



W.P.No.8675 of 2021

**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

**Reserved on : 27.01.2026**

**Pronounced on : 30.01.2026**

**CORAM:**

**THE HONOURABLE MR. JUSTICE T.VINOD KUMAR**

**W.P.No.8675 of 2021**

**and**

**WMP.No.9213 of 2021**

S.Alagirisamy  
Retd Chief Manager LIC India,  
Ramamirtham Santhaiyan's Villa,  
No.133, Ganesh Nagar Extension,  
Redhills High Road, Vinayagapuram,  
Kolathur P.O, Chennai – 600 099.

... Petitioner

**vs**

1. The Manager (P & IR),  
Life Insurance Corporation of India,  
Divisional Office – I, P.B.No.324,  
Mount Road, Chennai – 600 002.

2. Life Insurance Corporation of India,  
Divisional Office – 2,  
Anna Nagar, Chennai – 600 040.

... Respondents

**Prayer:** Writ Petitions are filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorarified Mandamus, to call for the records of the first respondent in its letter Ref: P&IR/DOI dated 06.07.2019 and to quash the same and consequently directing the respondents to refund the amounts deducted from the petitioner's pension so far, back to the petitioner and pass orders.

For Petitioner : Mr.J.Amirtha Sarayoo



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for M/s. TVJ Associates  
For Respondents : Mr.D.Muthukumar

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**ORDER**

Heard the learned counsel appearing for the parties and perused the records.

2. The case of the petitioner in brief is that while working with respondent at Nellore in Andra Pradesh, he was transferred to respondent's Mylapore Branch in Chennai and joined thereat in April, 2011 in the capacity of Divisional Manager and retired from service on 30.04.2017.

3. It is the further case of the petitioner that about 1 ½ years after his retirement, he had received a letter dated 16.11.2018 from the respondents alleging that some irregularities have occurred in disbursing the maturity claim amount in respect of policy bearing No.713411361, issued in 2002, on completion of the term of 10 years, in May 2012, whereunder it has been claimed that there has been excess and wrong payment of an amount of Rs.5,18,182/- over and above the amount payable resulting in financial loss to the respondents and called upon the petitioner to remit the said amount to the respondents.



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4. Petitioner contends that since, the policy bond issued in the year 2002 had mentioned the same having been issued under Plan 141, the petitioner being the sanctioning authority, had approved the payment under the aforesaid plan mentioned on the policy on its maturity; and that as the policy bond document constitutes a contract between policy holder and the respondents, the petitioner could not have raised any dispute or repudiated the claim.

5. It is also contended by the petitioner that the respondents, by the impugned proceedings are seeking to recover the amount claimed from the petitioner, as excess amount paid to the policy holder, on the ground that the plan 141, which is mentioned in the policy bond issued in the month of April, 2002, has been withdrawn in December, 2001 and as such, the petitioner could not have approved the payment to the policy holder on maturity of the policy; that the aforesaid action is initiated by the respondent only to cover up their own omissions in not finding out the concerned official responsible for issuing policy bond in the year 2002 by mentioning the plan 141 instead of 142; and also to show to the auditors who had raised objection, of having taken corrective measures, by passing on the blame on to the petitioner, for honouring the contract on its maturity and



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making the payment thereunder applying the plan mentioned in the policy.

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6. It is the further case of the petitioner that since, the alleged excess payment was made to the policy holder in May, 2012 and the respondents having not taken any action to recover the excess amount from the policy holder, despite the petitioner informing the respondents about the same, instead by issuing the impugned proceedings the respondent are seeking to cover up the lapse which had occurred during the year 2001-2002, for which, the petitioner cannot be held responsible.

7. Petitioner further contended that since, no proceedings have been initiated after the policy amount is settled in May, 2012 or pending against the petitioner, while in service, till the date of his superannuation, the action of the respondents in seeking to recover the alleged loss/excess payment from the pension of the petitioner under the impugned proceeding is contrary to Rule 48 of the respondents pension rules titled as LIC (Employees Pension Rules) 1995(for short “Rules, 1995”).



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8. It is contended that as per the said rule, the respondents cannot take any action in respect of the event/occurrence which took place more than 4 years before such incident; that as the respondents claim of excess payment having been made in May, 2012 resulting in Financial loss to respondents, action if any ought to taken/initiated on or before May, 2016; and that as the action is sought to initiated only in July, 2019, the said action is in violation of Rules, 1995.

9. Contending as above, petitioner seeks for quashing of the impugned letter dated 06.07.2019.

10. Counter affidavit on behalf of the respondents is filed.

11. The respondents, by the counter affidavit, contended that since, the petitioner was working as Chief Manager, he was responsible to verify the payments being made against the policy bond on its maturity; that the calculation sheet generated through the system mentioned the amount payable against the policy bearing No.713411361 issued in the name of Sri.S.A.Subramani, to be in a



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sum of Rs.46,92,843.66/- as per plan 142; that an addition of amount of Rs.5,80,682.34 has been made manually under the head 'other payment claimed' and the petitioner approving the same for payment, has resulted in financial loss to the respondents corporation; that the same was noticed during the audit; and accordingly, the respondents had issued the impugned proceedings.

12. The respondents, by the counter affidavit, further contended that as per Rule 49 of Rules, 1995, the respondents are entitled to recover the aforesaid amount from the pension including the family pension. Thus, it is contended that the respondents are justified in initiating action under the impugned proceedings and seek for dismissal of the writ petition.

13. I have taken note of the respective contentions as urged.

14. Before proceeding to examine the correctness or otherwise of the action of the respondents in issuing the impugned proceedings, it is necessary to note that the respondents, by the counter affidavit, admit to the fact of the policy bond as issued in favour of the holder of the policy Sri.S.A.Subramani in April 2002 mentions the plan term as 141 and the term of the policy being for 10 years,



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with its maturity being in April/May, 2012.

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15. Respondents, by the counter affidavit, though contended that the petitioner being aware of the fact that the plan 141 having been withdrawn in December 2001, and as such could not have processed or approved the maturity claim under plan 141 in April/May 2012, it is to be noted that the respondents being a public limited corporation, is subjected to periodic audit by various agencies including Controller of Accountant General. It is also not the case of the respondents that the policy bond as issued in April / May, 2002 is not genuine. Thus, the wrong issue of policy bond by mentioning the plan as 141 instead of plan 142 in the year 2002 could not have gone unnoticed, for the respondents to correct the error immediately after its issuance; and on the other hand respondent could not have waited for a decade, to claim that the policy bond was printed on bond certificate relating to plan 141, even after it is withdrawn, instead of plan 142. Further, the respondents, without correcting the policy bond issued, are seeking to raise a dispute at the time of its maturity claiming that the plan 141 as mentioned in the policy bond was withdrawn in December 2001 and as such, the petitioner being Chief Manager, wrongly processed/approved the payment thereunder.



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16. The above being in factual position, the respondents including the petitioner, acting as Chief Manger are bound to honour the commitment made under the policy bond issued in favour of the policy holder.

17. Since, the policy holder claimed his entitlement as per the policy issued, the petitioner had only approved the payment by applying the plan term i.e., 141. It is also not the case of the respondents that even by applying the term mentioned in the policy i.e., plan 141, resulted in excess payment being made to the policy holder, which is on account of the petitioner not verifying the payment voucher correctly.

18. Thus, it is not open for the respondents to claim that on account of action of the petitioner in approving the payment to the policy holder on its maturity, has resulted in excess payment and consequential financial loss to the corporation for them to initiate action for recovery.

19. As it is not shown to this Court, that the respondents having undertaken any root cause analysis to see as to how the policy relating to plan 141



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was issued in 2002, after the withdrawal of the said plan from 15.12.2001 and taking action against the persons responsible at the relevant point of time, this Court is of the view that the respondents cannot allege or attribute lapses, in discharge of duties and responsibilities by the petitioner.

20. Further, it is also to be noted that it is not a stray incident that had occurred. The letter dated 24.09.2012 issued from the office of the respondents, Mumbai to all the Regional Managers, clearly demonstrates the lapses that had resulted in multiple litigation being foisted against the respondent corporation and the respondents corporation losing the same.

21. In view of the above, this Court is of the view that since, the alleged excess payment to the policy holder being in accordance with the plan mentioned in the policy bond, the said payment cannot be treated as excess payment, due to the action of the petitioner making him liable of having caused loss to the respondents corporation, and seeking to recover the said amount from the petitioner's pension by invoking Rule 49 of the Rules.

22. Further, the Rule 49 of Rules on which the reliance is placed by the



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respondents to justify its action reads as under:-

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*“49. Recovery of Corporation’s dues – The Corporation shall be entitled to recover the dues to the Corporation on account of housing loans, advances, license fees, other recoveries and recoveries due to staff co-operative credit society from the commutation value of the pension or the pension or the family pension.”*

23. Since, the impugned recovery does not fall under any of the categories mentioned Rule 49 of the Rules, this Court is of the view that the reliance placed on the said Rule does not advance the case of the respondents.

24. Further, it is to be noted that the Rule 48 of the Rules provides for recovery of pecuniary loss caused to the Corporation if the pensioner is found guilty in any departmental or judicial proceedings. The third proviso to Rule 48 (1) provides that no departmental or judicial proceedings can be initiated, in respect of an event which took place more than 4 years before such incident. Admittedly, in the facts of the present case, the petitioner is a pensioner and the alleged excess payment against the policy bond took place in May, 2012. No departmental or judicial proceeding has been initiated against the petitioner within a period of four years therefrom, for the respondents to claim, that the said



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proceedings have been initiated within a period of four years for it to continue, as if the employee is in service as provided under the second proviso to Rule 48 (1) of the Rules.

25. Thus, considered from any angle, the action of the respondents in issuing the impugned proceedings seeking to recover the amount from the pension of the petitioner, cannot be held as valid and justified.

26. Accordingly, this Writ Petition is allowed and the impugned order dated 06.07.2019 passed by the first respondent is set aside. Consequently, connected Miscellaneous Petition is closed. No costs.

**30.01.2026**

Speaking order / Non-speaking order  
Index : Yes / No  
Neutral Citation : Yes / No  
dh

To

1. The Manager (P & IR),  
Life Insurance Corporation of India,  
Divisional Office – I, P.B.No.324,  
Mount Road, Chennai – 600 002.
2. Life Insurance Corporation of India,  
Divisional Office – 2,  
Anna Nagar, Chennai – 600 040.

11/13



Egmore, Chennai – 600 008.

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**T. VINOD KUMAR, J.**

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Pre-delivery order made in  
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**30.01.2026**