

**REPORTABLE**

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

**CIVIL APPEAL NO. 4149 of 2022**

Dr. Gajendra Singh

...Appellant

Versus

Union of India & Ors.  
...Respondents

**J U D G M E N T**

**M. R. Shah, J.**

1. Feeling aggrieved and dissatisfied with the impugned Judgment and Order 14.02.2017 passed by the High Court of Judicature at Allahabad in Writ Appeal No.64492 of 2008 by which the High Court has dismissed the said appeal and has not interfered with the judgment and order passed by the learned Single Judge in which the petitioner challenged the penalty imposed by the disciplinary authority of “removal from

service which would not be disqualification for future employment”, the original petitioner has preferred the present appeal.

2. The appellant herein was a Branch Manager of the United Insurance Company during the period 1995-96. He issued an Insurance Cover Note No.543675 on 20.03.1996 with respect to the vehicle bearing no.DL 1P 7143 belonging to one Chander Singh for the period 20.03.1996 to 19.03.1997. On that very day, he issued another cover note. It was found that for the first cover note No.543675, he had not taken any premium and for the second Cover Note No.543680 a cheque given by the insured had bounced. The vehicle insured met with an accident on 20.04.1996 relating to which a claim was filed on the basis of the first insurance Cover Note No.543675. An award of Rs.3,24,400/- came to be passed by the Motor Vehicle Accident Tribunal. The Insurance Company accepted the same. However, the disciplinary authority issued a charge-sheet to the appellant on 18.10.2001 alleging that the appellant had issued a Cover Note No.543675 without collecting any premium, he had thus caused a financial loss

to the insurance company. Therefore, it was alleged that the appellant had failed to maintain integrity, devotion to duty and acted in a manner prejudicial to the interest of company. The charges were replied to by the appellant. He explained the circumstances under which he had issued the first cover note as at the relevant time when the cover note was issued, he had relied upon the assurance given by the insured that he will send the amount through his person, but he did not send the premium amount. Instead, the insured applied for another insurance policy for which a cheque was given, however the cheque bounced. Therefore, it was the case on behalf of the appellant that having long standing relations between the insured and the insurance company, he relied upon the assurance given by the insured that he will send the amount and, on that assurance, he issued the first cover note. In the departmental enquiry the charge levelled against the appellant came to be proved. The enquiry report was accepted by the disciplinary authority. Therefore, the appellant came to be removed from service however without any disqualification of a future employment. The appellant challenged the order of removal before the learned Single Judge. The learned Single

Judge dismissed the writ petition. The judgment and order passed by the learned Single Judge dismissing the writ petition has been confirmed by the impugned judgment and order passed by the Division Bench.

3. Having heard learned counsel for the respective parties and considering the reply to the charge-sheet and the plausible explanation given by the appellant – delinquent officer, we are of the opinion that the order of removal passed by the disciplinary authority against the appellant who had rendered approximately over twenty years of service and the fact that the appellant had an unblemished service record throughout, we are of the opinion that the punishment of removal from service is disproportionate to the charge and the misconduct held to be proved. It appears that the insured was an old customer and the insured and the insurer company had a long-standing relationship with him. The petitioner relied upon the assurance given by the insured that he will send the money and on that assurance the appellant issued the first cover note. However, at the same time when the second cover was issued with respect to the very vehicle,

the appellant was required to cancel the earlier cover note which the appellant did not cancel, which has resulted in loss to the insurance company. However, at the same time it cannot be said that the appellant failed to maintain integrity. Therefore, this is a fit case to impose any other punishment lesser/other than the removal from service.

4. In view of the above and for the reason stated above present Appeal Succeeds in Part. The impugned judgment and orders passed by the High Court are hereby quashed and set aside. The order of punishment imposed by the disciplinary authority removing the appellant from service is hereby quashed and set aside and the matter is remitted to the disciplinary authority to impose any other appropriate punishment lesser/other than the order of removal from service. The aforesaid exercise shall be completed within a period of three months from the date of present order.

Present appeal is partly allowed to the aforesaid extent.  
However, in the facts and circumstances of the case there shall be no order as to costs.

.....J.  
**(M. R. SHAH)**

.....J.  
**(B.V. NAGARATHNA)**

New Delhi,  
July 11, 2022.