**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

211 **LPA-1477-2019 (O&M)**
Date of Decision: 17.02.2026

Life Insurance Corporation of India and another
....Appellants
Versus

Anita Devi and others
....Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI
HON'BLE MR. JUSTICE VIKAS SURI

Present: Mr. Sudhanshu Makkar, Advocate
for the appellants.

Dr. Naresh Kaushik, Advocate
for respondents No.1 to 3.

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<u>Harsimran Singh Sethi, J. (Oral)</u>

1. In the present appeal, the challenge is to the order dated 03.07.2019 passed in CWP-16206-2017 by the learned Single Judge wherein, by considering clause 4 (1) (a) of the Policy Serving Manual dated 31.12.2005, the benefit of a sum of Rs.5 lakh has been allowed in favour of respondents.

2. The learned counsel for the appellants submits that though, the learned Single Judge has recorded a finding that the death of the husband of respondent No.1 within a period of three months the first unpaid installment became due but, as per the calculation done by the appellants, the period of three months had expired a day before the death of the husband of respondent No.1 and, therefore, the benefit of granting full sum assured which has been extended by the learned Single Judge under clause 4 (1) (a) of the Policy

Serving Manual, is incorrect.

3. The learned counsel for the appellants further submits that under any circumstances, as the benefit which is to be given as *ex gratia*, grant of interest on the said amount is incorrect keeping in view the law settled by the Hon'ble Supreme Court of India in **Civil Appeal No.7482 of 2004**, titled as ***Director General, Revenue Intelligence and Investigation and others vs. Amrit Lal Mehta***, decided on 26.04.2005.

4. The learned counsel for respondents No.1 to 3 submits that the calculation being done by the appellant to ascertain whether period of three months has elapsed or not is not correct as the installment due was to be paid by 13.01.2012 and therefore, in case period of three months is to be counted so as to ascertain the amount to be disbursed to respondent No.1, the said period will also expire on 13.04.2012, i.e. the date when the husband of respondent No.1 died and therefore, the death of husband of respondent No.1 occurred within a period of three months. Learned counsel for respondents No.1 to 3 further submits that as the amount admissible to respondents was not released in due time, the benefit of interest has been granted which is perfectly valid.

5. We have heard the learned counsel for the parties and have gone through the record with their able assistance.

6. Once, a period of three months has been stipulated in clause 4 (1) (a) of the Policy Serving Manual with regard to adjudicating the claim so as to ascertain amount to be paid, it is a conceded position that the installment became due on 13.01.2012 and in case, the death of the insurer occurs within a period of three months of the installment becoming due, clause 4 (1) (a) of the

Policy Serving Manual will come into force, and keeping in view the fact qua date of death and when the amount became due along with provision of Manual governing said aspect, the learned Single Judge rightly held that as the death occurred on 13.04.2012, which was within a period of three months of installment become due the benefit of Rs.5 lakhs envisaged under clause 4 (1) (a) of the Policy Serving Manual, is to be granted to the respondents.

7. The argument that three months period will expire on 12.04.2012 is incorrect. The three months period will only start running from 14.01.2012 and will expire on 13.04.2012, on which date, the husband of respondent No.1 had unfortunately died and, therefore, the death has to be treated to have occurred within a period of three months of the installment becoming due.

8. With regard to the claim of the interest on said amount, the learned counsel for the appellants has relied upon the judgment in ***Director General, Revenue Intelligence and Investigation and others vs. Amrit Lal Mehta,*** **2007 (15) SCC 510**.

9. The learned counsel for respondents No.1 to 3 has not been able to rebut that the amount which is being claimed by the respondents is in the nature of *ex gratia*, hence, once the Hon'ble Supreme Court of India has held that no amount of interest is payable on *ex gratia,* the grant of interest by the learned Single Judge on the amount cannot be upheld and the same is accordingly, set aside.

10. Although, there is no quarrel with the said proposition of law laid down by the Hon'ble Supreme Court of India in ***Amrit Lal Mehta's case (supra)*** but, the said argument is to be seen keeping in view the facts of the present case. The judgment of the learned Single Judge was passed in the year

2019 and even up to now, i.e. in the year 2026, the amount admissible to respondents has not been paid and rather has been retained by the appellants coupled with the fact that there was no interim order. Once, despite not getting any interim order in their favour, the payment has been withheld by the appellant, even though same has been ordered by a competent Court of law, keeping in view the facts and circumstances of the present case, the interest awarded by the learned Single Judge is not being withdrawn.

11. Let the amount be released in favour of the respondents within a period of eight weeks of the receipt of the copy of this order.

12. As no perversity has been shown in the impugned order dated 03.07.2019 passed by the learned Single Judge, no ground is made out for any interference by this Court in the facts and circumstances of the present case.

13. Accordingly, the appeal is dismissed.

14. Pending applications, if any, also stand disposed of.

(HARSIMRAN SINGH SETHI)
JUDGE

(VIKAS SURI)
JUDGE

February 17, 2026
Varinder

Whether speaking/reasoned : Yes
Whether reportable : No