

**District Consumer Disputes Redressal Commission. Cuttack
Sector-1,CDA,Near Saticha**

**Complaint Case No. CC/158/2017
(Date of Filing : 20 Dec 2017)**

1. Sundar Prakas Das

At-Santola ,PO-Gababasta,Dist-Cuttack

.....Complainant(s)

Versus

1. Div. Manager,LIC of India

Cuttack DIvision,Cuttack

2. Manager(OGSSS),LIC of India

Cuttack Division,At/Po/Dist-Cuttack

3. Transport Commissioner,Cuttack

Board of Revenue Building,At/Po/Dist-Cuttack

4. Collector-cum-chairman,ITDA,Keonjhar,

At/Po/Dist-Keonjhar

.....Opp.Party(s)

BEFORE:

PRESENT: S Mohapatra & associates, Advocate for the Complainant 1

C R Pattanaik & associates, Advocate for the Opp. Party 1

C R Pattanaik & associates, Advocate for the Opp. Party 1

Dated : 20 Dec 2023

Final Order / Judgement

**IN THE COURT OF THE DIST. CONSUMER DISPUTES REDRESSAL
COMMISSION,CUTTACK.**

C.C.No.158/2017

Sri Sunder Prakash Das,

S/o: Late M.N.Das,At:Santola,

P.O:Gababasta,Dist:Cuttack.

... Complainant.

Vrs.

1. Divisional Manager,

L.I.C of India,Cuttack Division,

At/PO/Dist:Cuttack.

2. Manager (OGSSS),LIC of India,

Cuttack Division, At/PO/Dist:Cuttack.

3. Transport Commissioner,Cuttack,
Board of Revenue Building,
At/PO/Dist:Cuttack.

4. Collector-cum-Chairman,ITDA,Keonjhar,
At/PO/Dist: Keonjhar.

... Opp. Parties.

Present: Sri Debasish Nayak,President.

Sri Sibananda Mohanty,Member.

Date of filing: 20.12.2017

Date of Order: 20.12.2023

For the complainant: Mr. S.Mohapatra,Adv. & Associates.

For the O.Ps No..1 & 2: Mr. C.R.Pattnaik,Adv. & Associates.

For the O.Ps No.3 & 4: None.

Sri Sibananda Mohanty,Member.

The case of the complainant in short is that he had availed two numbers of policies under Salary Savings Scheme being an employee of Govt. of Odisha from the Life Insurance Corporation in short 'L.I.C' i.e. present O.Ps no.1 & 2. It is stated by him that while he was working as J.E,Gohira Canal Sub-Division-III at Rengali Beda,Sambalpur under Irrigation Department of Odisha he had availed an Endowment Assurance Policy on 15.10.1982 bearing Policy No.G60513618 with assured sum of Rs.20,000/- and for which premium amount for the said policy was fixed at Rs.60.80p, which were deducted from his salary regularly by the employer and were sent to the O.Ps no.1 & 2. The said policy matured on 15.10.2007. Similarly, the complainant stated to have availed another policy, which is a money back policy bearing no.582742445 with the assured sum of Rs.30,000/- on 28.9.1994, while he was serving at Rairangpur Deo Canal Division in the District of Mayurbhanj which is under Irrigation Department. The said

policy had matured on 28.9.2014. The employer, the then Irrigation Department of Odisha now renamed as Water Resources Department of Odisha. was regularly deducting the premium amount of those two policies from his salary and were depositing the same with the O.P no.1 & 2. It is further stated by the complainant that while the matter stood thus, he was selected and was re-employed as Jr. M.V.I on 4.8.2004 in the office of the R.T.O,Nabarangpur under the Transportation Department and the entire service file of the complainant was forwarded to the Transport Deptt. from Irrigation Deptt. and as such he drew his salary from the Transport Deptt. as well as his insurance premium amounts were also deducted by the Transport Deptt. i.e. by the R.T.O,Nabarangpur for depositing the same with LIC. It is stated by the complainant that after maturity of the first policy i.e. Endowment Assurance Policy on 15.10.2007, the complainant was expecting his maturity amount from the L.I.C but the LIC did not pay him his maturity amount. It is further stated by him that as the LIC did not give him the maturity amount of first policy and did not give periodical benefits in second policy, which is a money back policy, , the complainant enquired in the office of LIC many times as well as had written several letters to LIC for disbursement of his entitlements. It is alleged by the complainant that after repeated correspondences made by him, the LIC of India,Keonjhar Branch office,Keonjhar vide its registered letter dt.27.5.2011 replied to him and asked him to contact Cuttack Division office to get the maturity amount in respect of Policy no.582742445. As per the complainant, the said letter further reveals that his other policy bearing no.6053618 was under scrutiny of LIC, as they had enquired as regards to premium payment status from their branches in which places the complainant was stationed during his service period. Thereafter, the complainant stated to have contacted O.P no.2 and requested him for early payment of the maturity amount of his policy and the O.P no.2 had assured to finalise his case as soon as possible and assured to settle the monetary benefits in respect of policies. As per the complainant, it was further stated by the O.P no.2 that after clearance of the premium amount from their different branches, the maturity amount would be paid. In the meantime, as per the complainant his other policy got matured but the O.P did not take any action for payment of his maturity amount in respect of two policies inspite of his repeated approaches. Hence, the complainant has filed the present case with a prayer for a direction to the O.Ps to pay the maturity amount in respect of his two policies with interest and also has prayed for payment of a sum of Rs.2,00,000/- towards compensation for his mental agony and harassment as well as cost of litigation.

The complainant has filed some documents in support of his case, so also filed some additional documents such as salary particulars as well as LIC premium deduction statement, which were obtained by him under R.T.I Act.

2. Out of the four O.Ps as arrayed in this case, O.Ps no.3 & 4 having not contested this case were set exparte.

However, O.Ps no.1 & 2 have contested the case and have filed their joint written version stating therein that they are not in possession of the policy records of the complainant. It is also stated by them that as they have not received any premium amount, they are not in a position to settle the claim of the complainant. It is further stated by them that as regards to policy no.60513618, all the records relating to the policy is available with Keonjhar Branch and the maturity amount in full or proportionate value as the case may be would be released from the Keonjhar branch only on production of all necessary documents subject to receipt of all premiums by that

branch. Hence, they have denied about the delay in settlement of the claim in respect of first policy of the complainant. In respect of policy no.582742445, it is stated by the O.Ps no.1 & 2 that the said policy is attached to their Nabarangpur branch and if any periodical payment is due, that would be released from that branch only. As such, it is stated by the OPs no.1 & 2 that due to such reason, the present O.Ps could not release the maturity amount and they are in no way responsible for the delay in payment of maturity amount. It is specifically stated by them that the maturity amount of policy no.60513618 is to be released from their Keonjhar branch and periodical payment against policy no.582742445 if any due as well as the maturity payment against the said policy in full or proportionate value as the case may be would be released by Nabarangpur branch on production of document, subject to receipt of premium by the said branch. The O.Ps no.1 & 2 have pleaded that they are no way liable for delay in payment of maturity amount in favour of the complainant. The O.Ps no.1 & 2 alleged to have filed copy of status report of policy No.60513618 but it reveals from the case record that no such report has been filed by them.

3. Keeping in mind the averments as made in the complaint petition and the contents of the written version of the O.Ps no.1 & 2, this Commission thinks it proper to settle the following issues in order to arrive at a definite conclusion here in this case.

- i. Whether the case of the complainant is maintainable?
 - ii. Whether there was any deficiency in service on the part of the O.Ps and if they have practised any unfair trade?
 - iii. Whether the complainant is entitled to the reliefs as claimed by him?

Issue no.ii.

It is admitted fact that the complainant was a State Govt. employee and he had obtained two policies bearing Policy No. 60513618 & 582742445 from the L.I.C of India under "Salary Saving Scheme". The complainant's first policy i.e. No. 60513618 had matured on 15.10.2007 but the O.Ps did not pay him his maturity amount. The L.I.C also did not release the periodical payment in respect of policy No. 582742445, which is a money back policy. The complainant time and again approached the LIC authorities for payment of his maturity amount. After repeated approaches, finally on 27.5.2011, the Keonjhar Branch of LIC as per Annexure-5 as filed by the complainant instructed the complainant to approach Cuttack Division office, O.P no.2 for realisation of his maturity amount in respect of policy no. 582742445. The said letter of Keonjhar branch of LIC also reveals that the complainant's maturity amount of the other policy bearing no. 60513618 would be settled after receipt of information as regards to premium status after enquiring from their different branch offices, where the complainant was employed at different times/period and such periods as per them are 08/2004 to 04/2006, 05/2006 to 12/2006. It is pertinent to mention here that the complainant during hearing of the case has filed copy of LIC deduction statement issued by his employer which he had obtained under R.T.I Act for the aforesaid period as enquired by the L.I.C, which reveals that his employer had deducted his LIC premium regularly from his salary for all periods/months, except 11/2006. There is no explanation of the employer why he had not deducted premium for the month of 11/2006. After receiving the instruction from the Keonjhar branch as stated earlier, the complainant contacted the O.Ps no.1 & 2 for

settlement of his claim amount which yielded no result. In the meantime the other policy bearing No. 582742445 got matured and that policy is a money back policy. The complainant had not received his assured amount/periodical payment as per the policy condition which is a money back policy before maturity of the said policy. The complainant time and again had contacted O.Ps no.1 & 2 for payment of the matured amount but the O.Ps no.1 & 2 have not taken any effective steps for payment of his maturity amount till date. Contrary to it, in the written version it is stated by the O.Ps no.1 & 2 that as they had not received the premium amount, they are not liable to settle the claim as well as stated that respective branch of L.I.C is liable to pay the maturity amount to the complainant subject to receipt of premium. But one of their branch i.e. the Keonjhar branch vide Annexure-5 had instructed the complainant that the maturity amount in respect of policy no. 582742445 would be processed at Cuttack Division office and would be paid by the O.P no.2. The complainant was regularly visiting the office of O.Ps no.1 & 2 for settlement of his maturity amount but the O.Ps no.1 & 2 had never stated that the maturity amount would be disbursed by the branch office of LIC. The complainant was harassed by both Branch office as well as by Division office of LIC. It is apt to state here that the policy has been issued by the O.P no.1. It is the duty of O.P no.1 to give matured amount in respect of two policies within the time and he cannot shift his burden upon his branch offices. It is also not the case of the O.Ps no.1 & 2 that the premium amount of the complainant were not received by them. The O.Ps no.1 & 2 having not paid the legitimate dues of the complainant after its maturity period, certainly have committed deficiency in service. Be that as it may, the complainant is no way responsible for non-payment of his premium amounts if any, due to the laches of his employer. The Learned advocate for the complainant cited a decision of the Hon'ble Supreme Court to that effect which is decided on 28.9.1999 in the case of Delhi Electric Supply Undertaking Vrs. Basanti Devi & Anr. in Civil Appeal No.6113/1995, wherein Hon'ble Supreme Court has held that LIC cannot deny assured amount to the nominee of the employee/Life assured on the ground that it has not received premium amount from the employer. The Hon'ble Supreme Court has also reiterated the said principles in another decision in the case of Life Insurance Corporation & Ors. Vrs. Rajiv Kumar Bhasker in Civil Appeal No.6028/2002 decided on 28.7.2005. The Hon'ble Supreme Court in LIC & Orsl Vs. Rajiv Kumar Bhaskar case has observed as follows:

“In terms of the Scheme, significantly the employee for all transactions was required to contact his employer only. In view of our findings aforementioned, the Corporation, thus, cannot be permitted to take a different stand so as to make the employee suffer the consequences emanating from the default on the part of the employer. If for some reasons, the employer is unable to pay the salary to the employees, as for example, its financial constraints, the employee may be held to have a legitimate expectation to the effect that his employer would at least comply with its solemn obligations. Such obligations having been undertaken to be performed by the employer at the behest of the Corporation as its agent having the implied authority therefore, the Corporation cannot be permitted to take advantage of its own wrong as also the wrong of its agent. In any event, the employer was obligated to inform the employee that for some reason, he is not in a position to perform his obligation whereupon the latter could have paid the premium directly to the Appellant herein.”

The Hon'ble Supreme Court in the said L.I.C & Ors Vs. Rajiv Kumar Bhaskar case has held that “Agency as is well-settled, is a legal concept which is employed by the Court when it becomes necessary to explain and resolve the problems created by certain fact

situation. In other words, when the existence of an agency relationship would help to decide an individual problem, and the facts permits a court to conclude that such a relationship existed at a material time, then whether or not any express or implied consent to the creation of an agency may have been given by one party to another, the court is entitled to conclude that such relationship was in existence at the time, and for the purpose in question.”

As per the Hon’ble Supreme Court, if any default has been made by the employer in payment of premium in that case also policy holder is no way responsible and he is entitled to get his insurance benefits. In view of the above and the decision of Hon’ble Supreme Court, it is held that the non-disbursement of the maturity amount in respect of the two policies by the O.Ps no.1 & 2 is construed to be deficiency of service as well as unfair trade practice on the part of O.Ps no.1 & 2. The O.Ps no.3 & 4 being the employer, they have not committed deficiency in service in disbursement of maturity amount in favour of the complainant

Issues no.i & iii.

From the discussions as made above, the case of the complainant is definitely maintainable and the complainant is entitled to the reliefs as claimed by him. Hence, it is so ordered;

ORDER

The case is decreed on contest against O.Ps no.1 & 2 & exparte against O.Ps no.3 & 4.

The O.Ps no.1 & 2 are found to be jointly and severally liable here in this case. Thus, they are directed to pay the complainant the maturity amount of policy bearing No. 60513618 & no.582742445 as well as other benefits with interest thereon @ 15% per annum from their respective date of maturity till the amount is quantified. The O.Ps 1 & 2 are also directed to pay a sum of Rs.50,000/- to the complainant towards cost of his litigation. This order is to be carried out within a period of 30 days from the date of receipt of copy of this order.

Order pronounced in the open court on the 20th day of December,2023 under the seal and signature of this Commission.

Sri Sibananda Mohanty

Member

Sri Debasish Nayak

President

