**IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD**

**THE HON'BLE THE ACTING CHIEF JUSTICE P. SAM KOSHY**

**AND**

**THE HON'BLE SRI JUSTICE NARSING RAO NANDIKONDA**

**WRIT PETITION No.9069 of 2006**

(CNR No. HBHC010355472006)

**Reserved on: 02.07.2026** **Pronounced on : 03.11.2026**

**Uploaded on : 03.11.2026**

**Between:**

M.G. Jilani,
Deid per Lrs Petitioner Nos.2 to 5 **…Petitioners**

**AND**

Union of India Rep by the Secretary and others

**…Respondents**

**ORDER:** *(per the Hon'ble Sri Justice Narsing Rao Nandikonda)*

The present Writ Petition has been filed challenging the order dated 16.06.2004 passed by the Central Administrative Tribunal, Hyderabad Bench, in O.A.No.1516 of 2002, whereby the Tribunal dismissed the Original Application filed by the petitioner questioning the disciplinary proceedings dated 25.09.2002, communicated on 29.10.2002, imposing the penalty of forfeiture of his entire pension

and other terminal benefits. The petitioner sought consequential reliefs, including restoration of pensionary benefits with interest.

2. Heard Mr. K S V Subba Rao, learned counsel appearing for the petitioners, Mr. N Bhujanga Rao, learned Deputy Solicitor General of India, appearing for respondent No.1 and Mr. Ajay Kumar Kulkarni, learned counsel appearing for respondent Nos.2 and 3. Perused the material available on record.

3. The brief facts leading to the filing of the present Writ Petition are that the original petitioner, M.G. Jilani, joined service after being selected through the Union Public Service Commission and, during the course of his service, earned several promotions. He worked as General Manager (Planning), Orissa Telecom Circle, Bhubaneswar, from July 1988 to August 1992 and subsequently held higher positions in the Department of Telecommunications. He ultimately retired from service on 30.04.1997, on attaining the age of superannuation, while working as General Manager, Hyderabad Telecom.

4. While the petitioner was functioning as General Manager (Planning), Orissa Telecom Circle, certain allegations were levelled against him regarding irregularities in the procurement of Electronic

Push Button Telephone Instruments (EPBTs). It was alleged that the petitioner had placed purchase orders for 27,000 EPBTs from various firms at rates higher than those approved by the Department of Telecommunications, when decentralized procurement was not in force, and that he had exceeded his delegated financial powers, thereby causing financial loss to the Department to the tune of Rs.42,70,239/-.

5. It was further alleged that the petitioner had shown undue favour to late Sri N.K. Mohanty, Proprietor of M/s. Neelachal Electronics Electrical Allied Industries, Bhubaneswar, by placing orders with the said firm, though it was neither an approved supplier nor a manufacturer of EPBTs, and by allowing the said supplier to claim Central Excise Duty to the tune of Rs.3,93,750/-, without authority, thereby causing further financial loss to the Department.

6. In view of the aforesaid allegations, a charge memorandum dated 21.02.1997 was issued to the petitioner under Rule 14 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965. The petitioner submitted his explanation dated 07.03.1997 denying the allegations and contending that the purchases were made

bona fide in the interest of the Department, to meet the requirements of the Telecom Circles and to generate additional revenue.

7. As the explanation submitted by the petitioner was not found satisfactory, a departmental enquiry was initiated by appointing Smt. Rekha Goel, Commissioner for Departmental Enquiries, Central Vigilance Commission, as the Inquiry Officer. Upon completion of the enquiry, the Inquiry Officer submitted a report dated 29.05.1998 holding the charges established. A copy of the enquiry report was furnished to the petitioner on 19.08.1998, calling upon him to submit his representation. Since the petitioner had already retired from service on 30.04.1997, the disciplinary proceedings were continued under Rule 9 of the Central Civil Services (Pension) Rules, 1972.

8. The matter was thereafter referred to the Union Public Service Commission for its statutory advice. The Commission, by its advice dated 07.12.1999, having considered the material available on record, recommended imposition of a penalty of 25% cut in the monthly pension for a period of three years. The Commission also observed that there was no sufficient material to infer mala fide intention or connivance on the part of the petitioner with other officials.

9. However, the competent authority was of the opinion that the punishment recommended by the Union Public Service Commission was not commensurate with the gravity of the misconduct established against the petitioner. Accordingly, the matter was referred back to the Commission for reconsideration. The Commission, by its proceedings dated 12.09.2000, reiterated its earlier recommendation. Notwithstanding the said recommendation, the Disciplinary Authority, after considering the enquiry report, the nature of the charges and the advice tendered by the Commission, passed proceedings dated 25.09.2002, communicated on 29.10.2002, imposing the penalty of forfeiture of the petitioner's entire pension and other terminal benefits.

10. At this juncture, it is necessary to notice that the petitioner had earlier been subjected to separate disciplinary proceedings in relation to certain irregularities alleged to have been committed in awarding a transportation contract during his tenure in the Orissa Telecom Circle. In the said proceedings, the competent authority imposed a penalty of permanent withholding of 50% of his pension under Rule 9 of the CCS (Pension) Rules, 1972.

11. Aggrieved by the said punishment, the petitioner approached the Central Administrative Tribunal, Hyderabad Bench, challenging the disciplinary proceedings. Upon the Tribunal declining to interfere with the punishment, the petitioner approached the erstwhile High Court of Andhra Pradesh by filing W.P.No.25588 of 2001.

12. The said Writ Petition was heard by a Division Bench of the erstwhile High Court of Andhra Pradesh. The controversy therein related to the award of a transportation contract and the alleged irregularities committed by the petitioner in not awarding the contract to the lowest eligible tenderer and in continuing the work through another contractor at higher rates.

13. The Division Bench, while examining the challenge to the disciplinary proceedings, considered the scope of judicial review under Article 226 of the Constitution of India and observed that the High Court, in exercise of its extraordinary jurisdiction, does not sit as an appellate authority over the findings recorded by the departmental enquiry authority. The Court considered the material available on record and declined to interfere with the findings of misconduct and the punishment imposed upon the petitioner. Thus,

the challenge to the permanent withholding of 50% of the petitioner's pension did not succeed.

14. It is therefore evident that the petitioner had already approached the Tribunal and this Court in respect of the earlier disciplinary proceedings, wherein the punishment of withholding 50% of his pension permanently was sustained. The said adjudication attained finality, and the petitioner cannot seek reopening of the very same disciplinary proceedings in the present Writ Petition.

15. Subsequently, in respect of the separate disciplinary proceedings concerning the purchase of 27,000 EPBTs, the petitioner approached the Central Administrative Tribunal, Hyderabad Bench, by filing O.A.No.1516 of 2002, challenging the proceedings dated 25.09.2002 imposing the penalty of forfeiture of his entire pension and terminal benefits.

16. The Tribunal, by its order dated 16.06.2004, considered the rival submissions and the material placed before it. The Tribunal examined the allegations regarding purchase of EPBTs at Rs.630/- per instrument as against the departmental approved rate of Rs.474/- per instrument, the financial powers of the petitioner, the absence of

authorisation for decentralised procurement at the relevant point of time and the alleged financial loss caused to the Department.

17. The Tribunal also considered the contention of the petitioner that the purchases were made in good faith, that there was no mala fide intention on his part and that the Union Public Service Commission had recommended only a 25% reduction in pension for three years. However, having regard to the material available on record, the Tribunal found that the charges against the petitioner stood established and that the Disciplinary Authority had assigned reasons for differing from the advice tendered by the Commission.

18. The Tribunal further took note of the earlier disciplinary proceedings against the petitioner, wherein a punishment of withholding 50% of his pension permanently had been imposed and sustained. Having considered the cumulative circumstances, the Tribunal concluded that the punishment imposed by the Disciplinary Authority in the subsequent proceedings could not be held to be disproportionate to the misconduct established against the petitioner. Accordingly, O.A.No.1516 of 2002 was dismissed by order dated 16.06.2004.

19. Challenging the said order of the Tribunal, the petitioner filed the present Writ Petition. During the pendency of the proceedings, the original petitioner passed away, and the proceedings are being pursued through his legal heir. In view of the death of the original petitioner, apart from the challenge to the disciplinary punishment, the question of extending compassionate allowance to the eligible surviving family member on humanitarian grounds also requires consideration.

20. Learned counsel appearing for the petitioner submits that the original petitioner had rendered several decades of service in the Department of Telecommunications and had retired after holding responsible positions. It is contended that the allegations concerning procurement of EPBTs arose out of administrative decisions taken in the interest of the Department and that there was no deliberate intention to cause financial loss.

21. Learned counsel further submits that the Union Public Service Commission, being an independent constitutional body, had recommended only a 25% reduction in pension for three years and that the imposition of the extreme penalty of forfeiture of the entire pension and terminal benefits was disproportionate. It is also

contended that the disciplinary authorities failed to properly appreciate the explanation offered by the petitioner and the circumstances in which the purchases were made.

22. Learned counsel submits that, irrespective of the validity of the disciplinary proceedings, the original petitioner is no longer alive and the surviving legal heir should not be left without financial assistance on account of the punishment imposed upon the deceased employee. It is therefore prayed that this Court may consider granting appropriate relief in the nature of compassionate allowance on humanitarian grounds, having regard to the long service rendered by the deceased petitioner and the financial circumstances of the surviving family.

23. In support of the said contention, learned counsel places reliance upon the judgment of the Division Bench of the Delhi High Court in Smt. Shiksha v. Union of India and others, W.P.(C) No.7067 of 2019, decided on 04.07.2022, wherein the Delhi High Court considered the entitlement of the widow of a dismissed Government servant to compassionate allowance under Rule 41 of the CCS (Pension) Rules, 1972.

24. On the other hand, learned counsel appearing for the respondents submits that the disciplinary proceedings were conducted strictly in accordance with the prescribed procedure and that the petitioner was afforded sufficient opportunity to defend himself. It is submitted that the Inquiry Officer, upon appreciation of the documentary and oral evidence, recorded findings establishing the charges and that the Disciplinary Authority imposed the punishment after considering the gravity of the misconduct.

25. Learned counsel further submits that the petitioner had already suffered a punishment of permanent withholding of 50% of his pension in an earlier disciplinary proceeding, which was sustained by this Court in W.P.No.25588 of 2001. It is contended that the subsequent disciplinary proceedings relate to serious financial irregularities involving public funds and that the punishment of forfeiture of the entire pension and terminal benefits was imposed after due consideration of the relevant material.

26. It is further submitted that the Tribunal, in O.A.No.1516 of 2002, examined the entire controversy and recorded findings against the petitioner. Therefore, no case is made out warranting interference with the disciplinary proceedings or the order passed by the Tribunal.

As regards compassionate allowance, it is submitted that any such relief must necessarily be governed by the applicable statutory rules and cannot be claimed as a matter of right.

27. Having considered the rival submissions and upon perusal of the material available on record, the principal question that arises for consideration is whether the order dated 16.06.2004 passed by the Central Administrative Tribunal in O.A.No.1516 of 2002 suffers from any illegality, perversity or jurisdictional error warranting interference by this Court under Article 226 of the Constitution of India. The further question is whether, notwithstanding the finality of the disciplinary punishment, the circumstances of the case justify consideration of compassionate allowance for the benefit of the eligible legal heir of the deceased petitioner.

28. It is well settled that the scope of judicial review in matters relating to disciplinary proceedings is limited. This Court, while exercising jurisdiction under Article 226 of the Constitution of India, cannot reappreciate the evidence as an appellate authority or substitute its own findings for those recorded by the disciplinary authority, unless the findings are based on no evidence, suffer from

perversity or are vitiated by violation of the principles of natural justice or statutory provisions.

29. In the present case, the material on record discloses that a regular departmental enquiry was conducted, the petitioner was furnished with the enquiry report and an opportunity was afforded to submit his representation. The matter was referred to the Union Public Service Commission, and its advice was considered by the competent authority. Merely because the Disciplinary Authority imposed a punishment more severe than the one recommended by the Commission, the disciplinary proceedings cannot, on that ground alone, be held illegal, particularly when reasons were assigned for differing from the said recommendation.

30. The Tribunal, upon considering the material available on record, found that the petitioner had placed purchase orders for 27,000 EPBTs at rates higher than the approved rates and had acted beyond the financial powers vested in him. The Tribunal also considered the contention regarding the non-examination of a material witness and the explanation offered by the petitioner that the purchases were made in the interest of the Department. Having

considered the said aspects, the Tribunal declined to interfere with the findings recorded by the disciplinary authority.

31. This Court also cannot lose sight of the fact that the petitioner had earlier approached this Court in W.P.No.25588 of 2001 challenging the punishment of permanent withholding of 50% of his pension in relation to a separate disciplinary proceeding. The said challenge was unsuccessful. Thereafter, in respect of the subsequent disciplinary proceedings concerning procurement of EPBTs, the petitioner approached the Tribunal in O.A.No.1516 of 2002, which was also dismissed.

32. Thus, the disciplinary proceedings and the punishments imposed against the petitioner have been subjected to judicial scrutiny in the earlier rounds of litigation. Though the present Writ Petition constitutes a challenge to the subsequent order of the Tribunal and is therefore required to be examined on its own merits, this Court finds no material warranting a different conclusion from the one arrived at by the Tribunal.

33. The findings recorded by the Tribunal are based on the material available on record, and this Court does not find any illegality, perversity or procedural irregularity in the impugned order. The mere

fact that the petitioner had rendered long service or that the Union Public Service Commission had recommended a lesser punishment does not, by itself, constitute sufficient ground to interfere with the disciplinary punishment. Accordingly, the challenge to the order dated 16.06.2004 passed by the Tribunal and the consequential prayer for restoration of the forfeited pension and terminal benefits are liable to be rejected.

34. However, the matter does not end there. During the pendency of the present Writ Petition, the original petitioner passed away, and the proceedings are being pursued by his legal heir. The question that remains for consideration is whether the surviving eligible family member can be extended the benefit of compassionate allowance, notwithstanding the disciplinary punishment imposed upon the deceased employee.

35. In this context, it is appropriate to refer to Rule 41 of the Central Civil Services (Pension) Rules, 1972, which provides for compassionate allowance in cases deserving special consideration. The said provision contemplates that, notwithstanding forfeiture of pension and gratuity consequent upon dismissal or removal from service, the competent authority may sanction compassionate

allowance in a deserving case, subject to the limits prescribed under the Rules.

36. The object underlying the provision is to ensure that, even in cases where a Government servant has suffered the extreme consequence of forfeiture of pensionary benefits on account of misconduct, the competent authority is not denuded of the power to extend financial assistance in exceptional circumstances. Such power is intended to be exercised upon consideration of the nature of the misconduct, the service rendered by the employee, the circumstances of the case and other relevant humanitarian considerations.

37. The distinction between the validity of disciplinary punishment and the entitlement to compassionate allowance assumes significance. While the punishment imposed upon a Government servant may be legally sustainable, the competent authority is nevertheless required to independently examine whether the circumstances warrant special consideration under the applicable pension rules. Grant of compassionate allowance does not amount to setting aside, modifying or diluting the punishment imposed by the disciplinary authority.

38. In Smt. Shiksha v. Union of India and others, the Delhi High Court was dealing with a case wherein the husband of the petitioner,

who had served in the Central Industrial Security Force, was dismissed from service on account of misconduct. The dismissal resulted in forfeiture of his pensionary benefits. After his death, his widow sought compassionate allowance on the ground that she was living in financial distress and had no adequate means of livelihood.

39. In the said case, the deceased employee had rendered approximately 24 years of service before his dismissal. The widow approached the authorities seeking pensionary assistance, but her representation and subsequent mercy petition were rejected on the ground that her husband had been dismissed from service and was therefore not entitled to pensionary benefits.

40. The Division Bench of the Delhi High Court, examined the scope and object of Rule 41 of the CCS (Pension) Rules, 1972 and the Court observed that the authorities had failed to properly consider the provision relating to compassionate allowance and had rejected the widow's claim merely on the basis of the dismissal of her husband from service.

41. The Delhi High Court placed reliance upon the judgment of the Hon'ble Supreme Court in Mahinder Dutt Sharma v. Union of India, (2014) 11 SCC 684, wherein the scope of compassionate allowance

under Rule 41 was considered. The Supreme Court explained that the expression "deserving special consideration" cannot be confined to any rigid or exhaustive category of circumstances and that the competent authority is required to consider the individual facts of each case.

42. The principle emerging from the said judgment is that the competent authority must independently examine whether the circumstances of a particular case justify compassionate allowance. The nature of the misconduct, the length and character of service, the existence of circumstances mitigating the gravity of the punishment and the financial condition of the dependent family are relevant considerations. The mere fact that the employee was dismissed or removed from service cannot, by itself, constitute an absolute bar to consideration of compassionate allowance.

43. The Delhi High Court also referred to the guiding principles contained in the Government of India Office Memorandum dated 22.04.1940 concerning the grant of compassionate allowance. The said guidelines emphasise that each case must be examined on its individual merits, having regard not only to the misconduct which occasioned the punishment but also to the nature of service rendered

by the employee and the existence of circumstances deserving special consideration.

44. The Court further considered the decisions in Ex. ASI Shadi Ram v. Government of NCT of Delhi and others and Ex. L/NK Mahabir Prasad v. Union of India and others, wherein the principles governing compassionate allowance were examined. The Delhi High Court reiterated that the exercise of discretion under Rule 41 must be informed by relevant circumstances and cannot be reduced to a mechanical rejection merely because the employee had been dismissed from service.

45. Having regard to the fact that the deceased employee in that case had rendered 24 years of service and that his widow was living in financial hardship without adequate means of sustenance, the Delhi High Court held that the case deserved special consideration under Rule 41. Accordingly, by judgment dated 04.07.2022, the Court directed the respondents therein to grant compassionate allowance to the widow from the date of filing of the writ petition, together with consequential benefits and arrears.

46. The principle laid down in the aforesaid judgment is that the validity of the punishment imposed upon the deceased employee and

the claim of the surviving dependent for compassionate allowance are distinct matters. Even where the punishment has attained finality, the competent authority is required to consider whether the surviving family is entitled to relief under the statutory provision governing compassionate allowance.

47. Applying the aforesaid principles to the facts of the present case, this Court finds that the original petitioner had rendered several decades of service in the Department of Telecommunications and had retired after holding senior administrative positions. Though the misconduct established against him cannot be ignored and the punishment imposed upon him does not warrant interference, the subsequent death of the original petitioner and the position of the surviving legal heir are circumstances which require separate consideration.

48. It is pertinent to observe that compassionate allowance is not intended to reward misconduct or confer an advantage upon an employee whose disciplinary punishment has been sustained. Its object is to provide limited financial assistance in exceptional circumstances where the consequences of forfeiture of pensionary benefits may result in undue hardship. The discretion conferred upon

the competent authority is therefore required to be exercised judiciously and in furtherance of the object of the provision.

49. At the same time, this Court is conscious of the fact that the original petitioner had retired on attaining the age of superannuation and that the disciplinary punishment in the present case was imposed under Rule 9 of the CCS (Pension) Rules, 1972, whereas Rule 41 specifically deals with compassionate allowance in cases of dismissal or removal from service. Therefore, the applicability of Rule 41, or any corresponding provision governing the petitioner's pensionary status, must necessarily be examined by the competent authority. The judgment of the Delhi High Court cannot be understood as dispensing with the statutory conditions prescribed for grant of compassionate allowance.

50. Nevertheless, having regard to the long period of service rendered by the deceased petitioner, the circumstances in which the disciplinary proceedings were initiated, the death of the original petitioner during the pendency of the litigation and the humanitarian considerations urged on behalf of the surviving legal heir, this Court is of the considered opinion that the claim for compassionate

allowance deserves sympathetic and meaningful consideration by the respondents.

51. The fact that the punishment of permanent withholding of 50% of pension in the earlier disciplinary proceedings was sustained by this Court and that the subsequent punishment of forfeiture of the entire pension and terminal benefits has been upheld by the Tribunal does not preclude consideration of such independent relief, provided the same is permissible under the applicable statutory rules. Such consideration would not amount to reopening the concluded disciplinary proceedings or interfering with the punishments imposed therein.

52. This Court is therefore inclined to direct the respondents to examine the case of the eligible legal heir of the deceased petitioner for grant of compassionate allowance, keeping in view the principles enunciated by the Hon'ble Supreme Court in *Mahinder Dutt Sharma v. Union of India* and the judgment of the Delhi High Court in *Smt. Shiksha v. Union of India and others*. The respondents shall take into consideration the length of service rendered by the deceased petitioner, the nature of the misconduct established against him, the

circumstances of the surviving family and the object underlying the provision relating to compassionate allowance.

53. In view of the foregoing discussion, this Court finds no grounds to interfere with the order dated 16.06.2004 passed by the Central Administrative Tribunal, Hyderabad Bench, in O.A.No.1516 of 2002, or with the disciplinary proceedings dated 25.09.2002 imposing the penalty of forfeiture of the entire pension and terminal benefits of the original petitioner. Accordingly, the Writ Petition is liable to be dismissed insofar as the challenge to the disciplinary punishment and the consequential claim for restoration of pensionary benefits are concerned.

54. However, considering the peculiar facts and circumstances of the case, particularly the death of the original petitioner and the humanitarian considerations relating to the surviving legal heir, this Court deems it appropriate to issue the following directions:

(i) The respondents shall consider the claim of the eligible legal heir of the deceased petitioner for grant of compassionate allowance under Rule 41 of the CCS (Pension) Rules, 1972, or any other applicable statutory provision, subject to the eligibility and conditions prescribed thereunder.

(ii) While considering the said claim, the respondents shall take into account the principles laid down by the Hon'ble Supreme Court in *Mahinder Dutt Sharma v. Union of India, (2014) 11 SCC 684*, and the judgment of the Delhi High Court in *Smt. Shiksha v. Union of India and others*, dated 04.07.2022.

(iii) The respondents shall examine the financial circumstances of the eligible legal heir, the length of service rendered by the deceased petitioner and the existence of circumstances deserving special consideration, without treating the mere finality of the disciplinary punishment as a sufficient reason to reject an otherwise maintainable claim.

(iv) The competent authority shall pass a reasoned order on the claim for compassionate allowance, in accordance with the applicable rules and after affording an opportunity to the eligible legal heir to furnish the necessary documents.

(v) In the event the competent authority finds that the claim is covered by the applicable statutory provisions and that the circumstances warrant grant of compassionate allowance, the respondents shall sanction and disburse the admissible allowance and consequential benefits within a period of four weeks thereafter.

55. It is made clear that the aforesaid directions are issued purely on humanitarian considerations and shall not be construed as interfering with the disciplinary punishments imposed upon the

deceased petitioner or as conferring any automatic entitlement to restoration of the forfeited pension and terminal benefits. The question of compassionate allowance shall be determined independently, in accordance with law and the applicable statutory provisions.

56. Accordingly, the Writ Petition is dismissed insofar as the challenge to the disciplinary proceedings and the order passed by the Central Administrative Tribunal is concerned, however, with the aforesaid directions to the respondents to consider the claim of the eligible legal heir of the deceased petitioner for grant of compassionate allowance under Rule 41 of the CCS (Pension) Rules, 1972 on humanitarian grounds.

57. 57. There shall be no order as to costs.

Consequently, miscellaneous petitions, if any, pending in this Writ Petition shall stand closed.

**P. SAM KOSHY, ACJ**

**NARSING RAO NANDIKONDA, J**

Date: 03.11.2026
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