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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 7674/2017**

CHANDER KANTA MOUDGIL ..... Petitioner

Through Mr V.N. Jha and Mr B.K. Singh, Advocates.

versus

LIFE INSURANCE CORPORATION OF INDIA AND ORS ..... Respondents

Through Mr Kamal Mehta, Advocate for R1.
Ms Ratna Dhingra, Mr Bhavna Dhami and Mr Ajay Pratap singh, Advocates for R2.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU

O R D E R

% **01.09.2017**

CM 31729/2017

1. Allowed, subject to all just exceptions.

2. The application is disposed of.

W.P.(C) 7674/2017

3. The petitioner has filed the present petition, *inter alia*, praying as under:-

> "a. That the respondents may be directed to release an amount of Rs. 3,22,618/- (Rupees Three Lacs Twenty Two Thousands Six Hundred Eighteen) i.e., the balance corpus of annuity amount, being the nominee/beneficiary of her husband late Sh. P.L. Moudgil plus applicable group pension terminal bonus along with interest @ 12% per annum from 26.12.2005 when

> the Petitioner approached for the first time to the Respondent till realization of the said amount; and
> b. That the respondents may be directed to pay the petitioner, an amount of Rs. 5,00,000/- (Rupees Five Lacs) as compensation/damages for illegally and arbitrarily withholding the balance corpus of annuity amount for the last 12 years.”

4. The petitioner is a widow. Her deceased husband was an employee of Indian Airlines (now merged with Air India Ltd. known as Air India). He was at the material time working as Master Technician and had joined the services of Indian Airlines on 01.12.1966.

5. The petitioner’s husband retired on 31.03.1998. During the course of employment he had joined a scheme known as “Indian Airlines Employees Self-Contributory Superannuation Pension Scheme”. In terms of the said scheme, the petitioner's husband was entitled to an annuity purchased from respondent no.1 (hereafter 'the LIC') and the corpus available with the LIC had to be returned on the demise of the petitioner’s husband.

6. The petitioner claims that her husband had deposited a total sum of ₹1,77,282/- as his contribution. The petitioner received a commutation amount of ₹1,66,633/- on his retirement from service and was thereafter drawing a sum of ₹3,333/- as annuity (under Annuity number 23339) against policy no. 311242.

7. The petitioner's husband expired on 29.11.2005. The petitioner sent a letter dated 26.12.2005, informing the same to the LIC and also requested LIC to settle the amount due as early as possible.

8. Mr Mehta, the learned counsel appearing for the LIC has drawn the

attention of this Court to the judgment of this Court in ***Sunita Devi v Life Insurance Corporation of India***: ***W.P. (C) 3774/2008 dated 28.04.2010.*** He submits that the facts of the said case are similar to the facts in the present case and similar directions be passed.

9. In ***Sunita Devi*** (*supra*) this Court had directed as under:-

> "16. The writ petition is, accordingly, allowed. Respondent No.2 will, within a period of two weeks from today, send the duly attested claim form of the Petitioner to Respondent No.1. Within a further period of two weeks thereafter, Respondent No. 1 LIC will release to the Petitioner the amount of Rs.2,27,800/- (the balance of the corpus) in her capacity as the nominee/beneficiary of her husband late Shri D.B. Singh. The said amount will be paid together with simple interest @ 6% from 24th November 2004 when the Petitioner first approached Respondent No.1 for the release of the amount till the date of payment. If the payment is not made within the time as directed by this Court, LIC will pay penal simple interest @ 12% per annum for the period of delay."

10. Mr Mehta points out that the aforesaid decision in ***Sunita Devi*** (*supra*) was carried in appeal before a Division Bench by the LIC in LPA No. 736/2010. The Division Bench had affirmed the aforesaid decision with a slight modification to the extent that the rate of interest awarded was increased from 6% to 7%.

11. In view of the above, LIC is directed to release the corpus standing to the account of the petitioner's husband along with simple interest @ 7% per annum from 26.12.2005 (the date on which the LIC was informed of the demise of the petitioner's husband and was requested to settle the account) within a period of four weeks from today. It is clarified that if the amount

due to the petitioner is not paid by the LIC within a period of four weeks, the said amount (including the interest as directed) shall carry further interest at the rate of 12% per annum till payment.

12. The respondent no.2 is also directed to render all assistance and to forward any forms or any information that may be required by LIC for the said purpose, if not already done. However, the payment due to the petitioner shall not be withheld by LIC on account of non receipt of any such forms/information.

13. The petition is disposed of with the aforesaid directions.

VIBHU BAKHRU, J

SEPTEMBER 01, 2017

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