(2006) 07 NCDRC CK 0014

In the National Consumer Disputes Redressal Commission

CENTRAL COALFIELDS LTD. APPELLANT

Vs

BANDANA MISHRA RESPONDENT

Date of Decision : 17-07-2006

Acts Referred:

Citation : 2006 0 NCDRC 83 : 2007 2 CPJ 38

Hon'ble Judges : K.S.GUPTA , P.D.SHENOY J.

Advocate : SANJEEV RAJPAL , SHRINIWAS R.KHALAP , DEEPAK ROSHAN , PRAKASH SINHA , R.C.MISHRA , MEERA AGARWAL

Judgement

1. THIS revision is directed against the order dated 15.12.04 of Consumer Disputes Redressal Commission Jharkhand, Ranchi dismissing appeal against the order dated 21.07.04 of a District Forum whereby petitioner/opposite party No. 1 along with its officers - opposite parties Nos. 2 to 5 were directed jointly and severally to pay amount of 5 lakhs with interest at the prevalent bank rate w.e.f. 16.09.02 to respondent no.1/complainant. Complaint against respondent No. 2/ opposite party No. 6 - Insurance Company was dismissed.

2. FACTS giving rise to this revision lie in narrow compass. For a group insurance covering its employees the Central Coalfields Ltd. - petitioner entered into a Memrandum of Understanding (MOU) with respondent No. 2 on 17.02.01. Under the scheme which was for a year an amount of Rs.156/- towards premium was to be deduced from the salary of each employee from February, 2001 and total amount of premium collected, was to be remitted by cheque(s) on or before 31.03.03 to respondent No. 2. Amount of Rs.156/- was deducted from the salary of February, 2001 of D.C. Mishra, husband of respondent No. 1 who was working in the capacity of Superintendent Engineer with the petitioner. Cheque of the total premium amount collected sent to Central Coalfield Ltd.''s headquarter on 21.05.01, was received by respondent No. 2 on 29.05.01. In the meantime Shri Mishra died in a road accident on 20.04.01. On claim not being settled the respondent No. 1 filed complaint which was contested by the petitioner and opposite parties Nos. 2 to 5, on one hand, and respondent No.2, on other hand.

Plea taken by respondent No. 2 was that it is not liable to pay any amount to respondent No. 1 as the death of respondent No.1''s husband had taken place much before the receipt of premium amount by it. Upholding this plea, direction was given by the District Forum to the petitioner and opposite parties Nos. 2 to 5 to pay jointly and severally the assured amount with interest. This order on appeal by the petitioner was affirmed by the State Commission. Submission advanced by Shri Sanjeev Rajpal for petitioner was that the petitioner was the agent of respondent No. 2 - insurance company and, so, if there was any delay in remitting the amount of premium collected it is respondent No. 2 who is liable to pay the assured sum. In support of the submission, reliance was placed on the decisions in DESU Vs. Basanti Devi - (1999) 8 SCC 229 - and Chairman, LIC and Ors. Vs. Rajiv Kumar Bhasker - 2005 (5) Scale - 668. Both these decisions were rendered with reference to ''Salary Savings Scheme and LIC was held responsible to pay the assured sum despite the employers having failed to remit on time to LIC the amounts of premium deducted from the salary of assured employees on ground of employers being the agent u/s 182 of the Contract Act of LIC. Present case is of group insurance and not under the Salary Savings Scheme. To be only noted that under Salary Savings Scheme each employee owns the policy individually. In a group insurance the employer is the insured. Therefore, argument of the employer i.e. the petitioner being agent of respondent No. 2 - insurance company is not available to fasten liability arising out of non-remittance of premium amount deducted from the salary of said Shri Mishra on time on the insurer - respondent No. 2. Both the said decisions have no applicability to the facts of this case. Fora below had, thus, rightly held the petitioner liable to pay the assured sum with interest etc. to respondent No. 1. Accordingly, revision is dismissed with cost of Rs.10,000/- to respondent No.1.

