

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

CIVIL APPEAL NO. _____ OF 2026
[@ Diary No.63595 of 2025]

SUMER INTERNATIONAL LIMITED **... APPELLANT(S)**

VERSUS

ORIENTAL INSURANCE CO LTD **... RESPONDENT(S)**

ORDER

Delay condoned.

2. The present Civil Appeal arises out of the judgment and order dated 18.08.2025 passed by the National Consumer Disputes Redressal Commission, New Delhi (hereinafter referred to as the “NCDRC”) in OP No. 73 of 2003, whereby the complaint filed by the appellant was allowed in part, directing the respondent - insurance company to pay a sum of Rs.65,36,450/- along with interest at the rate of 6% per annum from 28.02.2003 being the date of filing of the complaint, till the date of actual payment.

3. The learned counsel for the appellant submitted that the appellant had obtained a Standard Fire Policy from the respondent - insurance company for the period from 01.05.2000 to 30.04.2001. On 02.01.2001 at about 2.30 a.m., a fire broke out at the appellant’s premises, engulfing the

entire packaging section. The respondent repudiated the insurance claim. Aggrieved thereby, the appellant preferred a complaint before the NCDRC, seeking indemnification of Rs. 99,90,000/- along with interest at the rate of 18% per annum from the date of filing of the complaint till realisation. The NCDRC, however, awarded a sum of Rs.65,36,450/- along with interest at the rate of 6% per annum.

4. The learned counsel further submitted that the appellant has confined the present appeal to the rate of interest awarded by the NCDRC. It was contended that the award of interest at 6% per annum results in unjust enrichment of the respondent, which has wrongfully retained and utilised the amount payable under the insurance claim for over two decades. It was urged that such a rate fails to serve the restitutive purpose of interest and to deter institutional delays in settling legitimate insurance claims. Reliance was also placed on earlier decisions of this Court wherein interest at the rate of 12% per annum was awarded in comparable cases involving delayed payment of insurance indemnity. It was submitted that the appellant had suffered considerable financial hardship, loss of business and investment opportunities during the prolonged period of litigation and that interest at 6% per annum was therefore inadequate and warranted enhancement.

5. *Per contra*, learned counsel appearing for the respondent -

insurance company submitted that there is no mandatory rule requiring the award of interest at the rate of 12% per annum in every case involving delayed payment. It was contended that the rate of interest is discretionary and must be determined having regard to the facts and circumstances of each case and the prevailing economic conditions. Therefore, it was submitted that the rate of interest at 6% per annum awarded by the NCDRC was fair and reasonable and consistent with the applicable judicial principles.

6. We have considered the rival submissions and perused the material placed on record.

7. There is no dispute between the parties with regard to the quantum of compensation awarded by the NCDRC. The sole grievance of the appellant is that the interest awarded at the rate of 6% per annum is inadequate and warrants enhancement to 12% per annum, whereas the respondent maintains that the rate awarded by the NCDRC is just and reasonable and does not call for interference.

8. Both parties have relied upon judicial precedents in support of their respective contentions. It is well settled that there is no straitjacket formula for determining the rate of interest and that the same must be fixed having regard to the facts and circumstances of each case.

9. In the present case, the fire accident occurred on 02.01.2001, the

consumer complaint was filed on 28.02.2003, and the NCDRC passed the impugned order on 18.08.2025. The dispute has, thus, remained in litigation for a considerable period. Having regard to the prolonged deprivation of the appellant of the amount found payable under the insurance claim and the overall circumstances of the case, we are of the view that the ends of justice would be served by enhancing the rate of interest from 6% to 9% per annum on the amount awarded by the NCDRC. The rate of interest is accordingly enhanced. Except to the extent of the said modification, the award of the NCDRC is affirmed in all other respects.

10. In fine, the Civil Appeal is disposed of with a direction to the respondent-insurance company to pay the amount awarded by the NCDRC, together with interest at the enhanced rate of 9% per annum from the date of filing of the consumer complaint till the date of realisation, within a period of eight weeks from today.

11. Pending application(s), if any, shall stand disposed of.

.....J.
(R. MAHADEVAN)

.....J.
(ALOK ARADHE)

NEW DELHI;
OCTOBER 12, 2026
ss

ITEM NO.42

COURT NO.4
S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

SECTION XVII-A

CIVIL APPEAL Diary No(s). 63595/2025

[Arising out of impugned final judgment and order dated 18-08-2025 in OP No. 73/2003 passed by the National Consumers Disputes Redressal Commission, New Delhi]

SUMER INTERNATIONAL LIMITED

Petitioner(s)

VERSUS

ORIENTAL INSURANCE CO LTD

Respondent(s)

IA No. 298289/2025 - CONDONATION OF DELAY IN FILING

IA No. 298290/2025 - PERMISSION TO FILE APPLICATION FOR DIRECTION

Date : 12-10-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE R. MAHADEVAN
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) : Mr. Raghenth Basant, Sr. Adv.
Mr. Rohit Bansal- 4016, AOR
Mr. Kartikeya Rastogi, Adv.
Mrs. Inderdeep Kaur Raina, Adv.
Mr. Raj Sumer Singh, Adv.

For Respondent(s) : Mr. Arvind Gupta- 2654, AOR
Mr. Kanav Bhardwaj, Adv.
Mr. Priyanshu Kumar, Adv.
Ms. Vanshika Sah, Adv.

Upon hearing the counsel, the Court made the following
O R D E R

1. Delay condoned.
2. The Civil Appeal stands disposed of in terms of the signed order.
3. Pending application(s), if any, shall also stand disposed of.

(SHUBHAM SONI)
COURT MASTER (SH)

(NIDHI WASON)
ASSISTANT REGISTRAR

(Signed order is placed on the file)