

CWP No. 26881 of 2015**Date of decision:5.05.2016****Khayati Aggarwal****.....Petitioner****versus****Life Insurance Corporation of India and others****.....Respondents****Coram: Hon'ble Mr. Justice Rakesh Kumar Jain****Present:** Mr. Divanshu Jain, Advocate
for the petitioner.Mr. Puneet Sharma, Advocate
for respondents No. 1 to 4.**Rakesh Kumar Jain, J.(Oral)**

Shorn off unnecessary details, counsel for the petitioner has submitted that the impugned order has been passed against the petitioner without issuance of a show cause notice.

Counsel for the respondents, however, has submitted that the petitioner was served with a show cause notice on 22.07.2010(Annexure P-3) but thereafter, identical show cause notice was issued to his brother namely, Neeraj Aggarwal, who was holding the Agency Code No. 3647-317 of the LIC India, on 25.09.2010, to which he replied and as a matter of fact, admitted his mistake and on that basis, the order was passed against him on 14.10.2010 terminating his agency.

The case set up by the respondents is that after the termination of the agency of Neeraj Aggarwal, further inquiries were made in which the connivance of the present petitioner was also found with Neeraj Aggarwal in the alleged fraud and hence,

the impugned order was passed against him on 10.12.2013.

It is fairly conceded by counsel for the respondents that no show cause notice was again given to the petitioner on the ground that after the termination of agency of Neeraj Aggarwal, some more material has been found in the inquiry and that material was sufficient to terminate his agency.

After hearing learned counsel for the parties and perusal of the available record, I am of the considered opinion that after the show cause notice issued to the petitioner was superseded by another show cause notice issued to his brother Neeraj Aggarwal, the show cause notice issued to the petitioner became redundant and if the respondents had found further material against the petitioner, even after the alleged mistake was admitted by Neeraj Aggarwal, who has already been suitably punished, respondents were required to serve show cause notice giving him the detail on which he was likely to be punished by the respondents.

Had this course been adopted, the petitioner would have given its reply and then the decision could have been taken by the competent authority. Since there is complete violation of principle of natural justice much less audi alteram partem, the impugned order does not deserve to survive and as such, the same is hereby set aside. However, liberty is granted to the respondents to serve a show cause notice to the petitioner, take his reply and then pass appropriate orders against him, if required in accordance with law by passing a speaking order. The entire

exercise be carried out as early as possible preferably within a period of 3 months.

5th May, 2016

Shivani Kaushik

**[Rakesh Kumar Jain]
Judge**