

**IN THE DELHI STATE CONSUMER DISPUTES REDRESSAL  
COMMISSION**

**Date of Institution : 29.01.2019**  
**Date of Reserving the order : 13.11.2025**  
**Date of Decision : 28.04.2026**

**FIRST APPEAL NO.-115/2019**

**IN THE MATTER OF**

**LIC HOUSING FINANCE LTD.,**  
LAXMI INSURANCE BUILDING  
ASAF ALI ROAD, NEW DELHI-110002

...APPELLANT

(Through: Mr. Karnail Singh &  
Ms. Mahee Arora, Advocates  
Mob.9811163363, 8800276707)

**VERSUS**

**MRS. BINDU ROY**  
W/O MR. HIMANSU ROY  
R/O 22-A, II FLOOR, KALUSARAI,  
HAUZ KHAS, NEW DELHI-110016

.....RESPONDENT

(Through: Mr. Vibhu Shankar Mishra &  
Ms. Dibya Kumari, Advocates  
Mob:9868085319, 9540208626,  
9650756933 &  
Email:dibya.rai2010@gmail.com)

**CORAM:**

**HON'BLE JUSTICE SANGITA DHINGRA SEHGAL PRESIDENT**  
**HON'BLE MS. PINKI, MEMBER (JUDICIAL)**

Present : Mr. Karnail Singh, counsel for the Appellant.  
Ms. Dibya Kumari, Mr. Vibhu Shankar Mishra &  
Mr. Dharmendra Kishor, Counsel for the respondent.

**PER : HON'BLE MS. PINKI, MEMBER (JUDICIAL)**

**JUDGMENT**

1. By this judgment, we shall dispose of the appeal filed by the Appellant against the impugned order dated 03.11.2018, passed by Consumer Disputes Redressal Forum (Central), ISBT Kashmere Gate, Delhi (hereinafter referred to as District Forum), in Complaint Case no. CC-300/2014 titled as Smt. Bindu Roy vs. LIC Housing Finance Ltd. *inter-alia* praying for setting aside the order passed by the District Forum.
2. While the Appellant was Opposite Party before the District Forum and the Respondent was Complainant before the District Forum.
3. The facts of the case as per the District Forum, record are as under:

*“Instant complaint has been filed by the complainant u/s sec 12 of the Consumer Protection Act 1986 pleading therein that complainant applied for house loan of Rs. 1 Lac vide application no. 1111544 dated 09/12/1994 for the purchase of the House No. 22/A IInd Floor, Kalusarai, New Delhi to the OP who handed over a cheque of Rs. 1 Lac as loan amount before the Registering authority to the complainant on 06/04/1995 at the time of registering the sale deed of the house property as collateral security/ Mortgage. OP issued a certificate that it had retained the original title deed towards mortgage of the house. Complainant sought further loan of Rs. 2 Lac from OP for renovation of the new purchased flat. It was sanctioned by the OP. Complainant has paid entire loan amount to the OP and OP has issued a full and final payment receipts No. 0002141 dated 06/08/2010. On 21/10/2010 complainant requested OP to return original documents followed by reminder letters dated 12/05/2011, 19/09/2013 and 26/04/2013 but OP has not returned*

*the original documents. Hence, the instant complaint seeking direction to OP to return the original registered sale deed, Rs. 15,00,000/- as damages for not returning the original sale deed, Rs. 500000/- as compensation for causing mental agony and deficiency in service.”*

4. The District Forum after taking into consideration the material available on record passed the judgment dated 03.11.2018, whereby it held as follows:

*“5. It was contented on behalf of the OP that the complaint is barred by limitation. Complainant’s case is that on payment of entire loan amount by her to the OP and on issuance of full and final payment receipts No. 0002141 dated 06/08/2010 by the OP she requested OP on 21/10/2010 to return her original documents which was not done. She reiterated her request vide letters dated 12/05/2011, 19/09/2013 and 26/04/2014 but the OP did not return her title deeds.*

*6. OP has been playing hide and seek with the complainant. Even before this Forum it has taken a conflicting stand. In para 03 of the complaint complainant has clearly pleaded that OP had issued a certificate to her that it had retained original sale deed with it as collateral security/mortgage copy of the certificate was placed on record as Annexure A-2. In corresponding para 3 of its reply OP has not denied that it did not issue the said certificate although it has vaguely and ambiguously pleaded that complainant submitted some original documents. It is also pleaded that complainant was reminded repeatedly that she had to submit original sale deed after registration of the property but she did not do so. OP has not proved that it ever wrote to the complainant that original sale deed was not deposited by her with the bank and that she was required to deposit sale deed after registration.*

7. OP vide its certificate bearing no. LICHFL/95/5/01-101-9008 dated 31/01/96 copy whereof was placed on record as Annexure A – 2 clearly acknowledged that :

*“This is to certify that Smt. Bindu Roy and Sh. Himanshu Prasad Roy have taken a loan of Rs. 1,00,000/- from us. The property (House No. 22 MCD 22A, IInd Floor, Kalu Sarai, New Delhi) is mortgaged with us. All the original documents of the property are mortgaged with us against the above mentioned loan A/C.”*

It may be noted that the OP acknowledged that all original documents of the property were mortgaged by the complainant with the OP. Vide Annexure A-2.

8. On repayment of entire loan amount by her to OP complainant wrote several letters to the OP for return of original documents which letters are exhibit A– 6 dated 21/10/2010, exhibit A – 7 dated 12/05/2011, exhibit A – 8 dated 19/09/2013 and exhibit A – 9 dated 26/04/2014. It may also be noted that said letters were duly received by the OP vide its acknowledgement which bears its signatures seal and stamp. OP did not bother to reply to these letters nor intimated the complainant about the loss of the title documents. As such instant complaint cannot be said to be barred by limitation.

9. It is difficult to believe plea of the OP that it did not receive original sale deed from the complainant. No bank would ever extend loan against equitable mortgage of the property without insisting upon deposit of all title documents to safeguard its own interest.

10. It can also not be disputed that on account of loss of the title deeds there would be erosion in the resale value of the property.

11. It is thus very clear that there has been deficiency in service on the part of the OP as the sale deed has been lost from its custody. OP is therefore liable to compensate the complainant suitably in this regard.

12. *National Commission in Indian Overseas Bank, Hyderabad v. K. Bal Reddy in R.P. No. 3800 of 2014 on 15/10/2014 upheld the awarded amount of Rs. 5 Lacs by the State Commission by way of compensation for loss of title deed of the property by observing that on account of loss of the title deed resale value of the property would be eroded.*

13. *In Sheel Sohan & Anr. Vs.Axis Bank Limited in Consumer Case No. 1021 of 2016 vide order dated 08 Jan 2018 National Commission awarded compensation of Rs. 10 Lacs for loss of original title documents of the property.*

14. *In view of the aforesaid the instant complaint is allowed. OP is directed to pay a sum of Rs. 10 Lac as all inclusive compensation to the complainant for loss caused to her by losing the original sale deed of her property. The OP is directed to pay this amount to the complainant within eight weeks from today failing which it shall carry interest @ 9% per annum from the said date."*

5. Aggrieved by the aforesaid order of the District Forum, the Appellant/Opposite Party has filed the present appeal, contending that the District Forum has failed to properly consider the facts of the case. It is submitted that the Respondent had taken a loan and failed to submit the original sale deed as required, and later filed a false complaint with ulterior motives. It is further submitted that the compensation of Rs.10 lakhs awarded by the District Forum is excessive, arbitrary and not proportionate to any alleged loss, especially when no actual loss or misuse of the property documents has been proved. The Appellant has also shown

willingness to take necessary steps such as lodging a report, issuing publishing notice, and obtaining certified copies at its own cost. It is further stated that there was no deficiency in service or unfair trade practice on the part of the Appellant. By raising the aforesaid contentions and submissions, the Appellant has prayed that the impugned order be set aside as it is baseless and unjustified.

6. Reply to the appeal has been filed by the respondent denying all the allegations made in the appeal and submitted that there is no error in the impugned order passed by the District Commission.
7. Written arguments have been filed by the parties.
8. We have carefully and thoroughly perused the material on record as well as the written submissions filed by the parties.
9. The only question for consideration before us is whether the District Forum erred in holding the Appellant liable for deficiency in service and in awarding compensation of Rs.10 lakhs to the respondent.
10. Upon perusal of the record, it is admitted that the Respondent had availed a housing loan from the Appellant and had repaid the entire loan amount, which is also evidenced by the full and final payment receipt dated 06.08.2010 issued by the Appellant. Further, the record shows that the Respondent had repeatedly requested the Appellant for return of the original documents after

repayment of the loan, but the Appellant neither returned the documents nor provided any satisfactory explanation regarding their non-availability.

11. The District Forum has relied upon the certificate issued by the Appellant acknowledging that the original title documents were deposited with it at the time of creation of mortgage. The said certificate clearly records that all original documents of the property were mortgaged with the Appellant. The Appellant has failed to place on record any cogent evidence to rebut the said document or to establish that the original sale deed was never deposited with it.
12. On the other hand, the contention of the Appellant that the original sale deed was never deposited by the Respondent. However, no cogent evidence has been placed on record by the Appellant to substantiate this plea. There is nothing on record to show that the Appellant ever called upon the Respondent to deposit the original title documents or that any communication was made to this effect at any point of time.
13. In fact, the certificate issued by the Appellant itself clearly establishes that the original documents were in its custody. In the absence of any rebuttal evidence, the plea taken by the Appellant appears to be an after thought and cannot be accepted.

14. It is also evident from the record that despite repeated requests made by the Respondent through letters dated 21.10.2010, 12.05.2011, 19.09.2013 and 26.04.2014, the Appellant neither returned the original documents nor provided any satisfactory explanation regarding their whereabouts. Such conduct on the part of the Appellant clearly amounts to deficiency in service.
15. It is a settled principle of law that loss of original title documents can seriously affect a property owner, as these documents are the main proof of ownership. Without them, the owner may face difficulties in selling, mortgaging, or otherwise dealing with the property, since buyers or financial institutions may be reluctant due to the risks involved. The absence of original documents may also raise concerns about possible misuse or fraudulent claims, thereby reducing the market value of the property.
16. In such a situation, the responsibility of the custodian of the documents, especially a financial institution, is crucial. When original title deeds are deposited with such an institution for mortgage purposes, it is duty-bound to keep them safe and return them after the loan is fully repaid. Failure to do so amounts to a deficiency in service.
17. Therefore, in the present case, since the original sale deed was not returned and no satisfactory explanation has been given for its loss, the District Forum has rightly held the Appellant liable for

deficiency in service. This finding is based on proper appreciation of the facts and evidence on record and does not suffer from any illegality or irregularity.

18. As regards the amount of compensation, the Appellant has argued that it is too high. However, it is noted that the District Forum relied on decisions of the Hon'ble National Commission where compensation was awarded in similar cases involving loss of original title deeds. Such compensation is given not only for the immediate inconvenience caused to the complainant but also for the ongoing risk and uncertainty due to the absence of original documents. Without these documents, the complainant may face difficulties in selling or mortgaging the property, and its market value may also be affected. Therefore, the compensation awarded is meant to reasonably cover these issues.

19. It is a settled principle that this Commission, while hearing an appeal, does not usually interfere with the findings of fact given by the District Forum unless those findings are clearly unreasonable, arbitrary, or not based on evidence, or if there is any serious error in considering the evidence. The appellate authority is not required to re-examine the evidence just because another view is possible. In the present case, the Appellant has failed to show any such error in the findings of the District Forum. The conclusions of the District Forum are based on proper consideration of the material

on record and do not require any interference. Therefore, we are of the view that the District Forum has rightly assessed the facts and evidence and has correctly held the Appellant liable for deficiency in service.

20. In view of the above discussion, we are of the considered opinion that the District Forum has rightly appreciated the facts and evidence on record and has correctly held the Appellant liable for deficiency in service.
21. Accordingly, the appeal filed by the Appellant is dismissed and the impugned order dated 03.11.2018 passed by the District Forum is hereby upheld. There shall be no order as to costs.
22. Application(s) pending, if any, stand disposed of in terms of the aforesaid judgment.
23. The judgment be uploaded forthwith on the website of the Commission for the perusal of the parties.
24. File be consigned to record room along with a copy of this Judgment.

**JUSTICE SANGITA DHINGRA SEHGAL  
(PRESIDENT)**

**(PINKI)  
MEMBER (JUDICIAL)**

Pronounced on 28.04.2026