



Ref. IRDA/SUR/ORD/MISC/2018/

21/03/2018

ORDER of Insurance Regulatory and Development Authority of India under section 102 of the Insurance Act, 1938 read with Regulations 4 (6) (2) and 4 (4) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015.

In the matter of M/s. K. D. Kohli Insurance Surveyors and Loss Assessors Pvt. Ltd. (SLA No. 2338)

Based on the Notice to show cause, issued to M/s. K. D. Kohli Insurance Surveyors and Loss Assessors Pvt. Ltd. vide Ref No. IRDA/SURV/SCN/2017-18/OTW/1060 dated 09/10/2017 and submissions made by the company in writing on 24/10/2017 and during the personal hearing held on 07/12/2017.

1. The Insurance Regulatory and Development Authority of India (hereinafter referred to as "the Authority") has issued Corporate Surveyor License (SLA No. 2338 valid from 21/04/2012 to 20/04/2017) issued to M/s. K. D. Kohli Insurance Surveyors & Loss Assessors (hereinafter referred to as "the company") with the following three directors,
 - 1.Mr. K. D. Kohli (SLA - 232)
 - 2.Mr. A. C. Chopra (SLA - 50878)
 - 3.Mr. Pradeep Chopra (SLA - 35332)
2. The Authority received an application for renewal of corporate surveyor license from the company on 12.09.2017. On perusal of the documents submitted with the application, it was observed that the company only had two directors, Mr. K. D. Kohli and Mr. Pradeep Chopra. It was noted that Mr. A. C. Chopra, one of the director, had expired on 18.06.2015 and it was not informed to the Authority. Further, it was observed that Mr. Pradeep Chopra's license no. has changed from 35332 to 85254. The license no. 35332 of Mr. Pradeep Chopra had expired on 05.01.2012 and the renewal application was not submitted within the prescribed time period. He was later issued a fresh license (SLA no. 85254) under lapsed category valid from 26.04.2016 to 25.04.2019. In view of above, it is observed that the company was functioning with a single director for the period from 18.06.2015 to 25.04.2016, since, Mr. A. C. Chopra had expired and Mr. Pradeep Chopra's license was not valid for the period from 06.01.2012 to 25.04.2016. In light of the above, the Authority has observed violation of the Regulations 4(4) and 4(6)(2) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 (hereinafter referred as Surveyor Regulations).

3. A Show Cause Notice (hereinafter referred to as "SCN") dated 09/10/2017 on the observed violations was issued to the company and the company made their written submissions vide their letter dated 24/10/2017 and during the personal hearing held on 07/12/2017 at IRDAI, 3rd Floor, Parishram Bhavan, Basheerbagh, Hyderabad-500004.
4. The personal hearing was attended by Shri. K.D. Kohli, Director, Smt. P. Santha Devi, CA and heard by Shri. P.J. Joseph, Member(Non-Life), Shri. Suresh Mathur, ED(Surveyors), Smt. K.G.P.L. Ramadevi, GM(Surveyors), Smt. Nimisha Srivastava, DGM and Shri. P. Marimuthu, AM were present on behalf of the Authority.
5. The findings on the submissions made by the company against the charges of violations raised in the Show Cause Notice and the decisions thereon are detailed below.

5. Charge 1:

5.1. Violation of Regulations 4(6)(2) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015

Regulation 4(6)(2) of Surveyors Regulations requires the corporate surveyor to submit a declaration stating that the directors shall submit information about resignation/death/suspension of director, change in shareholding pattern and other such material changes to the Authority within 15 days of such change for grant of modified license. However, the company did not inform the Authority about the demise of its director, Shri. A.C. Chopra, within the stipulated time period, thereby violating Regulation 4(6)(2) of the Surveyors Regulations.

5.2. Response from the company:

The company had accepted the violation of Regulations and further submitted that, it failed to inform the demise of Mr. A.C. Chopra as the directors were deeply shocked and pre-occupied in coping with the sudden unexpected demise of Mr. A.C. Chopra, who was family. The company informed ROC but IRDAI could not be informed timely due to oversight.

6. Charge 2:

6.1. Violation of Regulation 4 (4) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015

The Authority observed after perusal of the company's application of renewal that the SLA license of Shri. Pradeep Chopra had expired on 05.01.2012 and he took a fresh license under lapsed category only on 26.04.2016. Thus, he functioned as a director of the company during 06.01.2012 to 25.04.2016 without a valid SLA license. As per Regulation 4(4) Surveyors Regulations, a corporate surveyor should have at least two directors in the company at any point of time who are licensed surveyors. Shri. Pradeep Chopra holding the position of director in a corporate surveyor company without having a valid license during the period 06.01.2012 to 25.04.2016 is a violation under Regulation 4(4) of the Surveyor Regulations.

6.2. Response from the company:

The company accepted the violation of Regulations and further submitted that Shri. Pradeep Chopra was not actively involved in the working of the company in the intervening 4 years during which he did not have a valid license, since he was taking care of his mother who was ill. During the concerned period, his attention was stressed and scattered and hence he could not follow promptly the renewal of his individual surveyor license.

7. Decision of the Authority:

The company had mentioned in its submissions that the company could not inform the Authority about the demise of its director, Shri. A.C. Chopra, due to oversight and Shri. Pradeep Chopra could not renew his individual surveyor license since he was taking care of his ill mother and his attention was stressed. However, it is observed that the company was undertaking survey jobs during this period of time. Hence, it is clear that, the Surveyor firm has been highly indifferent in bring to the notice of the Authority, any change in the information at the time of issue of license, thereby, contravening the Regulations 4(6)(2) and 4(4) of Surveyor Regulations, 2015 read with 64UM of the Insurance Act, 1938.


8. After considering the submissions made by the company with respect to the violations, the Authority, in exercise of powers vested under section 102 of the Insurance Act, 1938 (as it existed prior to the Insurance Laws (Amendment) Act, 2015), hereby imposes a penalty of Rs. 5,00,000/- on M/s K.D. Kohli Insurance Surveyors and Loss Assessors Pvt Ltd. (SLA No. 2338) and warn the corporate surveyor to comply with the regulatory requirements and eligibility criteria at all times and timely submit information and bring to the notice of the Authority about resignation/death/suspension of director, change in shareholding pattern and such other material changes to the Authority within the time period stipulated, as per the Surveyor Regulations, 2015.

9. The penalty amount of Rs. Five lakh shall be remitted by the company M/s K.D. Kohli Insurance Surveyors and Loss Assessors Pvt Ltd. within a period of 21 days from the date of issuance of this Order through NEFT/RTGS (details for which will be communicated separately). An intimation of remittance may be sent to Smt. K.G.P.L Ramadevi, General Manager (Surveyors) at the Insurance Regulatory and Development Authority of India, Survey No.115/1, Financial District, Nanakramguda, Hyderabad 500032, email id kgplramadevi@irda.gov.in.

10. Further, if the company is not satisfied by the order of the Authority, an appeal may be preferred to the Securities Appellate Tribunal as per the provisions stipulated under Section 110 of the Insurance Act, 1938.

This is issued with the approval of the Competent Authority.

Place: Hyderabad
Date: 21/03/2018



P J Joseph
Member (Non-Life)

