

HONOURABLE SRI JUSTICE P.NAVEEN RAO

WRIT PETITION No.15608 of 2016

Date:24.01.2017

Between:

Suhas M. Raykar, S/o. Manohar
Raykar, aged about 32 years,
Occ: Senior Marketing Executive,
R/o.D.No.391/2, PVN Colony,
Malkajgiri, Hyderabad ... Petitioner

And

The Zonal Manager, Life Insurance
Corporation of India, Jeevan Bhagya,
South Central Zone, Hyderabad and another ... Respondents



The Court made the following:

THE HONOURABLE SRI JUSTICE P.NAVEEN RAO

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ORDER:

As a consequent to the notification issued by the Life Insurance Corporation of India (LIC) to appoint Senior Marketing Executive (On Contract Basis), petitioner responded and he was accordingly appointed in the year 2010. The appointment of Senior Marketing Executive is governed by the Senior Marketing Executives (On Contract Basis) Scheme, 2009 (Scheme, 2009). In terms of clause-3 of the Scheme, the contract is for a period of three years and is renewable for further period with maximum limit of two renewals. However, as per clause-4, contract can be terminated by giving notice of 30 days without assigning any reasons.

2. Petitioner was granted renewal in the year 2013. After expiry of the first renewal granted to the petitioner, he was not granted further renewal and he was accordingly informed by letter dated 11.02.2016. No reasons are assigned for not granting renewal. In this writ petition, petitioner assails the decision of the respondent-LIC not granting renewal of his contract for further period in accordance with clause-3 of the Scheme, 2009.

3. Clause 3 of the Scheme, 2009 reads as under:

“3. Nature of Engagement:

a) Engagement shall be for the marketing assignment and it shall be purely on contractual basis for a period of 3 years.

b) Renewal of Contract

The contract may be further renewed for a period of three years subject to satisfactory performance, suitability of the person during the contractual period and needs of the Corporation. In

no case the contractual engagement shall be more than three terms. ”

4. On bare perusal of this clause, it is clear that in ordinary course, renewal is granted on two occasions. However, such renewal can be denied if performance of the Senior Marketing Executive is not satisfactory and is assessed to be not suitable.

5. In the instant case, it is not in dispute that there was no assessment holding performance of the petitioner as not satisfactory and there is no decision of his non-suitability to the post held by him. Thus, in the normal circumstances, renewal ought to be granted. The correspondence on the issue of renewal of contract of Senior Marketing Executives was in general terms and the competence of the authority to terminate by giving 30 days notice. Thus, no specific reasons are assigned except for taking the stand that the renewal is not automatic and no renewal be granted to all Senior Marketing Executives.

6. Learned counsel for petitioner placed reliance on the decision of this Court in W.A.No.822 of 2016 and WP No.14079 of 2016, which were disposed of by common order, dated 14.09.2016.

7. Learned Standing Counsel, while reiterating his stand that renewal is not automatic, sought to rely on the decision rendered by the Punjab & Haryana High Court in **All India LIC SMEs Group/ Association (Regd.) v. Life Insurance Corporation of India and others** (CWP No.20117 of 2015) and Allahabad High Court to contend that renewal could not be granted. He further submits that since petitioner is not in service for the last more

than one year, the question of assessment of the petitioner's suitability does not arise.

8. In paragraph No.16 of the counter affidavit, specific averment is made that the Scheme, 2009 is now terminated and, therefore the question of renewal does not arise. On this issue, when this Court asked, learned Standing Counsel is unable to place any decision of the competent authority withdrawing the scheme itself. In paragraph No.16 of the counter-affidavit reference was made to two letters, dated 15.12.2015 and 11.02.2016. Those two letters only inform that renewal of contract is not granted, by referring to the Scheme, 2009 and do not deal with scrapping of the scheme. In the absence of any other material placed on record to contend that Scheme, 2009 itself is scrapped and two letters, referred to above, do not deal with scrapping of the scheme, it cannot be said that no scheme is in force as on today.

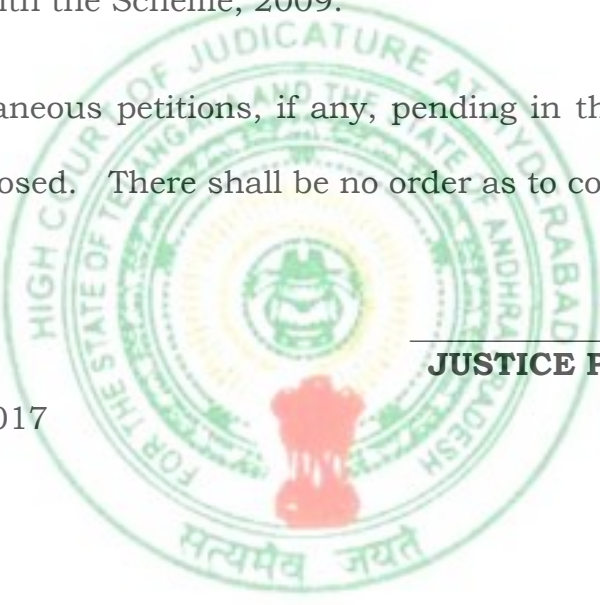
9. Having regard to the provision in clause-3, extracted above, and having regard to the fact that there was no decision holding petitioner performance as unsatisfactory, the Division Bench of this Court, in the decision relied on by petitioner, held that not granting renewal as illegal and sets aside order impugned in the said writ petition and direction was issued to the appellant (LIC) to grant renewal for the third term.

10. In the facts of this case, the decision of the Division Bench applies in all fours. In view of the decision of Division Bench of this Court, which is binding on me, the contention of the learned Standing Counsel that different view is taken by other High Courts cannot be countenanced.

11. The further contention of the learned Standing Counsel that since petitioner is not in service, there cannot be assessment of the suitability of the petitioner, also cannot be countenanced. The assessment of the suitability and satisfactory performance are relatable to the period during which petitioner worked and as noted above, there is nothing on record to show that petitioner performance was not satisfactory during the period of his work.

12. Having regard to the above, the writ petition is allowed. The respondents are directed to grant second renewal of contract in accordance with the Scheme, 2009.

Miscellaneous petitions, if any, pending in this writ petition shall stand closed. There shall be no order as to costs.



JUSTICE P.NAVEEN RAO

Date:24.01.2017

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HON'BLE SRI JUSTICE P.NAVEEN RAO



WRIT PETITION No.10512 of 2016

Date: 19.01.2017

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