

P.C. Bumotra

Vs

Chairman-cum-Managing Director, New India Assurance Co. Ltd. and Another

Civil Appeals Nos.238-39 of 1992

(A.M. Ahmadi, K. Ramaswamy JJ)

17.01.1992

JUDGEMENT

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K.RAMASWAMY, J.:-

1. Special leave granted in both the matters. While the appellant was working as a Divisional Manager of Howrah Insurance Co. Ltd., the General Insurance (Emergency Provisions) Ordinance, 1971 was issued by the Central Govt. on May 13, 1971 and taken over the management thereof. Subsequently Act 57 of 1972 was made. Thereunder, the business of the erstwhile insurer, namely Howrah Insurance Co. Ltd. stood vested with the custodian. Pursuant to the Scheme framed under S. 15(e) of the Act in January, 1973, the appellant became an employee of the respondents. The biodata pursuant to the recommendation of Mathrani Committee was forwarded for consideration and by proceeding dated November 27, 1975, the service of the appellant was rationalised and de-categorised from Class I to Class II. By proceeding dated March 27, 1976, the appellant's service was terminated. The appellant filed two writ petitions one assailing the termination order and the another de-categorising from Class I to Class II officers. Both were dismissed by the Division Bench of the High Court of Punjab & Haryana dated February 22, 1983 as against which the present two appeals arise. As common questions of fact arise for decision, they are disposed of by common judgment.

2. The service of the appellant was terminated for unsatisfactory performance of his duties. It is not in dispute that the point involved in this case also is squarely covered by the decision in Civil Appeal No. 655 of 1986* which is just disposed of. For the same reasons, we uphold the rule as valid but set aside the order terminating the service of the appellant. Instead of directing reinstatement of the appellant we direct the respondent to, pay the appellant a sum of Rs. 1,00,000/- which amount should be staggered for the purpose of income-tax from the year 1976 till date, but in the circumstances there is no order as to cost. In this view it is not necessary to go into the question of Nationalisation of the service of the appellant from Class 1 to Class II. We express no opinion in this regard. The appeal arising out of S.L.P.(C) No. 9573/ 83 is allowed but without cost. The appeal arising out of S.L.P.(C) No. 15291/83 is dismissed but without cost. Order accordingly.

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