(1996) 10 NCDRC CK 0033

In the National Consumer Disputes Redressal Commission

L.I.C. Of India APPELLANT

Vs

T.L. CRASTO RESPONDENT

Date of Decision : 30-10-1996

Acts Referred:

Citation : 1996 3 CPJ 139 : 1997 1 CPC 449 : 1997 1 CPR 33 : 1997 2 CLT 229

Hon'ble Judges : V.Balakrishna Eradi , S.S.Chadha , R.Thamarajakshi , S.P.Bagla , C.L.Chaudhry J.

Final Decision : Appeal allowed

Judgement

1. HAVING heard both sides we are clearly of the view that the contention advanced by Mr. S.K. Taneja, learned Advocate for the appellant -LIC that no deficiency in service cannot be said to have been made out in this case as against the LIC has to be upheld.

2. THE respondent No. 2 herein is an employee of the LIC at its Bombay Office. She applied for the grant of a housing loan on concessional rate allowed to employees under the Individual Employees Housing (Flat) Scheme framed by the LIC. As part of its efforts to comply with the conditions stipulated in the said scheme the IInd respondent took out a Life Insurance Policy from the LIC. But she had to comply with yet another condition where under a person who already owns a house, in the concerned city is not eligible for the grant of housing loan unless and until that house is disposed of by the particular employee. THE IInd respondent produced before the LIC a copy of an agreement alleged to have been entered into by her with a prospective purchaser for the sale of her existing flat. But the LIC refused to treat it as constituting proof of disposal of the flat by her since no title can pass under law by mere execution of an agreement for sale. Aggrieved by the said stand taken by the LIC the IInd respondent jointly alongwith her husband who is the 1st respondent in this appeal approached the State Commission, Maharashtra at Bombay with a complaint alleging deficiency in service on the part of the LIC in the matter of disbursal of the housing loan to the IInd respondent. THE State Commission upheld the contention put forward

by the complainants that the refusal by the LIC to disburse the loan on the ground that there had not been due compliance by the complainants with the second condition constituted a deficiency in service on the part of the LIC and passed an order directing LIC to pay compensation .of Rs. 78,643.80 on the ground that the complainant had been put to the harassment, mental agony and loss etc. Aggrieved by the said order passed by the State Commission the LIC has come up with this Appeal. We are clearly of the opinion that the State Commission was in error in holding that there was deficiency in service on the part of the LIC in refusing to grant the loan to the IInd complainant on the ground of her failure to comply with the condition of furnishing proof of disposal of existing flat owned by her in the city. Hence, we consider it unnecessary to go into the further question as to whether the grievance put forward by the complainant in the present case can at all be regarded as a consumer dispute., though we are prima facie of the view that the objection taken by the LIC before us that it is not a consumer dispute has some force.

Inasmuch as the loan had been sanctioned by the LIC to its employees namely the IInd respondent only on specific condition that she should satisfy the LIC that at the time of disbursal of the loan she does not own any flat in the city of Bombay it was obligatory on the part of the IInd complainant to furnish proof to the satisfaction of the LIC that the flat which she admittedly owned in the Bombay at the time of making application for the loan stood disposed of by her by transfer of title under a valid legal document in favour of a third party. Inasmuch as this had not been done and only a copy of an agreement for sale was produced by the IInd complainant before the State Commission the LIC was perfectly within its rights in taking the view that condition No. 2 aforesaid had not been complied with by the IInd respondent and hence she was not eligible for disbursal of the loan. Such being the legal position we hold that there was no deficiency in service on the part of LIC and the finding entered by the State Commission to the contrary which has led to the award of compensation in favour of the complainants is illegal and unsustainable.

3. AN assurance was given before us by the Counsel for the LIC, Mr. S.K. Taneja, with his usual fairness, that in case the IInd complainant produces satisfactory proof before the LIC within six weeks from today that the flat which she owned has been validly disposed of by her under a document of sale duly executed and registered and also that the insurance policy which she had taken from the LIC for the purpose of satisfying the condition contained in the scheme aforesaid and that the Life Insurance Policy taken by her has been kept alive by paying arrears of premia, if any, the LIC will release the amount of loan to the IInd complainant within a period not exceeding four weeks from the date on which proper proof on the aforesaid two matters is furnished by the IInd complainant to the satisfaction of the LIC. Subject to the recording of the aforesaid assurance given before us by the Counsel for the LIC, this Appeal is allowed and the complaint is dismissed. No costs. Inasmuch as the Appeal has been allowed and the Complaint Petition has been dismissed by this order it follows that the complainant is liable to refund to

the LIC the amount paid to her in compliance with the order passed by the State Commission and we direct that this shall be done within a period not exceeding six weeks from today. Appeal allowed.