

IN THE HIGH COURT OF JUDICATURE AT PATNA

Letters Patent Appeal No.751 of 2016

Birendra Kumar, son of Sri Hari Narayan Sahu, resident of Mohalla At + P.O. Chouhatta, District Supaul (Bihar), Pin- 852138

.... Appellant

Versus

1. The Chairman, Life Insurance Corporation of India, Central Office, Yogakshema, Mumbai- 400021
2. The Executive Director (M-B & AC), Life Insurance Corporation of India Marketing Bancassurance & ALT, Ch. Department, Central Office, Yogakshema (West Wing), J.B.Marg, Mumbai- 400021
3. Zonal Manager, East Central Zone, Jeevan Deep, Exhibition Road, Patna
4. The Senior Divisional Manager, Divisional Office, Priyadarshani Sakhichand Ghat Road, Naya Bazar, Bhagalpur
5. Deputy Manager (B & AC) LIC of India, Begusarai Division, Begusarai
6. Senior Branch Manager, LIC of India, Branch Office, Begusarai
7. Branch Manager, LIC of India, Pokharia, Begusarai Branch, District Begusarai

.... Respondents

with

Letters Patent Appeal No. 752 of 2016

Lalan Kumar Paswan, son of Sri Brahmdeo Paswan, resident of Ward No. 10, Near Kanya Middle School, Laliyahi, P.O. Katihar Mills, District Katihar, Bihar, Pin Code- 854105

.... Appellant

Versus

1. The Chairman, Life Insurance Corporation of India, Central Office, Yogakshema, Mumbai- 400021
2. The Executive Director (M-B & AC), Life Insurance Corporation of India Marketing Bancassurance & ALT, Ch. Department, Central Office, Yogakshema (West Wing), J.B.Marg, Mumbai- 400021
3. Zonal Manager, East Central Zone, Jeevan Deep, Exhibition Road, Patna
4. The Senior Divisional Manager, Divisional Office, Priyadarshani Sakhichand Ghat Road, Naya Bazar, Bhagalpur
5. Senior Branch Manager, LIC of India, Branch Katihar, Bihar

.... Respondents

Appearance :

(In LPA No.751 of 2016)

For the Appellant/s : Mr. Raj Kamal

For the Respondent/s : Mr.

(In LPA No.752 of 2016)

For the Appellant/s : Mr. Raj Kamal

For the Respondent/s : Mr.

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CORAM: HONOURABLE THE ACTING CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE CHAKRADHARI SHARAN
SINGH
ORAL JUDGMENT
(Per: HONOURABLE MR. JUSTICE CHAKRADHARI SHARAN SINGH)
Date: 02-05-2016

These appeals, under Clause 10 of the Letters Patent of this Court, have been filed assailing the common judgment and order dated 15.3.2016 passed by a learned Single Judge in C.W.J.C.No. 3582/2016 and other analogous cases. By the order under appeal, the learned Single Judge has rejected various writ applications filed by the appellants under Article 226 of the Constitution of India, who had sought for a direction restraining the respondents from giving effect to the part of the communication dated 2.3.2015, whereby it was mentioned that the contract of the appellants as Financial Services Executive (FSE) will automatically cease on 29.2.2016.

2. The facts are not in dispute. The Life Insurance Corporation of India (hereinafter referred to as 'the LIC') framed LIC of India (Financial Services Executive) Scheme, 2007, providing for engagement of financial services executives purely on contractual basis, initially for a period of three years. A notice inviting applications for engagement as FSE on contractual basis was published. The appellants showing their willingness applied. The appellants were engaged in the year 2008 as FSEs on contractual basis

for a period of three years, with stipulation of renewal at sole discretion of the Corporation, subject to the terms and conditions, for another two years.

3. It seems that they were thereafter given few extensions. Finally, vide letter dated 1.1.2015, the competent authority of the Corporation decided to approve renewal of contract for eligible FSEs, subject to their performance and suitability. It was categorically mentioned, in a communication dated 1.1.2015 issued under the signature of the Executive Director (M-B & AC) addressed to all Zonal Managers, Regional Managers (B & AC) and Senior Divisional Managers of the Corporation, as follows:

" This is the last and final extension of Contractual period to the FSEs. Please note that there will not be any further extension of contractual period to any of the FSEs, after completion of the 8th year."

4. It appears that in conformity of the said decision of LICl, as contained in the communication dated 1.1.2015, the appellants were granted extension mentioning specifically that the contract will automatically cease on respective dates, as specified in the letter granting extension of contractual period on completion of 8th year. It was also mentioned that if the above terms and conditions were acceptable to the appellants, for their engagement as FSEs for one



year, they should handover the duplicate copy, duly signed, in token of their acceptance, to the concerned Senior Divisional Manager of LIC. The appellants admittedly accepted the terms of extension to 8th year and after having served as such, they filed writ applications in the year 2016, questioning that part of the offer, whereby they were granted extension to 8th year and wherein particular date was specified, on which they completed 8th year of their engagement, as the date on which their contract would have automatically ceased.

5. The appellants took a plea in the writ proceedings that on one hand the LIC terminated their contractual engagement, it intended to fill up those posts by fresh recruitments, which is illegal, arbitrary and violative of Articles 14 and 16 of the Constitution of India.

6. A counter affidavit was filed in the writ proceedings on behalf of the LIC taking specific stand that the LIC had decided way back in January, 2015 that no further extension of contractual period shall be granted after completion of 8th year, which policy has been uniformly applied in cases of all persons appointed.

7. Learned Single Judge did not find any merit in the stand taken by the appellants and dismissed the writ applications by the abovementioned common judgment and order dated 15.3.2016, which is under appeal in the present proceeding.

8. We have perused the pleadings on record and we have given our anxious consideration to the submissions advanced on behalf of the parties.

9. There is no dispute that the engagements of the appellants as FSEs were purely contractual in nature, subject to extension, in accordance with the scheme. We are of the view that no legal right accrued to the appellants to continue on the post after expiry of the period of their contractual engagements. Further, it has been rightly contended on behalf of the respondents that the appellants accepted terms and conditions of the last extension for 8th year, in which it was specifically mentioned that their contract will automatically cease on respective dates of completion of 8th year of their contractual engagements. After having accepted the terms of the last extension, the appellants cannot turn around and challenge the decision of the LICICI that no extension shall be granted after completion of 8th year. The plea on behalf of the LICICI that this policy of not granting extension beyond 8th year has been uniformly applied, could not be disputed or otherwise controverted.

10. In such circumstance, we do not find any legal or factual infirmity in the order under appeal passed by the learned Single Judge.

11. These appeals are, accordingly, dismissed.

12. There shall be no order as to costs.

(I. A. Ansari, ACJ)

(Chakradhari Sharan Singh, J)

Surendra/-

AFR/NAFR	NAFR
CAV DATE	NA
Uploading Date	11.5.2016
Transmission Date	NA