



**IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO.104 OF 2025**  
**(Arising out of Special Leave Petition (C) No.15799 of 2023)**

**UNITED INDIA INSURANCE CO. LTD. .... APPELLANT**

**VERSUS**

**BANSAL WOOD PRODUCTS PVT. LTD. ....RESPONDENT**

**J U D G M E N T**

**MANMOHAN, J**

The present appeal has been filed challenging the judgment and order dated 02<sup>nd</sup> February, 2023 passed by the High Court of Delhi in FAO(Comm.) No.76/2022 whereby the High Court dismissed the appeal filed by the appellant-insurance company.

2. Learned counsel for the appellant-insurance company submits that the High Court and the Arbitral Tribunal failed to give any reason as to why the respondent-claimant was entitled to interest for the various periods of delay which were attributable to the respondent-claimant. He states that the Arbitral Tribunal and the High Court failed to appreciate that the respondent-claimant delayed the process of reference to arbitration by about four years between the period 21<sup>st</sup> January, 2003 and 01<sup>st</sup> December, 2006 as it was pursuing its consumer complaint before the National

Consumer Disputes Redressal Commission during this period. He further contends that even after reference to arbitration in December, 2006, the respondent-claimant delayed the arbitration proceedings and it was only on 06<sup>th</sup> March, 2010 that the Arbitral Tribunal condoned the delay in making reference to arbitration by excluding the time spent by the respondent-claimant in pursuing the remedy before the National Consumer Disputes Redressal Commission.

3. *Per contra*, the learned counsel for respondent-claimant states that as the appellant-insurance company failed to pay the insurance claim, the respondent-claimant was constrained to seek legal remedy, first by approaching National Consumer Disputes Redressal Commission and then by invoking the arbitration agreement between the parties. He contends that the respondent-claimant approached the Consumer Commission on the basis of legal advice. He further states that as the appellant-insurance company failed to perform its contractual obligation, it cannot refuse to pay interest for the delayed payment. He also submits that though the appellant-insurance company raised the defence that the claim was barred by limitation, yet the Arbitral Tribunal decided the issue in favour of the respondent-claimant giving the benefit of Section 14 of the Limitation Act.

4. Having heard the learned counsel for the parties, this Court is of the view that in the peculiar facts and circumstance of the present case, the ends

of justice would be met if the appellant-insurance company is directed to pay interest as directed by the Arbitral Tribunal @ 12% per annum with effect from 06<sup>th</sup> March, 2010 as it was on this date that the Arbitral Tribunal held the claims to be within time after excluding the time spent by the respondent-claimant in pursuing its remedy before the National Consumer Disputes Redressal Commission under Section 14 of the Limitation Act.

5. Accordingly, the impugned judgment and Arbitral Award is varied/modified only to the aforesaid extent. The appellant-insurance company is directed to make the payment of the outstanding balance amount to the respondent-claimant within four weeks.

6. With the aforesaid direction, the present appeal along with pending applications, if any, stands disposed of.

.....**J.**  
**[ABHAY S. OKA]**

.....**J.**  
**[MANMOHAN]**

New Delhi;  
January 8, 2025.