(1999) 05 NCDRC CK 0082

In the National Consumer Disputes Redressal Commission

Life Insurance Corporation of India APPELLANT

Vs

S.P. LAMBA RESPONDENT

Date of Decision : 12-05-1999

Acts Referred:

Citation : 1999 2 CLT 45 : 1999 2 CPC 85 : 1999 3 CPJ 309

Hon'ble Judges : J.B.Garg , P.K.Vasudeva , Devinderjit Dhatt J.

Final Decision : Appeal dismissed

Judgement

1. MR. S.P. Lamba, I.A.S. (Retd.) purchased 250 units of L.I.C. Mutual Fund under the Scheme DHAN- 88(1) in March, 1993. He was entitled to claim encashment after a period of three years and he submitted the aforesaid units in original on 1.4.1996. On failure of Life Insurance Corporation to remit the amount, a complaint was instituted and the District Forum-II ordered on 11.1.1999 that the L.I.C. shall repay the amount together with 12% interest. The interest shall be payable after two months of furnishing the certificates i.e. with effect from 1.6.1996 and costs Rs. 1,100/-. Aggrieved against it the present appeal has been attempted by the Life Insurance Corporation.

2. ANNEXURES A, B and C photocopies of Final Income Distribution Warrants established that the complainant did possess the aforesaid certificates and the detailed affidavit of the complainant dated 27.7.1998 further fortified the allegations made in the complaint that he was holding 250 units under DHAN-88(1) L.I.C. Mutual Fund Scheme and after the permissible period of three years he did submit the aforesaid unit certificates for encashment. The units could be got encashed after three years and in this regard Sub-clause (b) of Clause 9 of DHAN-88(1) Scheme is reproduced as under : (b) "Premature Encashment-The units issued under the Scheme can be encashed at any time after three years from the date of allotment, i.e. after 31st March, 1996. In the event of the death of the sole/first unit holder, however, the units can be encashed at any time after 31st March, 1994. Encashment of the units will be at the prevailing Repurchase price. The Repurchase prices will be fixed by L.I.C.

Mutual Fund periodically after 31st March, 1994 based on Net Asset Value (N. A. V.) of the units. The basis of valuation of securities for the purpose of determination and publication of N. A. V. and Repurchase price as also the terms of repurchase will be in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1993. No partial encashment of the unit certificate would be allowed."

It appears that no receipt or slip was issued to the complainant by the appellant at the time the aforesaid units were tendered. This fact is fortified by the statements of Mrs. G. Chopra and her husband Shri Chander Chopra, agents of the L.I.C. who were examined in the District Forum on 29.9.1998. Though the complaint was instituted on 12.3.1998 and this appeal on 21.2.1999, yet a short affidavit of Smt. Jagjit Kaur, Manager (L&HPF) of the appellant does not contain a mention that the certificates were never handed over or received by the appellant. A nationalised Corporation was not expected to ignore the valuable units tendered by the depositor which remained unpaid for such a long period.

The Mutual Fund is also a part of L.I.C., Chandigarh. The General Manager, L.I.C. Mutual Fund, Bombay and M/s. Mafat Lal Consultancy (I) Limited, Bombay, both were impleaded as respondents in the complaint. The District Forum was right when it specifically observed that Shri D.S. Sadhrao, Branch Manager, Mutual Fund Life Insurance Corporation of India who filed the affidavit on 4.8.1998 is stationed at Chandigarh. The appellants were a kind of banking organisation so far as the respondent is concerned. The finding regarding territorial jurisdiction arrived at by the District Forum is affirmed.

3. THE conclusion is that the appeal is dismissed with the modification that the respondent is entitled to interest at the rate of 12% per annum from the date of the order of District Forum i.e. 11.1.1999 till realisation. Appeal dismissed.

