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C.A.No. 6417 OF 1998

ITEM No.109

Court No. 9

SECTION XVII

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

Civil Appeal No. 6417 of 1998

BRANCH MANAGER, LIC OF INDIA & ANR. Appellant (s)

VERSUS

MANDA SAVARNA Respondent (s)

Date : 10/02/2004 This Appeal was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SHIVARAJ V. PATIL  
HON'BLE DR. JUSTICE AR. LAKSHMANAN

For Appellant (s) Mr. G.L. Sanghi, Sr. Adv.  
Mr. S. Rajappa, Adv.

For Respondent (s) Ms. D. Bharathi Reddy, Adv.

UPON hearing counsel the Court made the following  
O R D E R

Heard the learned counsel for the parties from 12.20 p.m. to 12.40 p.m.

The civil appeal is disposed of.

No costs.

[ T.I. Rajput ] [ Kanwal Singh ]  
Court Master Court Master

[Signed order is placed on the file]

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 6417 OF 1998

Branch Manager, LIC of India & Anr. ...Appellant(s)

Versus

Manda Savarna ...Respondent(s)

O R D E R

Heard the learned senior counsel for the appellants and the learned counsel for the respondent

An interesting question of law is raised on behalf of the appellant arising out of the facts and circumstances of the case.

The Consumer Disputes Redressal Forum [for short, 'the District Forum'] allowed the claim made by the respondent awarding a sum of Rs.1,53,749/- with interest at the rate of eighteen per cent per annum. The appellant filed an appeal before the State Consumer Disputes Redressal Commission [for short, 'the State Commission'] contending that in terms of the insurance policy, the respondent was not at all entitled to double claim, which was accepted. Consequently, the State Commission allowed the appeal and set aside the order made by the District Forum. The respondent approached the National Consumer Disputes Redressal Commission [for short, 'the National Commission'] by filing a revision petition. The National Commission disposed of the revision petition. Aggrieved thereby, the Life Insurance Corporation of India has filed this appeal.

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- 2 -

The learned senior counsel for the appellant pointed out that the National Commission committed an error in holding that the respondent was entitled to the claim. He also pointed out that certain mistakes have been committed by the National Commission as can be seen from the impugned order. The National Commission took it as if it was a revision petition filed by the Life Insurance Corporation of India. There is also a mistake in the impugned order in stating that "the State Commission has come to a correct decision in holding that the L.I.C. is liable to pay a further sum of Rs.1,53,749...". He also submitted that having regard to the facts of the case and, in particular, looking to clause (10) of the Insurance Policy, the claimant is not entitled to double claim; even otherwise, interest awarded at the rate of eighteen per cent per annum is excessive.

The learned counsel for the respondent made submissions in support of the impugned order. She submitted that if the impugned order is read as a whole, it becomes clear that the claim of the respondent, as ordered by the District Forum, is upheld. She did not dispute that some statements made in the impugned order are not correct but stated that they may be inadvertent errors. According to her, taking the overall view and substance of the impugned order, it is clear that the claim, as allowed by the District Forum, is upheld. The learned counsel also submitted that the entire amount of Rs. 1,53,749/-, as awarded by the District Forum, has already been paid to the respondent, except interest.

Having considered the respective submissions made by the learned counsel for the parties and having due regard to the peculiar facts and circumstances of the case, in our view, it is not a case where interference with the impugned

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- 3 -

order is called for. However, the question of law raised on behalf of the appellant is left open to be decided in an appropriate case. As regards interest, on the facts and circumstances of the case, we think it is just and appropriate to reduce the rate of interest to six per cent per annum from eighteen per cent per annum, which is to be calculated from 23rd June, 1993 till the date on which payment was made. The order of the District Forum is modified only to the extent of payment of interest, as indicated above; in all other respects, it remains undisturbed.

The civil appeal is, accordingly, disposed of.

No costs.

.....J.  
[SHIVARAJ V. PATIL]

.....J.  
[Dr. AR. LAKSHMANAN]

New Delhi,  
February 10, 2004.