji
For Respondents: Mr. C.K. Chandrasekar

ORDER

This writ petition has been filed to call for the records pertaining to the order of the 2nd respondent dated 28.08.2023 and quash the same in so far as the order holding that the petitioner is not eligible for the payment of incentive bonus for the broken period for the appraisal year ending 2008 by treating the suspension period of the petitioner in between 22.05.2008 and 28.08.2010 as "Dies-Non" is concerned and consequently direct the respondents to pay petitioner the incentive bonus for the suspension period from 22.05.2008 to 28.08.2010.

2. It is stated that the petitioner is a former Development Officer of the Life Insurance Corporation of India. He was placed under suspension on 22.05.2008 on account of his implication in a criminal case. Subsequently, he attained the age of superannuation on 31.08.2010 and the suspension was revoked to enable him to retire from service, vide proceedings of the 2nd respondent dated 28.08.2010. Thereafter, the criminal case ended in acquittal on 03.03.2021. Subsequent to acquittal, he sought regularisation of the suspension period with full pay and allowances including Incentive Bonus/Incentive

Increment for the broken appraisal year 2008. It is the grievance of the petitioner that though the respondents regularised the suspension period and settled pay and allowances, however, the claim for Incentive Bonus was rejected. Challenging the said rejection order dated 28.08.2023 issued by the 2nd respondent, this writ petition has been filed.

3. Learned counsel for the petitioner submitted that the petitioner was suspended solely due to pendency of the criminal case, but he was acquitted later. He submitted his arguments that as per Rule 38(a) of the LIC of India (Staff) Rules, 1960, when an employee is acquitted, the period of suspension ought to be treated as duty with entitlement to full pay and allowances. Therefore, the petitioner is entitled for Incentive Bonus as the same forms part of service benefits and therefore cannot be denied once the suspension period is regularised. But contrary to the said Rule, the impugned rejection order was issued by the 2nd respondent and thus, the same is illegal.

4. He vehemently argued that treating the suspension period as “Dies-Non” without opportunity amounts to imposition of major penalty. Relying a judgment of this Court in the case of ***Sudhir Dhaka vs. NTPC Ltd. and others reported in 2025 SCC OnLine Del 3381***, more particularly, citing the lines in paragraph Nos.35 to 37 of the said judgment, he submitted that establishments are being allowed to pay Ex-Gratia in lieu of Bonus on year to year basis in

terms of the decision communicated by DPE, Government of India. Therefore, he submitted that consequent to acquittal, the petitioner is entitled to other monetary benefits viz., Incentive bonus in the instant case. Hence, denial of incentive bonus is arbitrary and liable to be set aside.

5. Per contra, Mr.C.K. Chandrasekar, learned counsel for respondents vehemently argued that Incentive Bonus is not a statutory allowance governed by the Staff Rules, but a performance-based benefit payable only upon procurement of business during the relevant appraisal year. He admitted that the petitioner was suspended in accordance with law due to criminal charges arising out of his own conduct. Therefore, the period of suspension from 22.05.2008 to 28.08.2010 was treated strictly in terms of Rule 38(a) of the Staff Rules. Reiterating the averments in the counter affidavit, he submitted that during the suspension period, the petitioner did not procure any business and therefore no performance was rendered and as such, the term Incentive Bonus cannot be granted in the absence of performance, in simple, “No Work No pay”. He further submitted that the decision relied upon by the learned counsel for the petitioner will not applicable to the case on hand. Hence, the petitioner’s claim for Incentive Bonus was denied by the respondents, which is legally valid and therefore, interference by this Court in the said rejection order dated 28.08.2023 issued by the 2nd respondent, is unwarranted.

6. This Court bestowed its best attention to contentions advanced by the learned counsel on either side and perused the materials available on record.

7. On a perusal of materials placed before this Court, it is not in dispute that the petitioner, who was a retired Development Officer of LIC was placed under suspension during the relevant period, due to pendency of a criminal case. It is also an undisputed fact that on attaining the age of superannuation and subsequent to revocation of suspension, the petitioner was permitted to retire from service on 31.08.2010 and relieved accordingly. Further, it is clear that the respondents have already regularised the suspension period and paid pay and allowances. Now, the issue that arises for consideration is as to whether Incentive Bonus, being performance-linked, can be claimed as a matter of right for the suspension period. Generally, one cannot claim equality with the term salary and Incentive Bonus. It is evident that Incentive Bonus payable to a Development Officer is based upon business performance during the relevant appraisal year. On a bare perusal of records, it is crystal clear that the petitioner did not procure any business during the suspension period. Merely because the suspension period was regularised and pay and allowances were granted, it does not automatically follow that performance-based incentive must also be granted. Incentive Bonus is not part of basic pay or statutory allowance but is contingent upon actual business procurement.

8. Further, the judgment of the Delhi High Court in ***Sudhir Dhaka'***s case as referred to supra, is in the context of a specific circular, but in the case on hand, there is no specific Circular so as to entertain the petitioner's claim. Therefore, the case relied upon by the learned counsel for the petitioner will not be applicable to the instant case. When that being so, in the absence of any rule mandating payment of incentive bonus without performance, this Court cannot issue any orders in favour of the petitioner.

9. In view of the above, this Court finds no illegality in the order of the 2nd respondent dated 28.08.2023 and accordingly, the writ petition stands dismissed. No costs. Consequently, connected miscellaneous petition is closed.

06.01.2026

Index : Yes / No
Internet: Yes/No
Speaking Order/Non-Speaking Order
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To
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M.DHANDAPANI, J.

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