



2026:CGHC:26160

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

WP227 No. 710 of 2026

1 - Branch Manager State Bank Of India Collectorate Branch Near Nehru Chowk, Tehsil And District- Bilaspur Chhattisgarh- 495001

... Petitioner(s)**versus**

1 - Smt. Rashmi Shrivastava W/o Late Ashok Kumar Shrivastava R/o E-12/13 River View Colony, Koni Tehsil And District- Bilaspur, Chhattisgarh – 495001

2 - Branch Manager, S B I Life Insurance Company Limited, Local Office C M D Chowk Apollo City Centre Complex, Bilaspur, Tehsil And District- Bilaspur Chhattisgarh - 495004

... Respondent(s)

(Cause title taken from Case Information System)

For Petitioner(s) : Mr. Pankaj Singh, Advocate.

For Respondent No. 1 : Ms. Rashmi Shrivastava, In Person.

Hon'ble Shri Justice Ravindra Kumar Agrawal, J.**Order on Board****25/06/2026**

1. The petitioner has filed the instant writ petition under Article 227 of the Constitution of India, against the order dated 12.03.2026, passed by the learned National Consumer Disputes Redressal Commission, New Delhi, in Second Appeal No. 168 of 2026, whereby the second appeal filed by the petitioner has been dismissed and the order dated 01.09.2025 passed by Chhattisgarh State Consumer Disputes



Redressal Commission, Raipur, in Appeal Case No. SC/22/FA/2024/776 and the order dated 10.10.2024 passed by the District Consumer Disputes Redressal Commission, Bilaspur (C.G.) in Complaint Case No. CC/2017/201 has been affirmed.

2. The case of the complainant, in brief, is that the complainant's husband, Late Shri Ashok Kumar Srivastava, had availed a home loan of Rs. 15,65,000/- from the State Bank of India, Collectorate Branch, Bilaspur, bearing Loan Account No. 35634218770. To secure the said loan, he had obtained an SBI Life Rinn Raksha Insurance Policy from SBI Life Insurance Company Limited, under Policy No. 7006225376 (Customer ID No. 42625201/70000011107), wherein the complainant, Smt. Rashmi Srivastava was the nominee. According to the terms and conditions of the insurance policy, in the event of the death of the insured during the policy period, the outstanding loan liability was to be discharged by the insurer, and any additional policy benefits were payable to the nominee. It is pleaded that Late Shri Ashok Kumar Srivastava suffered a sudden brain haemorrhage and was admitted to KIMS Hospital, Bilaspur, on 25.01.2017, where he expired during treatment on 30.01.2017. The deceased had regularly paid the policy premium during his lifetime, which was deducted from his bank account. After his death, the complainant submitted a claim application on 16.03.2017 seeking settlement of the outstanding loan amount under the policy; however, the claim was allegedly repudiated by the opposite parties without any communication or intimation to her. Despite repeated personal requests, submission of claim documents, and a legal notice dated 17.04.2017 sent through her advocate, no response was furnished by the opposite parties. The complainant,



therefore, contends that the opposite parties were contractually bound to liquidate the outstanding loan liability upon the death of the insured and their failure to do so amounts to a deficiency in service and unfair trade practice, entitling her to appropriate relief from the Consumer Commission.

3. The Opposite Party No. 1/SBI Life Insurance Co. Ltd., in its written statement, has submitted that although the complainant has sought insurance benefits arising out of the death of Late Shri Ashok Kumar Srivastava, who expired on 30.01.2017, no valid contract of insurance ever came into existence between the deceased and Opposite Party No. 1. It is pleaded that the proposal submitted by the deceased for insurance coverage under the SBI Life Rinn Raksha Group Insurance Scheme could not be accepted as he failed to comply with the medical requirements that were necessary for assessment of the risk on his life. Consequently, the proposal was rejected, and the premium amount received from him was refunded during his lifetime. According to the insurance company, mere submission of a proposal form and payment of the premium do not automatically result in the grant of insurance coverage. The proposer is required to submit a duly completed and signed proposal form and comply with all requirements. It is further pleaded that Opposite Party No. 1 had issued Master Policy No. 700000011107 in favour of the State Bank of India under a group insurance scheme. Under such schemes, while a master policy is issued to the master policyholder, individual members become entitled to insurance coverage only upon satisfying the eligibility criteria and upon acceptance of their risk by the insurer. In the present case, a membership form bearing No. 7006225376 dated 19.03.2016 was



received in respect of Late Shri Ashok Kumar Srivastava for an insured sum of Rs. 14,93,000/- linked to Loan Account No. 35634165328. During the process, the insurer issued a letter dated 31.03.2016 calling upon the deceased to furnish medical documents, which was dispatched through Speed Post under Consignment No. EC05511844IN, and a copy was also sent to the master policyholder on the same date. Since the deceased failed to comply with the medical requirements within the stipulated period, his proposal was cancelled. Thereafter, the premium amount of Rs. 16,993/- was sought to be refunded through EFT to Account No. 35634218770; however, the transaction failed due to invalid credit account details. Subsequently, Cheque No. 570950 dated 17.05.2016 for Rs. 16,993/- was issued and forwarded to the bank for credit into the deceased's account, and the deceased was informed thereof by letter dated 19.05.2016. Thereafter, a fresh cheque bearing No. 928438 for Rs. 17,691/- was issued on 31.03.2017 and intimation thereof was sent to the complainant and the bank on 11.04.2017.

4. Opposite Party No. 1 has, therefore, submitted that since the proposal was never accepted and no insurance certificate was ever issued, no insurance cover existed on the life of the deceased. It is further submitted that documentary evidence clearly establishes that no life insurance policy came into force in favour of Late Shri Ashok Kumar Srivastava. The insurance company also claims to have furnished a detailed reply to the legal notice issued by the complainant vide communication dated 29.05.2017. It is further contended that Opposite Parties No. 1 and 2 are separate and distinct legal entities, and the insurer cannot be held liable for any act or omission on the part of the



bank. Since no insurance contract came into existence and no risk was assumed by the insurer, Opposite Party No. 1 had no contractual obligation either to provide insurance benefits or to discharge the outstanding loan liability of the deceased. Accordingly, it is denied that there was any deficiency in service on its part, and dismissal of the complaint has been prayed for.

5. Opposite Party No. 2/State Bank of India, in its written statement, has submitted that insurance coverage in respect of the loan account is governed by the terms and conditions of the insurance scheme and that the present dispute essentially relates to an insurance claim. It is submitted that insurance services are not rendered by the bank and, therefore, the complainant has unnecessarily impleaded the bank as a party to the proceedings. According to Opposite Party No. 2, the acceptance or repudiation of an insurance claim falls exclusively within the domain of the insurance company, and the bank has no knowledge regarding the grounds on which the insurance claim of the deceased was rejected. It is further pleaded that the bank is unaware as to whether the insurance company had communicated the repudiation of the claim to the complainant. While admitting receipt of the legal notice sent on behalf of the complainant, the bank has denied the allegations contained therein. Any claim for insurance benefits can be maintained only against the insurance company, and the lending bank is neither a necessary nor a proper party to such a dispute. On these grounds, Opposite Party No. 2 has prayed for dismissal of the complaint as against it.
6. After considering the pleadings and documents placed on record, the District Consumer Commission found it undisputed that Late Shri



Ashok Kumar Srivastava had been sanctioned a housing loan on 19.03.2016 and that a premium amount of Rs. 16,993/- towards the SBI Life Rinn Raksha Group Insurance Scheme was deducted from his account and remitted by the bank to the insurance company. The insurance proposal was not accepted due to non-compliance with medical requirements, and the proposal had been cancelled. However, the Commission found that the insurance company failed to produce any satisfactory evidence to establish that the deceased had actually been informed either about the requirement of medical documents or about the subsequent rejection of his proposal. Although the insurer relied upon a computer-generated screenshot and certain correspondence allegedly sent to the deceased, no cogent proof of service of such communications upon Late Shri Ashok Kumar Srivastava was produced. The Commission, therefore, observed that it could not be conclusively held that the deceased knew the rejection of his proposal. Nevertheless, since the proposal had admittedly not been accepted and no insurance certificate had been issued, the District Consumer Commission held that no deficiency in service on the part of the insurance company was established.

7. The Commission further held that the Opposite party No. 2/State Bank of India, being the Master Policy Holder under the group insurance scheme, had a duty to communicate to its borrower-member the status of the insurance proposal, including any deficiency, rejection, or cancellation thereof. The evidence on record revealed that the insurer had sent the refund cheque of the premium amount to the bank in May 2016, but the bank failed to establish that it had informed the deceased about the rejection of the proposal or about the refund of the premium.



Significantly, the refund amount was ultimately adjusted in the loan accounts only on 22.05.2017, i.e., after the death of the borrower on 30.01.2017. The Commission found the bank's explanation regarding non-credit of the refund amount during the lifetime of the deceased to be unsatisfactory and indicative of negligence. It, therefore, concluded that the bank had committed deficiency in service by failing to communicate the rejection of the insurance proposal and by not taking appropriate steps to ensure refund of the premium during the lifetime of the borrower. Holding that the complainant had thereby been deprived of the benefit of insurance coverage and had suffered financial loss equal to the outstanding home loan liability, the Commission partly allowed the complaint against the bank and directed it to credit and adjust the outstanding loan amount of Rs. 14,05,585/- together with applicable interest in the loan account, close the home loan account in satisfaction, and issue a No Objection Certificate (NOC) to the complainant, along with compensation and other consequential reliefs as specified in the order.

8. The Opposite party No. 2/State Bank of India, filed the first Appeal before the Chhattisgarh State Consumer Dispute Redressal Commission, Raipur. The State Commission, upon re-appreciation of the material available on the record and the findings recorded by the District Commission, held that it was undisputed that Late Shri Ashok Kumar Srivastava had obtained a housing loan from the appellant/bank and that a premium amount of Rs. 16,993/- towards the SBI Life Rinn Raksha Insurance Scheme had been deducted and remitted to the insurance company. The Commission further found that the insurance proposal of the deceased was cancelled by the insurer on account of



non-submission of the requisite medical documents and that the premium amount was refunded to the bank along with intimation regarding rejection of the proposal. However, despite being the Master Policy Holder and having received such information, the bank failed to establish that it had ever communicated the rejection of the proposal or the refund of premium to the borrower during his lifetime. The Commission observed that had the borrower been informed in time, he could have complied with the requirements and obtained insurance coverage under the scheme. The bank also failed to explain why the refund cheque was not credited to the borrower's account and why the amount was adjusted only after his death. Holding that such omissions constituted gross negligence and clear deficiency in service on the part of the bank, the State Commission concurred with the detailed findings of the District Commission and concluded that no interference with the impugned order was warranted. Consequently, the first appeal preferred by the bank was dismissed on 01.09.2025, and the order dated 10.10.2024, passed by the District Consumer Commission in Complaint Case No. CC/2017/201 was affirmed.

9. The order dated 01.09.2025 was challenged by the petitioner/State Bank of India, in Second Appeal before the learned National Consumer Disputes Redressal Commission, New Delhi. The National Consumer Commission, vide its order dated 12.03.2026, held that since the deceased borrower was sought to be covered under the SBI Life Rinn Raksha Group Insurance Scheme through the Master Policy obtained by the bank, it was primarily the bank's responsibility to ensure compliance with all requirements necessary for obtaining insurance coverage, including submission of requisite documents. The



Commission observed that despite receiving the insurer's communication regarding non-grant of coverage and refund of premium, the bank neither took effective steps to ascertain and rectify the deficiencies in the proposal nor adequately coordinated with the borrower to secure coverage. The Commission further found that the bank had failed to satisfactorily explain the misplacement of the original refund cheque and the consequent delay of more than one year in obtaining and crediting the replacement cheque. Holding that such conduct constituted deficiency in service and negligence on the part of the bank, and finding no error in the concurrent findings of the District and State Commissions, the National Commission declined to interfere, dismissed the second appeal.

10. Learned counsel appearing for the petitioner/Bank submits that the findings concurrently recorded by the District Consumer Disputes Redressal Commission, the State Consumer Disputes Redressal Commission and the National Consumer Disputes Redressal Commission are contrary to the pleadings, documentary evidence and the material available on record. It is argued that the petitioner/Bank had merely acted as a lending institution and, in terms of the group insurance arrangement, its role was confined to deducting the insurance premium from the borrower's account and remitting the same to the Insurance Company. It is further argued that the proposal for insurance was independently scrutinized by the Insurance Company and, upon finding certain deficiencies, the Insurance Company itself issued communications calling upon the borrower to furnish the requisite medical documents. Learned counsel would submit that once the proposal was under the consideration of the



Insurance Company, it was the exclusive responsibility of the insurer to communicate the deficiencies, the rejection of the proposal, and the refund of the premium directly to the insured. Therefore, fastening liability upon the petitioner-Bank for the alleged failure of communication is wholly misconceived and unsupported by the contractual terms governing the Master Policy. It is further argued that the Insurance Company itself had pleaded that copies of the communications regarding medical requirements, rejection of the proposal and refund of premium were dispatched to the insured, and therefore the finding that the petitioner/Bank alone was liable suffers from perversity and is contrary to the evidence on record.

11. Learned counsel for the petitioner further submits that the complaint itself was not maintainable against the petitioner/Bank under the provisions of the Consumer Protection Act, 2019. It is argued that the dispute essentially pertains to the repudiation of an insurance claim and no deficiency in banking service, as defined under the Act, can be attributed to the petitioner. The petitioner neither undertook any obligation to provide insurance coverage nor possessed any authority to accept or reject the insurance proposal, which was exclusively vested with the Insurance Company. It is further submitted that the complainant does not satisfy the requirements of a "consumer" within the meaning of Section 2(7) of the Consumer Protection Act, 2019, insofar as the petitioner/Bank is concerned, as there was no hiring or availing of any independent service from the Bank relating to the insurance contract. Consequently, it is submitted that the consumer forums have committed a jurisdictional error in entertaining the complaint against the petitioner/Bank and in recording findings of



deficiency in service despite the absence of any statutory or contractual obligation on its part. Therefore, the impugned orders are liable to be set aside in exercise of the supervisory jurisdiction of this Court under Article 227 of the Constitution of India.

12. The Respondent No. 1/complainant, who appeared suo-moto in the case, in person, supported the impugned orders passed by the consumer forums and submitted that the findings recorded by the District Commission, affirmed by the State Commission as well as the National Commission, are based on documentary evidence available on record. It is submitted that the petitioner/Bank, being the Master Policy Holder under the SBI Life Rinn Raksha Group Insurance Scheme, was under a legal and contractual obligation to keep the borrower informed about the deficiencies in the insurance proposal, its rejection and the refund of premium. However, despite receiving communication from the Insurance Company, the Bank neither informed the deceased borrower about the rejection of the proposal nor credited the refunded premium amount during his lifetime, and it could be deposited much after the death of the deceased, thereby depriving him of an opportunity to comply with the requisite formalities and obtain insurance coverage. It was further submitted that all three consumer forums have concurrently held that the petitioner is liable. Accordingly, it was prayed that the writ petition, being devoid of merit, deserves to be dismissed.
13. I have heard learned counsel for the petitioner/Bank, perused the documents annexed with the petition and gone through the orders of the learned District Consumer Disputes Redressal Commission, the



State Consumer Disputes Redressal Commission and the National Consumer Disputes Redressal Commission.

14. The submission advanced on behalf of the petitioner that Respondent No. 1 is not a "consumer" within the meaning of Section 2(7) of the Consumer Protection Act, 2019, is equally untenable.
15. To discuss this argument, it would be relevant to notice the definition of "Consumer" under the provisions of Section 2(7) of the Consumer Protection Act, 2019, which is as under:-

"(7) "consumer" means any person who—

(i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or

(ii) hires or avails of any service for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such service other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person, but does not include a person who avails of such service for any commercial purpose.

Explanation. —For the purposes of this clause,
—

(a) the expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;

(b) the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing;"



16. Section 2(7) of the Act of 2019 expressly includes within its ambit not only the person who hires or avails of a service for consideration but also any beneficiary of such service. It is an admitted position that the deceased husband of the complainant had availed a housing loan from the petitioner/Bank and, as an integral part of the loan transaction, the petitioner deducted the premium amount for securing insurance coverage under the SBI Life Rinn Raksha Group Insurance Scheme floated through the Master Policy held by the Bank. The Bank was, therefore, not acting merely as a conduit for remittance of the premium but had undertaken the responsibility of facilitating insurance coverage for its borrowers under the Master Policy. The material on record further reveals that after the Insurance Company declined the proposal, the communication regarding rejection along with the refund of premium was admittedly received by the petitioner-Bank, yet the borrower was neither informed of the rejection nor was the refunded amount credited to his account during his lifetime. Thus, the deficiency alleged by the complainant arises not out of the insurance contract alone but from the banking service rendered by the petitioner.
17. In **Spring Meadows Hospital v. Harjol Ahluwalia**, (1998) 4 SCC 39, the Hon'ble Supreme Court held that a beneficiary of the services hired for consideration is also a consumer. Further, in **Shriram Chits (India) Pvt. Ltd. v. Raghachand Associates**, (2024) 1 SCC 164, the Hon'ble Supreme Court reiterated that the definition of "consumer" under Section 2(7) of the Consumer Protection Act, 2019, is to be construed liberally to advance the object of the legislation. Applying these principles, this Court is of the considered view that the deceased borrower had hired the banking services of the petitioner for



consideration, which included facilitation of insurance under the Master Policy, and the complainant, being the nominee and beneficiary of such services, squarely falls within the inclusive definition of "consumer" under Section 2(7) of the Act. Consequently, the objection regarding the maintainability of the consumer complaint against the petitioner/Bank is without merit.

18. So far as the liability of the petitioner/Bank is concerned, the foundational facts are largely undisputed. It is not in dispute that Late Shri Ashok Kumar Srivastava had availed a housing loan from the petitioner/Bank and that a premium amount of Rs. 16,993/- under the SBI Life Rinn Raksha Group Insurance Scheme was deducted and remitted to the Insurance Company. It is also undisputed that the Insurance Company subsequently declined coverage on account of non-submission of certain requisite documents and refunded the premium amount to the Bank. The controversy essentially revolves around whether the petitioner/Bank, being the Master Policy Holder under the group insurance scheme, discharged its obligation of communicating the deficiencies in the proposal, the rejection thereof, and the refund of premium to the borrower during his lifetime.
19. The District Consumer Commission, upon appreciation of the documentary evidence, recorded a categorical finding that although the Insurance Company had intimated to the Bank regarding cancellation of the proposal and refund of premium, the Bank failed to establish that such information was ever communicated to the deceased borrower. The District Commission further found that the refund amount was not credited to the borrower's account during his lifetime and that the adjustment of the amount was made only after his death. On such



findings, the District Commission held the Bank guilty of deficiency in service and granted relief to the complainant. The said findings were independently re-examined by the State Commission, which concurred with the conclusions of the District Commission and held that the Bank's failure to keep the borrower informed deprived him of an opportunity to comply with the requirements and secure insurance coverage. The National Consumer Disputes Redressal Commission has also examined the matter and affirmed the concurrent findings recorded by the fora below. The National Commission specifically held that in a group insurance arrangement obtained through a Master Policy, the Bank was expected to ensure compliance with the requirements necessary for obtaining insurance coverage and to appropriately coordinate with the borrower. It further found that the Bank failed to satisfactorily explain the non-credit of the original refund cheque and the delay of more than one year in securing and crediting the replacement cheque. On that basis, the National Commission concluded that the Bank was deficient in service and declined to interfere with the findings concurrently recorded by the District and State Commissions.

20. The submission of the petitioner that its role was confined merely to deduction and remittance of the insurance premium to the Insurance Company and that thereafter it was exclusively for the insurer and the insured to correspond with each other cannot be accepted in the facts of the present case. It is an admitted position that the insurance cover was not obtained by the deceased through an independent contract with the Insurance Company but under the SBI Life Rinn Raksha Group Insurance Scheme operating through the Master Policy held by



the petitioner-Bank. In such an arrangement, the petitioner was not a mere collecting agent, but the Master Policy Holder through whom the proposal was processed and the premium was remitted. Significantly, the record reveals that upon cancellation of the proposal, the Insurance Company addressed its communication dated 09.05.2016 to the petitioner/Bank enclosing the refund cheque of the premium amount with a request either to credit the amount to the borrower's loan account or hand it over to the borrower against acknowledgement. The refund cheque admittedly remained with the petitioner/Bank and was neither credited to the borrower's account nor was the borrower informed of the rejection of the proposal during his lifetime. The petitioner has also failed to produce any material to establish that it took any effective steps to inform the borrower of the rejection of his proposal or to facilitate compliance with the alleged deficiencies. In these circumstances, the petitioner cannot absolve itself of its obligations by saying that the insurer alone was required to communicate with the insured. Once the petitioner undertook to facilitate insurance under the Master Policy and admittedly received the insurer's communication along with the refunded premium, it was under a corresponding duty to act with due diligence and keep the borrower informed.

21. The Hon'ble Supreme Court in **Canara Bank v. United India Insurance Co. Ltd.**, (2020) 3 SCC 455, has held that although effecting insurance may not originally be the bank's obligation, once the bank undertakes such responsibility, it becomes an integral part of the banking service rendered to the customer and negligence in discharging that obligation constitutes deficiency in service. The



concurrent findings recorded by the consumer forums are in consonance with the aforesaid principle and do not warrant interference in the exercise of supervisory jurisdiction under Article 227 of the Constitution.

22. At this juncture, it is apposite to note that the supervisory jurisdiction of this Court under Article 227 of the Constitution is confined to examining whether the subordinate forum has acted without jurisdiction, in excess of jurisdiction, committed a patent perversity, or ignored material evidence resulting in manifest injustice. The power under Article 227 is neither appellate nor intended to permit re-appreciation of evidence merely because another view may also be possible. Where findings of fact are based upon an appreciation of evidence and have been concurrently recorded by competent forums, interference is warranted only when such findings are shown to be perverse, arbitrary, or wholly unsupported by the record.
23. In **Shalini Shyam Shetty v. Rajendra Shankar Patil**, (2010) 8 SCC 329, the Hon'ble Supreme Court observed that the jurisdiction under Article 227 is supervisory and not appellate in nature and cannot be exercised for correcting mere errors of fact or law. In paragraphs 40 to 45 and 49, it has been held that:-

“40. Same principles have been followed by this Court in *Mani Nariman c Daruwala v. Phiroz N. Bhatena*¹, wherein it has been held that in exercise of its jurisdiction under Article 227, the High Court can set aside or reverse finding of an inferior court or tribunal only in a case where there is no evidence or where no reasonable person could possibly have come to the conclusion which the court or tribunal has come to. This Court made it clear that except to this "limited extent" the High Court has no jurisdiction to interfere with the

¹ (1991) 3 SCC 141



findings of fact (see SCC pp. 149-50, para 18). In coming to the above finding, this Court relied on its previous decision rendered in *Chandavarkar Sita Ratna Rao v. Ashalata S. Guram*². The decision in *Chandavarkar!!* is based on the principle of the Constitution Bench judgments in *Waryam Singh*³ and *Nagendra Nath*⁴ discussed above.

41. To the same effect is the judgment rendered in *Laxmikant Revchand Bhojwani v. Pratapsing Mohansingh Pardeshi*⁵. In SCC para 9 at pp. 579-80 of the Report, this Court clearly reminded the High Court that under Article 227 that it cannot assume unlimited prerogative to correct all species of hardship or wrong decisions. Its exercise must be restricted to grave dereliction of duty and flagrant abuse of fundamental principles of law and justice.

42. Same views have been taken by this Court in respect of the ambit of High Court's power under Article 227 in *Lonand Grampanchayat v. Ramgiri Gosavi*⁶ (see AIR pp. 222-34, para 5 of the Report) and the decision of this Court in *Jijabai Vithalrao Gajre v. Pathankhan*⁷. The Constitution Bench ratio in *Waryan Singh*⁸ about the scope of Article 227 was again followed in *Ahmedabad Mfg. & Calico Ptg. C. Ltd. v. Ram Tahel Ramnand*⁹.

43^{10*}. In a rather recent decision of the Supreme Court in *Surva Dev Rai v Ram Chander Rai*¹⁶, a two-Judge Bench of this Court discussed the principles of interference by the High Court under Article 227. Of course in *Surya Dev Rai*¹¹ this Court held that a writ of certiorari is maintainable against the order of a civil court, subordinate to the High Court (SCC p. 688. Division Bench of this Court in *Radhey Shyam v.*

2 (1986) 4 SCC 447

3 *Waryam Singh v. Amarnath*, AIR 1954 SC 215

4 *Nagendra Nath Bora v. Commr. of Hills Division and Appeals*, AIR 1958 SC 398

5 (1995) 6 SCC 576

6 AIR 1968 SC 222

7 (1970) 2 SCC 717

8 *Waryam Singh v. Amarnath*, AIR 1954 SC 215

9 (1972) 1 SCC 898

10 ***Ed.:** Para 43 corrected vide Official Corrigendum No. F.3/Ed.B.J./84/2010 dated 26-8-2010.

11 (2003) 6 SCC 675



Chhabhi Nath¹² and a para 19 of the Report). The correctness of that ratio was doubted by another request to the Hon'ble Chief Justice for a reference to a larger Bench is pending. But insofar as the formulation of the principles on the scope of Interference by the High Court under Article 227 is concerned, there is no divergence of views.

44. In para 38 sub-para (4) at SCC p. 695 of the Report, the following principles have been laid down in Surya Dev Rai¹¹ and they are set out:

"38.(4) Supervisory jurisdiction under Article 227 of the Constitution is exercised for keeping the subordinate courts within the bounds of their jurisdiction. When a subordinate court has assumed a jurisdiction which it does not have or has failed to exercise a jurisdiction which it does have or the jurisdiction though available is being exercised by the court in a manner not permitted by law and failure of justice or grave injustice has occasioned thereby, the High Court may step in to exercise its supervisory jurisdiction."

45. Sub-paras (5), (7) and (8) of para 38 are also on the same lines and extracted below: (Surya Dev Rai¹¹ case 16, SCC pp. 695-96)

"38.(5) Be it a writ of certiorari or the exercise of supervisory jurisdiction, none is available to correct mere errors of fact or of law unless the following requirements are satisfied: (i) the error is manifest and apparent on the face of the proceedings such as when it is based on clear ignorance or utter disregard of the provisions of law, and (ii) a grave injustice or gross failure of justice has occasioned thereby.

(6) * * *

(7) The power to issue a writ of certiorari and the supervisory jurisdiction are to be exercised sparingly and only in appropriate cases where the judicial conscience of the High Court dictates it to act lest a gross failure of justice or grave injustice should occasion. Care, caution and circumspection need to be exercised, when any

¹² (2009) 5 SCC 616



of the abovesaid two jurisdictions is sought to be invoked during the pendency of any suit or correction is yet capable of being corrected at the conclusion of the proceedings in a subordinate court and the error though calling for proceedings in an appeal or revision preferred thereagainst and entertaining a petition invoking certiorari or supervisory jurisdiction of the High Court would obstruct the smooth flow and/or early disposal of the suit or proceedings. The High Court may feel inclined to intervene where the error is such, as, if not corrected at that very moment, may become incapable of correction at a later stage and refusal to intervene would result in travesty of justice or where such refusal itself would result in prolonging of the lis.

(8) The High Court in exercise of certiorari or supervisory jurisdiction will not convert itself into a court of appeal and indulge in re appreciation or evaluation of evidence or correct errors in drawing inferences or correct errors of mere formal or technical character."

49. On an analysis of the aforesaid decisions of this Court, the following principles on the exercise of High Court's jurisdiction under Article 227 of the Constitution may be formulated:

(a) A petition under Article 226 of the Constitution is different from a petition under Article 227. The mode of exercise of power by the High Court under these two articles is also different.

(b) In any event, a petition under Article 227 cannot be called a writ petition. The history of the conferment of writ jurisdiction on High Courts is substantially different from the history of conferment of the power of superintendence on the High Courts under Article 227 and have been discussed above.

(c) High Courts cannot, at the drop of a hat, in exercise of its power of superintendence under Article 227 of the Constitution, interfere with the orders of tribunals or courts inferior to it. Nor can it, in exercise of this power, act as a court of appeal over the orders of the court or tribunal



subordinate to it. In cases where an alternative statutory mode of redressal has been provided, that would also operate as a restraint on the exercise of this power by the High Court.

(d) The parameters of interference by High Courts in exercise of their power of superintendence have been repeatedly laid down by this Court. In this regard the High Court must be guided by the principles laid down by the Constitution Bench of this Court in *Waryam Singh*¹³ and the principles in *Waryam Singh* have been repeatedly followed by subsequent Constitution Benches and various other decisions of this Court.

(e) According to the ratio in *Waryam Singh*⁴, followed in subsequent cases, the High Court in exercise of its jurisdiction of superintendence can interfere in order only to keep the tribunals and courts subordinate to it, "within the bounds of their authority".

(f) In order to ensure that law is followed by such tribunals and courts by exercising jurisdiction which is vested in them and by not declining to exercise the jurisdiction which is vested in them.

(g) Apart from the situations pointed in (e) and (f), High Court can interfere in exercise of its power of superintendence when there has been a patent perversity in the orders of the tribunals and courts subordinate to it or where there has been a gross and manifest failure of justice or the basic principles of natural justice have been flouted.

(h) In exercise of its power of superintendence High Court cannot interfere to correct mere errors of law or fact or just because another view than the one taken by the tribunals or courts subordinate to it, is a possible view. In other words the jurisdiction has to be very sparingly exercised.

(i) The High Court's power of superintendence under Article 227 cannot be curtailed by any

¹³ *Waryam Singh v. Amarnath*, AIR 1954 SC 215



statute. It has been declared a part of the basic structure of the Constitution by the Constitution Bench of this Court in *L. Chandra Kumar v. Union of India*¹⁴ and therefore abridgment by a constitutional amendment is also very doubtful.

(j) It may be true that a statutory amendment of a rather cognate provision, like Section 115 of the Civil Procedure Code by the Civil Procedure Code (Amendment) Act, 1999 does not and cannot cut down the ambit of High Court's power under Article 227. At the same time, it must be remembered that such statutory amendment does not correspondingly expand the High Court's jurisdiction of superintendence under Article 227.

(k) The power is discretionary and has to be exercised on equitable principle. In an appropriate case, the power can be exercised suo motu.

(l) On a proper appreciation of the wide and unfettered power of the High Court under Article 227, it transpires that the main object of this article is to keep strict administrative and judicial control by the High Court on the administration of justice within its territory.

(m) The object of superintendence, both administrative and judicial, is to maintain efficiency, smooth and orderly functioning of the entire machinery of justice in such a way as it does not bring it into any disrepute. The power of interference under this article is to be kept to the minimum to ensure that the wheel of justice does not come to a halt and the fountain of justice remains pure and unpolluted in order to maintain public confidence in the functioning of the tribunals and courts subordinate to the High Court.

(n) This reserve and exceptional power of judicial intervention is not to be exercised just for grant of relief in individual cases but should be directed for promotion of public confidence in the administration of justice in the larger public

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interest whereas Article 226 is meant for protection of individual grievance. Therefore, the power under Article 227 may be unfettered but its exercise is subject to high degree of judicial discipline pointed out above.

(o) An improper and a frequent exercise of this power will be counterproductive and will divest this extraordinary power of its strength and vitality.”

24. The said view was subsequently reaffirmed in **Radhey Shyam v. Chhabhi Nath**, (2015) 5 SCC 423, wherein the Supreme Court clarified that the power under Article 227 has not been expanded and is intended only to ensure that subordinate courts act within the limits of their jurisdiction and that interference is warranted only in cases of patent perversity, gross miscarriage of justice, or jurisdictional error.
25. In the present case, the petitioner has not been able to demonstrate that the findings recorded by the District Commission, affirmed by the State Commission and thereafter by the National Commission, suffer from any jurisdictional error, perversity, or manifest illegality warranting interference under Article 227 of the Constitution. The conclusions reached by the consumer forums are founded upon the evidence available on record and represent a plausible and reasonable view of the matter. This Court, therefore, finds no ground to upset the concurrent findings of fact recorded by the consumer forums.
26. Consequently, the writ petition deserves to be and is hereby **dismissed**.

Sd/-
(**Ravindra Kumar Agrawal**)
Judge