



W.A.(MD)Nos.836 and 837 of 2022

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 27.01.2026

CORAM

**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN
and
THE HONOURABLE MRS.JUSTICE R.KALAIMATHI**

**W.A.(MD)Nos.836 and 837 of 2022
and
C.M.P.(MD)Nos.6951 and 6953 of 2022**

W.A.(MD)No.836 of 2022:-

The Executive Director,
Disciplinary Authority,
Life Insurance Corporation of India,
Central Office, Yogakhesma,
Jeevan Bima Marg,
Mumbai - 400021.

... Appellant

Vs.

T.Padmanaban

... Respondent

Prayer : Writ Appeal filed under Clause XV of Letters Patent, to allow the writ appeal by setting aside the order passed in W.P.(MD).No.16744 of 2014 dated 17.06.2022 on the file of this Court.

For Appellant : Mr.G.Prabhu Rajadurai

For Respondent : Mr.J.Jeyakumaran



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W.A.(MD)No.837 of 2022:-

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1.The Executive Director,
Disciplinary Authority,
Life Insurance Corporation of India,
Central Office, Yogakhesma,
Jeevan Bima Marg, Mumbai – 400 021.

2.The Manager,
Life Insurance Corporation of India,
Unit I, 9A, Punithavathiar Street,
Palayamkottai, Tirunelveli – 627 002.

... Appellants

Vs.

T.Padmanaban

... Respondent

Prayer : Writ Appeal filed under Clause XV of Letters Patent, to allow the writ appeal by setting aside the order passed in W.P.(MD).No.2331 of 2015 dated 17.06.2022 on the file of this Court.

For Appellants : Mr.G.Prabhu Rajadurai

For Respondent : Mr.J.Jeyakumaran

COMMON JUDGMENT
(By G.R.SWAMINATHAN, J.)

The Life Insurance Corporation of India is the appellant in these writ appeals. T.Padmanaban was Life Insurance Corporation's employee.



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He joined the appellant organization as Assistant in the year 1984. He was subsequently promoted as Assistant Administrative Officer in the year 2002. When he was working in that capacity in the Finance and Accounts Department of Tirunelveli Branch of LIC, he was said to have misappropriated a sum of Rs.3,03,128/- by issuing cheques in favour of his wife / Sudha and brother-in-law / Balamurugan. Charge memo dated 27.02.2013 was issued. It was followed by holding of domestic enquiry. The enquiry officer submitted his report dated 10.03.2014 holding that the charges framed against the delinquent stood established. Copy of the enquiry report was served on the delinquent. The disciplinary authority concurred with the findings of the enquiry officer. The delinquent offered his explanation dated 21.03.2014. Not satisfied with same, show cause notice dated 26.06.2014 was issued proposing to dismiss the delinquent from service. Questioning the show cause notice, the delinquent filed W.P.(MD)No.13158 of 2014. The said writ petition was disposed of on 11.08.2014 by the learned Single Judge in the following terms:-

“5.The opportunity granted to the petitioner in the the impugned show cause notice is in two fold. Firstly, the petitioner is entitled to explain as to why he should not be held guilty of



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charges. While answering to such show cause notice, the petitioner will be entitled to raise all the issues, including the issue relating to the denial of reasonable opportunity to attend himself in the enquiry and non supply documents, etc. Secondly, the petitioner also would be entitled to contend that the proposed penalty of dismissal is excessive, unwarranted and not liable to be imposed on the petitioner. Similarly, in respect of allegations for proposed recovery of Rs.3,34,170/-, the petitioner would be entitled to canvass the contention that he is not guilty of the charges and further more, the recovery of the amount, as stated, is not tenable.

6.The petitioner has ample opportunity to raise all the issues, pursuant to the impugned show cause notice. While declining to grant the relief sought for by the petitioner, liberty is given to the petitioner to raise all the grounds, including the contentions raised in the writ petition, alleging that there has been serious violation of the principles of natural justice. If such contention is raised, it is for the respondent to consider the same, on merits and in accordance with law.”

2.Thereupon availing the said liberty, further representation was submitted by the delinquent on 27.08.2014. After considering the entire materials on record, the disciplinary authority vide order dated 25.09.2014 imposed the penalty of dismissal from service on the



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delinquent and also ordered recovery of Rs.3,03,128/-. Challenging the same, the delinquent filed W.P.(MD)No.16744 of 2014 and W.P.(MD)No.2311 of 2015. They were disposed of by the learned Single Judge vide common order dated 17.06.2022 in the following terms:-

“13.Taking all these factors into consideration, this Court is of the considered opinion that the benefit of doubt should be given to the petitioner. As rightly pointed out by the respondents counsel, the petitioner has not produced the passport and the pass book which is available with him. But the petitioner has submitted and produced the passport of his brother-in-law before this Court. Based on that passport, the respondents could not trace anything.

14.Therefore, this Court is of the considered opinion that the benefit should be granted to the petitioner. However, the petitioner cannot be reinstated and only the punishment of dismissal from service ought to be modified. Therefore, this Court modifies the punishment as compulsory retirement.

15.As far as the recovery of Rs.3,03,128/- (Rupees Three Lakhs Three Thousand One Hundred and Twenty Eight only) is concerned, the respondents have deducted Rs.87,489/- (Rupees Eighty Seven Thousand Four Hundred and Eighty Nine only), which is due to the petitioner and the balance of Rs.2,21,639/-



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(Rupees Two Lakhs Twenty One Thousand Six Hundred and Thirty Nine only) is recoverable. Since the respondent is dealing with public money, the respondent institution shall not be allowed to incur financial loss. Since, the benefit of doubt is granted to the petitioner and the punishment is modified, as far as the amount is concerned, this Court is of the considered opinion that the petitioner is liable for Rs.2,00,000/- (Rupees Two Lakhs only) alone.

16.The respondents are directed to implement the modified punishment of compulsory retirement, the modified order of recovery and disburse the consequential monetary benefits. The said exercise shall be completed within a period of six (6) weeks from the date of receipt of a copy of this order.”

Assailing the same, these writ appeals have been filed.

3.The learned counsel for the appellant / management reiterated all the contentions set out in the grounds of appeal and called upon this Court to set aside the order passed by the learned Single Judge and sustain the order passed by the disciplinary authority. In support of his contention, the learned standing counsel for LIC relied on the decisions of the Hon'ble Supreme Court reported in **(1977) 2 SCC 494 (K.K.Shrivastava Vs. Bhupendra Kumar Jain)**, **(1997) 3 SCC 371**



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(Balbir Chand Vs. Food Corporation of India Limited) and (2025) 4

SCC 111 (Airports Authority of India Vs. Pradip Kumar Banerjee) in support of his contentions.

4.Per contra, the learned counsel for the delinquent / writ petitioner submitted that the learned Single Judge had rightly approached the issue and interference with the said order is not warranted. He pointed out that the core allegation against the delinquent was that he had issued cheques in favour of Sudha, (delinquent's wife) and Balamurugan (delinquent's brother-in-law). He pointed out that the writ petitioner / delinquent did not admittedly on his own issue any cheques favouring such recipients. Before issuance, the cheque will have to be passed and prepared by few other officials. That process was admittedly gone through. One such official who prepared the basic document was examined as P.W.1. She clearly stated that only after due verification of the records, she had passed the bills. He also pointed out that on the very same set of facts, the delinquent was prosecuted but the Criminal Court by judgment dated 13.07.2017 in C.C.Nos.1 to 5 of 2014 acquitted the writ petitioner of all charges. Relying on the recent decision of the Hon'ble Supreme Court



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reported in **2024 (1) SCC 175 (Ram Lal Vs. State of Rajasthan)**, the learned counsel submitted that in face of the judgment of acquittal which has become final, the finding of the disciplinary authority cannot be allowed to stand. He called upon this Court to sustain the order of the learned Single Judge and dismiss these writ appeals.

5.We carefully considered the rival contentions and went through the materials on record. Before we go into the merits of the matter, we have to necessarily make one observation. The disciplinary authority imposed the punishment of dismissal on the delinquent. The learned Single Judge modified the said punishment to one of compulsory retirement. It is well settled that the Writ Court can interfere with the punishment only on certain limited grounds. The Hon'ble Supreme Court in the decision reported in **2022 LiveLaw (SC) 244 (Union of India Vs. Managobinda Samantaray)** had held as follows:-

“ Quantum of punishment is within the discretionary domain and the sole power of the decision-making authority once the charge of misconduct stands proved. Such discretionary power is exposed to judicial interference if exercised in a manner which is grossly disproportionate to the fault, as the constitutional courts while exercising the power of judicial review do not assume the



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role of the appellate authority. Writ jurisdiction is circumscribed by limits of correcting errors of law, procedural error leading to manifest injustice or violation of principles of natural justice. The decision is also disturbed when it is found to be ailing with perversity. On the question of quantum of punishment, the court exercising the power of judicial review can examine whether the authority has been a reasonable employer and has taken into consideration measure, magnitude and degree of misconduct and all other relevant circumstances and excluded irrelevant matters. In the context of quantum of punishment, these aspects are examined to consider whether there is any error in decision making process. On merits of the quantum of punishment imposed, the courts would not interfere unless the exercise of discretion in awarding punishment is perverse in the sense the punishment imposed is grossly disproportionate.”

6.The learned Single Judge had not recorded that the case on hand would fall under such circumstances. In fact, the moment that the learned Single Judge chose to modify the punishment imposed on the delinquent itself implicitly means that the learned Single Judge came to the conclusion that the charges framed against delinquent stood established. But that finding has also not been given. On the other hand, the learned Single Judge had made an observation that the writ petitioner is entitled



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to benefit of doubt. Thus, the preceding reasoning namely, the writ petitioner is entitled to benefit of doubt and the final order modifying the punishment do not go together. We are therefore not able to endorse the approach adopted by the learned Single Judge in granting relief to the writ petitioner. In fact, on this sole ground, the order will have to be set aside. In normal circumstances, we would have remitted the matter back to the file of the learned Single Judge for fresh disposal. But we do not propose to do so since we have heard the matter at length.

7. Admittedly, two aspects will have to be taken note of. The writ petitioner was the first signatory of the cheques in question. Incidentally, he also happens to be the recipient of the cheques. The charge memo dated 27.02.2013 reads as follows:-

“That you have checked, passed and validated the following vouchers for issuance of fresh cheque, in lieu of cancelled cheques in favour of Shri.R.Balamurugan from Bima Plus and Future Plus Cheque cancelled accounts and caused payments in the name of Shri.R.Balamurugan, when the payments were not due to him.

Transaction No. / Date	Account code	Cheque no. / Date	Amount/Rs	Name of Payee
11437/ 31.03.2008	701092- Bima Cheque cancelled A/C	95556 31.03.2008	1,09,658	R Balamurugan



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11242/ 31.03.2009	711092- Future Plus Cheque cancelled A/C	269914 31.03.09	62,364	R Balamurugan
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The aforesaid cheques were received by you and encashed by you through account number 006701000087474, held by you along with Shri.R.Balamurugan at Indian Overseas Bank, Palayamkottai. By the aforesaid acts you have misappropriated the funds of the Corporation by fraudulently diverting the policyholder's/Corporation's funds to the tune of Rs 172022/-, thereby causing financial loss to the Corporation.

2.That, you have prepared/ checked/ passed the following vouchers favouring your wife, Ms Sudha although no amounts were due to her:

when the payments were not due to him.

Transaction No. / Date	Cheque no. / Date	Amount/Rs	Name of Payee
4060/13.08.2005	602809 / 13.08.05	9,000	Ms Sudha
11538/ 30.03.2005	900666/ 30.03.05	36,400	Ms Sudha
12110/ 24.02.06	468555/ 30.03.05	25,166	Ms Sudha

The aforesaid cheques were received by you and deposited in the Savings Bank account No.438697231 of your wife Ms. Sudha, at Indian Bank, Palayamkottai. By the aforesaid acts you have misappropriated the funds of the Corporation by fraudulently diverting the policyholder's/ Corporation's funds to the tune of Rs. 70566/-, thereby causing financial loss to the Corporation.

3.That you have checked and passed transaction number 12795 dated 30.03.2007, rectifying wrong accounting by debiting



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Saleable Literature account and operating the rarely operated account RR Suspense Account for an amount of Rs.60539.40. Subsequently you have prepared and passed the voucher no.12857 dated 30.03.2007, for refund of Rs.60540/- dated 30.03.2007 favouring Shri.R.Balamurugan, without mentioning the details like policy number etc. The cheque number 561531 dated 30.03.2007 for Rs.60540/- issued against the said voucher was received and encashed through the joint savings bank account number 006701000087874 held by you and Shri.R.Balamurugan with Indian Overseas Bank, Palayamkottai, Tirunelveli. By the aforesaid acts, you have fraudulently misappropriated the amounts thereby diverting the policyholders funds to your saving bank account.

4.That, the yearly premium due 02/2009 of Rs.86583/ of Shri.P.Bose @ Purushottaman, holder of Jeevan Shree Policy 321110683 was adjusted when he remitted the differential amount of Rs.30982/- as the loan raised by him for payment of the premium was insufficient. Though the premium was updated in the module, the policy deposit was shown as outstanding due to module problem. While attending the quarterly closing, you under the pretext of clearing an open item in the Bank Reconciliation Statement, prepared, checked, signed the passed by column of the manual voucher no.7703 dated 30.09.2009 and signed as one of the signatories of the Cheque no.189384 dated 30.09.2009, favouring Shri.R.Balamurugan (who was in no way related to the life assured of policy no.321110683) for Rs.30982/-, thereby



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causing refund of the policy deposit to him, while no payment was due to him. The aforesaid cheque for Rs.30982/- was received and encashed by you through account number 006701000087474, at Indian Overseas Bank, Palayamkottai, held by you along with Shri.R.Balamurugan. By the aforesaid act, you have misappropriated the funds of the Corporation to the tune of Rs. 30982/-.

5.That, you put up office note dated 25.11.2009, stating that the said amount of Rs.30982/- (as detailed in Charge No.4 above) was inadvertently refunded in the name of Shri.Balamurugan based on the request of policyholder, Shri.P.Bose @ Purushottaman, who agreed to recredit the amount in the same bank account though CBS, whereas the amount was repaid by you from Joint account no.006701000087474 held with Shri.R.Balamurugan. By your aforesaid acts, you have misrepresented the facts in order to cover up the misappropriation of Rs.30982/- by you.”

8.Admittedly, after receiving the charge memo, the writ petitioner did not offer any explanation denying the imputation made against him. He chose to keep quiet. It is true that he participated in the enquiry proceedings and also cross-examined the witnesses. But the fact remains that he chose not to deny the charges framed against him. Be that as it may, duty was cast on the disciplinary authority to adduce materials in



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support of the charges before arriving at any conclusion in one way or the other. The basic defence of the employee is that since all the relevant and supporting documents were available, the bills got passed and the cheques came to be issued. It is true that P.W.1 / Aroma Jose Gnana Kiruba had given answers on these lines when she was cross examined. But we cannot lose sight of the fact that the writ petitioner was an officer holding a higher rank compared to P.W.1.

9. More than anything else, when the first signatory of the cheques and recipients are one and the same, we would invoke the principle that matters within one's exclusive and special knowledge will have to be proved and established by the person concerned. In normal circumstances, the burden would lie on the disciplinary authority. Since the delinquent had pleaded that the payment made in favour of Sudha and Balamurugan are justified, the burden lay on him. It was the delinquent who was under a greater obligation to place all the relevant facts to make good his defence. He had not done so. He did not choose to mark any document in support of his defence. He did not even chose to examine himself in the enquiry proceedings.



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10.As rightly pointed by the learned standing counsel for LIC, the writ petitioner cannot also take advantage of the judgment of acquittal rendered by the Criminal Court. This is primarily because the standard of proof obtaining in a departmental proceeding and in a criminal proceeding are different. In departmental proceeding, the standard is not even one of preponderance of probability. There has to be some evidence. In other words, if some relevant evidence in support of the charge is adduced, on that sole ground, a finding of guilt can be arrived at. It is also well settled that if there is some evidence available in support of finding of guilt in a disciplinary proceeding, the Writ Court in exercise of judicial review will not upset the same. It is for these reasons, even though the writ petitioner had obtained acquittal at the hands of the Criminal Court, we are of the view that the learned Single Judge was not justified in interfering with the punishment handed out by the disciplinary authority.



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11. In this view of the matter, the order of the learned Single Judge is set aside and the writ appeals are allowed. No costs. Consequently, connected miscellaneous petitions are closed.

**(G.R.S. J.) & (R.K.M. J.)
27.01.2026**

NCC : Yes/No
Index : Yes / No
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