IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 2083 OF 2024

HDFC Life Insurance Company Ltd. ***....Petitioner***

: Versus :

Mr. Onkar Singh Sethi & Anr. ***....Respondents***

Mr. R.S. Vidyarthi *with Mr. Mohit Turakhia, with Mr. Shasvat Vidyarthi, for the Petitioner.*

Ms. Sadhna Singh, *for Respondent No.1.*

CORAM : SANDEEP V. MARNE, J.

Dated : 26 March 2025.

P.C. :

1) The petition challenges Award passed by the Permanent Lok-Adalat on 18 August 2023 in Application No.1/2021 under which the Petitioner-Insurance company has been directed to pay interest at the rate of 6% p.a. on the premium amount of Rs.3.50 crores from the date of commencement of pension policy i.e. 8 March 2019 till the payment of the said amount of interest to Respondent No.1.

2) When the petition came up for admission on 10 February 2025 this Court passed the following order :

> 1. I have heard Mr. Vidhyarthi, learned counsel appearing for the Petitioner.

> 2. After having considered the submissions canvassed by Mr. Vidhyarthi, prima facie I am unable to trace any serious error in the view taken by the permanent Lok Adalat that the Petitioner must pay interest at the rate of 6% p.a. on the amount of premium. However, there appears to be some ambiguity with regard to period during which such interest is to be paid It appears that the premium was paid by the Respondent No.1 to the Petitioner on 8th March, 2019 and the premium got refunded on 21st July, 2020. Ordinarily, therefore the interest at the rate of 6% p.a. on amount of Rs.3,50,00,000/- will have to be in respect of the period from 8th March, 2019 to 21st July, 2020. For this limited purpose, notice is being issued to the Respondent No.1 returnable on 10th March, 2025. In addition to Court notice, Petitioner to serve the Respondent No.1 by private service and file affidavit of service.
>
> 3. Till the next date of service, no precipitative steps shall be taken against the Petitioner for execution of the order dated 18th August, 2023.

3) Thus, notice in the petition was issued only to the limited extent of direction for payment of interest beyond the period of 21 July 2020.

4) I have heard Mr. Vidyarthi, the learned counsel appearing for the Petitioner and Ms. Singh, the learned counsel appearing for Respondent No.1.

5) It appears that the amount of interest at the rate of 6% p.a. on premium amount of Rs.3.50 crores for the period from 8 March 2019 to 21 July 2020 would be to the tune of Rs.28,88,219/-. The permanent Lok Adalat has committed an obvious error in directing payment of interest for the period after 21 July 2020 on the entire premium amount of Rs.3.50 crores. The premium amount of Rs.3.50 crores has been admittedly refunded to Respondent No.1 on 21 July 2020. Therefore, liability to pay interest on the premium amount of Rs.3.50 crores stopped on 21 July 2020.

6) However, the interest of Rs.28,88,219/- was ideally payable to Respondent No.1 on 21 July 2020. The said amount of interest of Rs.28,88,219/- would now be paid to Respondent No.1 in the year 2025.

7) Considering this aspect the interest of justice would demand that simple interest at the rate of 6% p.a. can be awarded to Respondent No.1 on the amount of Rs.28,88,219/- from 22 July 2020 till the date of payment of the said amount.

8) Accordingly, the petition succeeds partly and I proceed to pass the following order :

The Award dated 18 August 2023 shall stand modified in the following terms :

(i) Petitioner-Insurance Company shall pay to Respondent No.1 interest amount of Rs.28,88,819/- representing interest at the rate of 6% p.a. for the period from 8 March 2019 to 21 July 2020 within a period of 4 weeks.

(ii) Additionally, the Insurance Company shall also pay to Respondent No.1, simple interest at the rate of 6% p.a. on the amount of Rs.28,88,819/- from 22 July 2020 till the date of payment of the said amount.

9) With the above directions, the petition is **partly allow ed and disposed of.** No costs.

[SANDEEP V. MARNE, J.]