

**Smt. Munni Devi Vs. State of Others**

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**SooperKanoon Citation :** [sooperkanoon.com/761852](http://sooperkanoon.com/761852)

**Court :** Rajasthan

**Decided On :** Mar-13-2001

**Reported in :** 2001(3)WLC104; 2001(2)WLN282

**Judge :** B.J. Shethna, J.

**Acts :** Life Insurance Corporation of India (Agents) Regulation, 1972 - Regulation 3

**Appeal No. :** S.B. Civil Writ Petition No. 5014 of 1990

**Appellant :** Smt. Munni Devi

**Respondent :** State of Others

**Advocate for Def. :** G.K. Vyas, Adv.

**Advocate for Pet/Ap. :** Sandeep Shah, Adv.; B.K. Bhatnagar, Adv.

**Judgement :**

ORDER

**Shethna, J.**

1. The petitioner belongs to Scheduled Caste of 'Harijan'. She is widow of Late Shri Sannu Lal Harijan, who died while on duty as 'Safai Karamchari' of Circuit House at Jodhpur. He died on 26.7.1989. When he died, he was permanent

employee of State of Rajasthan as class IV employee on the post of 'Safai Karamchari'. He was insured by L.I.C. on 25.9.1986 under its Salary Saving Scheme. Under the said scheme, the premium was to be paid in instalments shown in Schedule of the Policy, which shall have to be paid by the employer, straightway deducting the amount from the salary of the employee. As per chart at Annex. R/1 produced along-with the reply affidavit of respondent No.1, State of Rajasthan, Rs. 70.90 was regularly deducted every month from the salary of Sannu Lal by way of L.I.C. premium from November, 1986 till July, 1988. However, in August, 1988, the said amount could not be deducted because Sannu Lal remained on extra ordinary leave without pay. And,thereafter, in September and October, 1988 though Sannu Lal was on duty, L.I.C. premium was not deducted by his employer. In November, 1988, he once again remained on extra ordinary leave without pay. Thereafter, from December, 1988 till June, 1989 he served, but unfortunately his employer had not deducted L.I.C. premium from his salary as per the scheme. Sannu Lal died untimely on 26.7.1989 in an accident, therefore, his widow- present petitioner made an application to the respondent No.2, L.I.C. for making payment of insured amount on 12.8.1989 (Annex. 2). However, she was replied on 28.8.89 by respondent No.2 L.I.C. that Policy of her husband had already been lapsed from 7.7.88 as no premium was paid by his employer from July, 1988, therefore, the Policy was not in force at the time of death of policy holder, hence no claim is possible under the policy. Hence, this petition.

(2). Learned counsel Shri Sandeep Shah for the petitioner relying upon the judgment of Hon'ble Supreme Court in case of Delhi Electric Supply Undertaking vs. Basanti Devi and another (1), submitted that the respondent No.2, L.I.C. committed an error in rejecting the claim of the petitioner.

(3). In my considered opinion, this case is squarely covered by the aforesaid judgment of Supreme Court in Basanti Devi's case (supra). However, submission of Shri G.K. Vyas, learned Addl. Govt. Advocate for the respondent no. 1 was that the employer was not at fault in not deducting the L.I.C. premium from August, 1988 because the deceased Sannu Lal remained on extra ordinary leave without pay in August, 1988 and November, 1988. It is true that deceased Sannu Lal

remained on extra ordinary leave in August and November, 1988, but for the remaining months i.e. from September, 1988 till June, 1989 he worked and drawn the salary then it was the duty of respondent no. 1 to deduct the L.I.C. premium of two months during which he remained on extra ordinary leave without pay. If the L.I.C. premium was not deducted by the employer from the salary of employee then the employee cannot be blamed for it. If the amount is not being credited with the L.I.C. by the employer then it was the duty of L.I.C. to immediately bring to the notice of employer that L.I.C. premium is not deducted from the salary of the employee and credited with the L.I.C. Thus, in my considered opinion to deny claim of petitioner widow on the ground that L.I.C. policy had lapsed has no substance.

(4). In Basanti Devi's case (supra) the Hon'ble Supreme Court made it clear that how the premium is to be deducted from the salaries of the employees and remitted to the LIC by the employer by one cheque for all the employees with the reconciliation statement, therefore, it was not possible for an individual employee to know if the amount of the premium deducted from his or salary of not or the same has been remitted or not because an employee is not being given any separate premium notice nor he is given any receipt for the premium received.

(5). In Basanti Devi's case (supra) the Hon'ble Supreme Court has held that if a condition is now placed on the employee that is he who is to intimate the LIC if there is no remittance of the premium deducted by the employer then it will be too onerous a condition to be of any validity and considering the scheme such a condition cannot be imposed on an employee. It will not be for the employee to intimate the LIC about non remittance of the premium.

(6). In view of the above discussion, this petition is allowed. The respondent No. 2, LIC is directed to make payment of insured amount to the petitioner latest by 31.5.2001 with 9% interest as suggested by the learned counsel for the respondents.