

IN THE PUNJAB AND HARYANA HIGH COURT AT
CHANDIGARH

201

CWP-18408-1995 (O&M).
Date of Decision: 01.03.2024.

RAVINDER KUMAR

... Petitioner(s)

Versus

LIFE INSURANCE CORPORATION OF INDIA AND OTHERS

... Respondent(s)

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ.

PRESENT Mr. Karan Bhardwaj, Advocate, for the petitioner.

Mr. Prateek Mahajan, Advocate, with
Mr. Daanish Mahajan, Advocate,
for the respondents/Life Insurance Corporation of India.

VINOD S. BHARDWAJ, J (ORAL).

Challenge in present writ petition is to the orders dated 04.06.1994 (Annexure P-16) and order dated 15.04.1995 (Annexure P-18), whereby the agency of the petitioner had been terminated along with forfeiture of his renewal commission and dismissal of his appeal by the Appellate Authority.

2 Learned counsel for the petitioner contends that the petitioner was engaged as an Agent by the Life Corporation of India and was allotted Agency Code No.1825162. He performed his services to the best of his capabilities, without any complaints of any nature whatsoever. However, in the month of March 1993 his renewal commission was not remitted to him whereupon he wrote a letter on 10.06.1993 to the Senior Branch Manager,

Life Corporation of India for the release of the same. No response to the same was received whereupon subsequent reminders were also sent by the petitioner on 17.06.1993 and 25.06.1993. In response thereto, a communication dated 30.06.1993 was received by the petitioner informing that a complaint had been submitted against the petitioner by one Sarwan Singh alleging that his policy had matured and that the maturity amount be released to him. On verification of the claim, it transpired that respondent-Insurance Company had received only one premium in their account while the complainant Sarwan Singh had placed reliance on nearly 17 receipts claimed to have been issued by the petitioner towards the premium against the said policy.

3 The petitioner submitted a representation to the respondents authorities for being supplied with a copy of complaint submitted by complainant Sarwan Singh along with the receipts that had been referred to and relied upon by the said complainant and claiming that the same had been issued by the petitioner. The same was not replied to. He contends that as many as 16 reminders were sent by the petitioner to the respondent authorities to supply the requisite documents so as to enable him to respond to the same. However, notwithstanding the above said request of the petitioner, the respondents initiated an inquiry into the purported allegations without affording appropriate opportunity to the petitioner to defend himself. The impugned orders were thereafter passed against the petitioner arbitrarily and without affording the opportunity to comply with the principles of natural justice.

4 Aggrieved thereof, the appeal was preferred by the petitioner before the Appellate Authority, however, vide impugned order (Annexure

P-18), the said appeal was dismissed by a non-speaking and cryptic order and without affording an opportunity of hearing to the petitioner even though the L.I.C. of India (Agents) Regulations, 1972 mandate that an opportunity of hearing is required to be provided to the agent.

5 Learned counsel for the respondent-the Life Corporation of India, on the other hand, contends that the above said receipts were duly shown to the petitioner by the Inquiry Officer and the said fact is recorded in the Inquiry report as well. He contends that another glaring illegality, which transpired during the course of the said inquiry is that the petitioner had issued as many as five initial premium receipts to other insured as well. He further submits that the relationship between the petitioner and the Life Corporation of India is not that of an employee and employer and as such, the principles of holding departmental inquiries as are available under the service laws are not applicable. Only the allegations are required to be inquired into. An inquiry was conducted after issuing a show cause notice wherein the petitioner had been associated and a finding had been returned against him, on the basis whereof the impugned orders had been passed. It was established during inquiry and even thereafter that there was sufficient compliance with the principles of natural justice and in the absence of any specific provision mandating that an opportunity of personal hearing is required to be given to an agent/employee, the same cannot be read into in the Statute.

6 No other argument has been raised.

7 I have heard learned counsel appearing for the respective parties and have also gone through the documents appended along with the present petition with their able assistance.

8 It is evident from a perusal of the L.I.C. of India (Agents) Regulations, 1972, that against a suspension of agency for certain lapses under Rule 16 (3) of the L.I.C. of India (Agents) Regulations, 1972, an appeal is prescribed under Regulation 16 thereof and its consideration has been stipulated under Regulation 23. The said Regulation stipulates that an appellant is to be given a reasonable opportunity of representing his case. The impugned order (Annexure P-18) is however extracted as under:-

*“LIFE INSURANCE CORPORATION OF INDIA
Branch Office*

Dated: 15.4.95

Regd. A. D.

*Sh. Ravinder Kumar,
H. No. C-II 2186,
Gali Gadrian,
Near Patri Mohalla,
Jagadhri-135 003.*

Dear Sir,

*Re: Your appeal against termination of your agency code
1825-162*

*We have to inform you that your appeal together with
rejoinder dated 10.10.94 against the termination of your
agency as per Sr. D.M.'s orders dated 4.6.94 with penalty of
forfeiture of Renewal Commission has been rejected by our
Zonal Manager. Please note.*

Yours faithfully,

*Sd/-
Branch Manager”*

9 Further, a Division Bench of this Court in the matter of **Gurmit Singh Vs. Life Insurance Corporation of India and others, reported as 2007 (3) SLR 86** has held that Regulation 23 of the L.I.C. of India (Agents)

Regulations, 1972 mandates affording of a personal hearing by the

competent authority and where an order has been passed without affording an opportunity, such an order would be bad in law and cannot be sustained.

10 A perusal of the impugned order dated 15.04.1995 passed by the Appellate Authority clearly shows that the said order had been passed in a cryptic manner without giving a reference to any of the grounds of appeal and as to whether any reasonable opportunity had been offered to the petitioner to defend his case or not. The said order would not satisfy the parameters prescribed for adherence to the principles of natural justice and affording a reasonable opportunity of hearing to any person.

11 For the aforesaid reasons and by referring to the ratio of the aforesaid judgment **Gurmit Singh (supra)**, the present petition is allowed. The order dated 15.04.1995 (Annexure P-18) passed by the Appellate Authority is set aside. The parties are directed to appear before the Appellate Authority on or by 30.04.2024 wherein upon the Appellate Authority shall hear the appeal afresh, after complying with the Regulation 23 of the L.I.C. of India (Agents) Regulations, 1972 and pass an order after affording an opportunity of hearing to the respective parties.

12 Pending, misc. application(s), if any shall also stand(s) disposed of accordingly.

March 01, 2024
raj arora

(VINOD S. BHARDWAJ)
JUDGE

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No