

HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY
AND
HON'BLE SRI JUSTICE G.SHYAM PRASAD

Writ Appeal No.112 of 2016

Date:04.8.2016

Between:

V.Venkataiah,
S/o V.Veeraiah and four others.

..... Appellants

And:

Life Insurance Corporation of India,
Mumbai, repled by its Chairman
and three others.

....Respondents

Counsel for the appellants: Mr. G.Vidyasagar
Senior counsel
for Mr. Aka Venkataramana

Counsel for the respondents: Mr. P.Venu Gopal,
Senior counsel
for Mr. Bathula Raj Kumar

The Court made the following:

JUDGMENT: *(per Hon'ble Sri Justice C.V.Nagarjuna Reddy)*

An order by which the learned single Judge declined to continue the appellants as Financial Services Executives on contract basis is the subject matter of this Writ Appeal.

Mr. G.Vidyasagar, learned senior counsel appearing for the appellants, has not disputed the fact that in terms of LIC of India (Financial Services Executives) Scheme, 2007 (for short 'the Scheme'),

evolved by respondent No.1-Corporation, the appellants were appointed for a period of three years with a provision for renewal of the contract for a further period of two years and that, all the appellants were continued beyond five years, i.e., for a period of eight years, even in the absence of a contract.

The learned single Judge in the order under appeal observed that in the absence of the right vested in the appellants to be continued beyond the term fixed under the Scheme, no direction for their continuance could be given by way of an interim order pending the Writ Petition.

In the context of the submission made by Mr. P.Venu Gopal, learned senior counsel appearing for the respondents, that the Scheme itself was wound up, this Court directed the respondents to file an affidavit to this effect. Accordingly, Mr. P.Madhusudana Rao, Secretary (Legal), South Central Zone of respondent No.1 filed an additional affidavit, dated 30.7.2016, wherein he has *inter alia* stated in paragraphs-4 and 5 as under:

“The present affidavit is filed informing this Hon’ble Court that the writ appellants, who have been appointed under a Scheme called as “LIC of India (Financial Services Executives) Scheme, 2007, which contained a recital that the persons who would be taken under the Scheme would be taken only on contract basis. It is humbly submitted that the Scheme itself has been closed by the LIC of India, as is evident on a reading of the Circular issued by the Department of Marketing Bank Assurance and Alternate Channels of LIC of India, Central Office, Mumbai, vide the circular Ref:CD/MBAC /ZD/01/2015, dated 01.01.2015 (proof evidencing the same is filed herewith and the

same be read as part and parcel of this affidavit). Since some of the persons who have been taken under the Scheme and their contract period was renewed for a period of more than 6 to 8 years, their services were not dispensed with in as much as there would be discretion between them and the others. Therefore, to give a quietus to the problem and without having further litigation, it is submitted that all persons who would be completing 8 years would automatically be terminated in terms of the Scheme itself and the Scheme itself has now come to an end as referred to herein above and the LIC of India will not take any engagements in terms of the Scheme throughout the country.

It is humbly submitted that as the Scheme itself has come to a close vide the Circular Ref:CO/MBAC/ZD/01/2015, dated 01.01.2015, the Financial Services Executives, who were initially engaged for 3 years are likely be continued for a maximum period of 8 years on an yearly review of their business performance being found as per the business norms fixed and also their being found otherwise suitable. Under no circumstances, their contract period can be extended beyond 8 years. The facts stated herein above are true and correct. Hence, verified.”

Appellant No.5 filed a reply to the additional counter-affidavit, wherein it is stated that as on the date, the Scheme is being continued.

Mr. G.Vidyasagar, learned senior counsel, has strenuously submitted that on their own showing, the respondents have been still continuing some of the Financial Services Executives on the ground of their non-completion of eight years of service.

Mr. P.Venu Gopal, learned senior counsel, however, submitted that in order to avoid the litigation from the Financial Services Executives who have not completed eight years of service and the allegation of discrimination between them and the persons such as the appellants who were continued for eight years, those who have not completed eight years of service were being continued as Financial Services Executives and that, once their term of eight years is completed, they also will be discontinued. He has further submitted that the appellants and other similarly situated persons will not be replaced with a fresh set of individuals as Financial Services Executives.

The right of the appellants for being continued as Financial Services Executives has to be finally adjudicated in the Writ Petition which is pending before the learned single Judge. Therefore, it is not appropriate for this Court to delve into this aspect.

From the additional affidavit, dated 30.7.2016, of the Secretary (Legal) of respondent No.1, referred to above, it appears that the respondents have been continuing only such of those persons who have not completed eight years of service. Since the appellants have already completed such period, it is not possible for us to direct their continuance, more so, when it is the pleaded case of the respondents that the Scheme itself is wound up. As Mr. G.Vidyasagar, learned senior counsel, has seriously disputed this claim, we are not inclined to render any finding on this aspect at this stage.

To address the concern of the appellants that they may be replaced by a fresh set of individuals, we have required Mr. P.Venu Gopal to state as to whether there is any such possibility in future. He has, however, stated that since the Scheme itself is being wound up, the appellants will not be replaced by any third party

individuals and that, in the event, the respondents seek to appoint fresh Financial Services Executives, the appellants will be given preference, subject to their suitability.

This submission of the learned senior counsel is placed on record and the Writ Appeal is, accordingly, disposed of.

As a sequel to disposal of the Writ Appeal, interim order, dated 28.3.2016, is vacated and WAMP.No.304 of 2016 filed by the appellants for interim relief is disposed of as infructuous.

*JUSTICE C.V.NAGARJUNA
REDDY*

JUSTICE G.SHYAM PRASAD

*04th August 2016
DR*