



2025:DHC:7241



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Decided on: 20.08.2025

+ **W.P.(C) 12515/2025 & CM APPLs. 51058-51059/2025**

ANJALI GUPTA

.....Petitioner

Through: Ms. Pankhuri Shrivastava,
Advocate.

versus

NATIONAL INSURANCE COMPANY LTD

.....Respondent

Through: Ms. Hetu Arora Sethi, Advocate.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

PRATEEK JALAN, J. (ORAL)

1. By way of this writ petition under Article 226 of the Constitution, the petitioner assails an order of the Disciplinary Authority of the respondent dated 31.08.2015, by which a penalty of “*Removal from service, which shall not be a disqualification for future employment*” has been imposed upon her. She also challenges orders of the Appellate Authority dated 23.02.2016, and the Memorial Authority dated 17.06.2025, affirming the said order.

2. The petitioner, who has an LL.B. degree, was employed as an Administrative Officer (Legal) in the Delhi Regional Office – I of the respondent on 21.08.2011. At her instance, the respondent entered into an agreement dated 01.10.2011 with one Ms. Manju Gupta [hereinafter, “the landlady”] for the lease of a residential property [17, First Floor, M Block, Vikaspuri, New Delhi-110018], for the purposes of the petitioner’s accommodation. The lease was to run from 01.10.2011 to 31.03.2014.



3. The disciplinary proceedings arose out of the report of a surveyor, who was deputed by the respondent to inspect the premises in question and report on its status/condition, including whether it was liveable, the area of the premises leased to the petitioner, and other details. The Surveyor submitted a report dated 26.03.2014 to the respondent, in which it was observed that the landlady had identified a room on the rear side of the premises on the ground floor, as the room which was given to the petitioner. It was also reported that the landlady stated that the petitioner was married, and also resided in her husband's house in Dwarka. The Surveyor, upon entering the room, noticed that scrap material was lying inside and that the room was not in a liveable condition.

4. Acting upon this report, the respondent issued a Memorandum of Charges dated 04.07.2014 to the petitioner under Rule 25 of the National Insurance Company (Conduct, Discipline & Appeal) Rules, 2014 ["NIC (CDA) Rules"]. The charges pertained to misuse of the facility of leased residential accommodation provided to the petitioner by the respondent. It was alleged that the respondent paid the lease rent of Rs. 14,000/- per month to the landlady, but the petitioner did not live in the leased accommodation, and the amount was transferred by the landlady to the petitioner's mother. It was further alleged that the landlady was also a close relative of the petitioner, which was concealed in the application for taking the accommodation on lease. A second charge pertained to the petitioner's facilitating another colleague, Mr. Kulwant Saini, in entering into a lease agreement for the same accommodation with the same landlady, the lease amount of which was also transferred into the account of the petitioner's mother. The Articles of Charge were accompanied by



detailed statements of imputation.

5. The petitioner responded on 14.07.2014, stating, *inter alia*, as follows:

“b. That Landlady of said premises Mrs Manju Gupta is real younger sister of my father. This fact was never disclosed to me by my parents and Mrs Manju Gupta (Land lady) till my marriage i.e. 02-05-2013 and even some more time after that also.

I came to know about this fact, only few months before vacation of leased accommodation. She never visited our Faridabad residence because of bad relation with my mother Smt. Uma Mittal, due to some outstanding liability.

c. That during the tenancy, she neither treated me as a relative, nor she had disclosed about relationship or about her dispute with my mother, except last few month of tenancy.

d. That during tenancy, she had charged rent from me @ Rs. 14,000/- p.m., though I was getting a sum of Rs. 10,000/- from the company, which was increased to Rs. 12,000/- at a later date, which proves that she had not given any benefit to me.

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i. That Mrs Manju Gupta never came to our Faridabad residence, even on the occasion of my marriage. To prove this, I am ready to produce the photographs of my marriage along with Videography. Even she was not invited by my parents, though she was my land lady at the time of my marriage.

j. That I don't have any knowledge about the transfer of amount in the account of my mother by my landlady Mrs. Manju Gupta nor I am concerned about the said transfer of money and hence no comments. *But it is wrong to say that I was not residing at the leased accommodation provided by the company.”¹*

6. Although the petitioner denied the charges, it was thus admitted in the petitioner's reply that the landlady of the premises was the sister of her father. However, she contended that this fact was never disclosed to her by her parents or by the landlady, until after the petitioner's marriage on 02.05.2013, and contended that her aunt had never visited her parental home due to a dispute over outstanding liability. Certain allegations were

¹ Emphasis supplied.



made against the landlady, and it was also stated that the market rent of the room in the petitioner's possession would have been Rs. 50,000/- to Rs. 1,00,000/- per month, but the landlady had taken rent of Rs. 14,000/- per month due to the poor quality of construction. The fact of transfer of the rental amount by the landlady to the petitioner's mother was not denied, but the petitioner denied knowledge of the same. She also denied having facilitated Mr. Kulwant Saini to take the property on rent.

7. An inquiry was held pursuant to the aforesaid chargesheet, in which the Management produced a representative of the Surveyor, who had himself visited and inspected the residential accommodation in question. The witness was also cross-examined by the petitioner. Mr. Kulwant Saini was produced as the second Management witness. The petitioner also gave evidence, and produced the landlady as a defence witness.

8. After recording the evidence, the Inquiry Officer came to the following conclusions:

“Charge No. One:

It is "Partially Proved" since as per lease agreement CO, Ms. Anjali Gupta stayed in one room accommodation initially before marriage instead of accommodation mentioned in lease agreement thereby partial financial loss to the NICL and partial financial gain to CO which got substantiated by transfer of rent amount by CO's real Aunt DW-2, Ms. Manju Gupta Land Lady to CO's mother Ms. Uma Mittal.

Charge No. Two:

It is "Partially Proved" since PW-2, Mr. Kulwant Saini, batch mate of CO got the reference of DW-2, Ms. Manju Gupta, Land Lady and real Aunt of CO from CO only resulting fraudulent agreement entered into by DW-2 with NICL. However, direct facilitation and connivance for such fraudulent agreement on the part of CO is not attributed.

Charge No. Three:

It is not 'proved' since no deposition or no documents made &



exhibited during enquiry proceedings.”

9. The Disciplinary Authority disagreed with the report, and issued a further show cause notice to the petitioner on 29.04.2015, proposing a finding that all three charges were proved. The petitioner replied to the show cause notice on 22.05.2015, and substantially reiterated her earlier contentions.

10. The Disciplinary Authority, however, confirmed the proposed punishment with the following findings:

*“AND WHEREAS the Appropriate Authority after going through the facts and circumstances of the case and other relevant documents, observes that **the leased accommodation was not wholly occupied by Ms. Anjali Gupta as specified in the lease Agreement during her lease period.** The landlady and Ms. Anjali had given contradicting statements at various points of time during the entire proceedings. **However, immaterial of whether Ms. Anjali Gupta and the landlady Ms. Manju Gupta were related or not, Ms. Anjali Gupta had fraudulently managed to channelize the Company's fund, into her mother's account in the form of 'rent' though paid in the name of landlady Ms. Manju Gupta, throughout the period of lease.** Shri Kulwant Saini, AO, DRO-II, in connivance with Ms. Anjali Gupta had also fraudulently entered into a lease Agreement with Smt. Manju Gupta on the subject premises leased out in the name of Ms. Anjali Gupta already. **The rent paid by the Company on behalf of Shri Kulwant Saini to Smt. Manju Gupta was again siphoned off into the account of Smt. Uma Mittal, mother of Ms. Anjali Gupta.** It is evident from the Bank Statement of Smt. Manju Gupta that there had been regular transfer of funds (rent paid by the Company on behalf of Ms. Anjali Gupta and Shri Kulwant Saini) from her account to that of Smt. Uma Mittal, mother of Ms. Anjali Gupta. **The ultimate beneficiary of the Company's fund paid by way of rent in both the lease agreements being Smt. Uma Mittal mother of Ms. Anjali Gupta, the complicity and conspiracy of the employee is established beyond doubt. Ms. Anjali Gupta had acted in absolute violation of the Company's guidelines.**”²*

11. In the Appellate Order dated 23.02.2016, the aforesaid findings were affirmed.



12. Although the petitioner filed W.P.(C) 2731/2016 at that stage, the writ petition was disposed of on 21.04.2025, in view of an objection taken by the respondent that the petitioner had the alternative remedy of filing a Memorial before the concerned authority of the respondent. At the petitioner's request, the petition was disposed of, permitting the filing of a Memorial to be considered on merits, and not dismissed on account of limitation. The Memorial was accordingly filed on 27.04.2025, and has been rejected by the impugned order dated 17.06.2025, in exercise of the powers conferred under Rule 40 of NIC (CDA) Rules.

13. Having heard Ms. Pankhuri Shrivastava, learned counsel for the petitioner, and Ms. Hetu Arora Sethi, learned counsel for the respondent who appears on advance notice, I do not find any ground to interfere with the impugned orders. It is a well-established principle of law that findings of the disciplinary authority, or the appellate authority, being fact-finding authorities, are liable to interference of the writ Court only in very limited circumstances. No reappraisal of evidence is permitted at this stage. This principle was clearly laid down by the Supreme Court in *B.C. Chaturvedi v. Union of India*³, and has been followed in several cases since. Suffice it to refer to the observations of the Supreme Court in *Union of India v. Subrata Nath*⁴:

“14. It is well settled that courts ought to refrain from interfering with findings of facts recorded in a departmental inquiry except in circumstances where such findings are patently perverse or grossly incompatible with the evidence on record, based on no evidence. However, if principles of natural justice have been violated or the statutory regulations have not been adhered to or

² Emphasis supplied.

³ (1995) 6 SCC 749, paragraphs 12, 13.

⁴ 2022 SCC OnLine SC 1617.



there are malafides attributable to the Disciplinary Authority, then the courts can certainly interfere.

*21. To sum up the legal position, being fact finding authorities, both **the Disciplinary Authority and the Appellate Authority are vested with the exclusive power to examine the evidence forming part of the inquiry report.** On finding the evidence to be adequate and reliable during the departmental inquiry, the Disciplinary Authority has the discretion to impose appropriate punishment on the delinquent employee keeping in mind the gravity of the misconduct. However, in exercise of powers of judicial review, **the High Court or for that matter, the Tribunal cannot ordinarily reappreciate the evidence to arrive at its own conclusion in respect of the penalty imposed unless and until the punishment imposed is so disproportionate to the offence that it would shock the conscience of the High Court/Tribunal** or is found to be flawed for other reasons, as enumerated in *P. Gunasekaran*⁵ (*supra*). If the punishment imposed on the delinquent employee is such that shocks the conscience of the High Court or the Tribunal, then the Disciplinary/Appellate Authority may be called upon to reconsider the penalty imposed. Only in exceptional circumstances, which need to be mentioned, should the High Court/Tribunal decide to impose appropriate punishment by itself, on offering cogent reasons therefor.”⁶*

14. In the present case, the petitioner’s response to the chargesheet itself admits the fact that the landlady was the petitioner’s paternal aunt, and also does not deny that the rental amount paid by the respondent to the landlady, was thereafter transferred to the petitioner’s mother. The representative of the Surveyor, who had himself surveyed the property, was also examined in the inquiry proceedings, and gave evidence that the leased property was unliveable. In such circumstances, it cannot be said that the conclusion of the Disciplinary Authority was egregious or baseless, so as to invite interference of the writ Court.

15. In fact, the Disciplinary Authority has proceeded, disregarding the

⁵ (2015) 2 SCC 610.

⁶ Emphasis supplied.



relationship between the petitioner and the landlady, on the undisputed basis that the amount paid to the landlady was thereafter channelled into the petitioner's mother's account. The transaction between the landlady and the petitioner's mother is, however, sought to be justified by the petitioner, on the basis that the amounts were intended to repay a loan taken by the landlady from the petitioner's mother more than two decades in the past. There is no evidence on record to support the alleged past loan transaction in question, and the petitioner's bare denial is woefully inadequate to overturn the concurrent findings of the Disciplinary Authority, Appellate Authority, and Memorial Authority.

16. The aforesaid findings being thus supported by evidence, I do not find any reason to interfere with the findings against the petitioner.

17. Ms. Shrivastava lastly submitted that the punishment of removal from service is disproportionate to the facts and circumstances of the case. It may be noted, at the outset, that the quantum of punishment in disciplinary proceedings is normally a matter for the employer. Interference is justified only if the punishment, in all the facts and circumstances of the case, shocks the conscience of the Court. The principles have been explained by the Supreme Court, *inter alia*, in *Lucknow Kshetriya Gramin Bank v. Rajendra Singh*⁷, wherein it was observed as under:

“19. The principles discussed above can be summed up and summarised as follows:

19.1. When charge(s) of misconduct is proved in an enquiry the quantum of punishment to be imposed in a particular case is essentially the domain of the departmental authorities.

19.2. The courts cannot assume the function of

⁷ (2013) 12 SCC 372.



disciplinary/departmental authorities and to decide the quantum of punishment and nature of penalty to be awarded, as this function is exclusively within the jurisdiction of the competent authority.

19.3. Limited judicial review is available to interfere with the punishment imposed by the disciplinary authority, only in cases where such penalty is found to be shocking to the conscience of the court.

19.4. Even in such a case when the punishment is set aside as shockingly disproportionate to the nature of charges framed against the delinquent employee, the appropriate course of action is to remit the matter back to the disciplinary authority or the appellate authority with direction to pass appropriate order of penalty. The court by itself cannot mandate as to what should be the penalty in such a case.

19.5. The only exception to the principle stated in para 19.4 above, would be in those cases where the co-delinquent is awarded lesser punishment by the disciplinary authority even when the charges of misconduct were identical or the co-delinquent was foisted with more serious charges. This would be on the doctrine of equality when it is found that the employee concerned and the co-delinquent are equally placed. However, there has to be a complete parity between the two, not only in respect of nature of charge but subsequent conduct as well after the service of charge-sheet in the two cases. If the co-delinquent accepts the charges, indicating remorse with unqualified apology, lesser punishment to him would be justifiable.”⁸

18. In the present case, we are faced with a situation where a Legal Officer of a Company has caused the respondent to enter into a fraudulent transaction, on the basis that she is occupying a property, which was found to be unliveable. The landlady was her paternal aunt, whom she disowns knowledge of, and the rental amount was transferred by the landlady to the petitioner’s own mother - another transaction of which she disowns knowledge. The case of the petitioner defies credulity. The gravity of the charges strikes at the question of trust, which is at the centre of any employer-employee relationship, and all the more integral

⁸ Emphasis supplied.



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to the role of a person trusted with a company's legal affairs. In such circumstances, I do not find the quantum of punishment disproportionate, and certainly not to a degree which shocks the conscience of the Court.

19. For the aforesaid reasons, the writ petition, alongwith the pending applications, is dismissed.

AUGUST 20, 2025
SS/Jishnu/

PRATEEK JALAN, J