

PETITIONER:
M/S CHENGALRAYAN CO-OPERATIVE SUGAR MILLS

Vs.

RESPONDENT:
ORIENTAL INSURANCE CO. LTD. & ANR.

DATE OF JUDGMENT: 30/09/1999

BENCH:
D.P.Wadhwa, S.S.Ahmad

JUDGMENT:

D E R The main contention raised by learned counsel for the appellant is that the National Commission ought to have allowed the claim on the basis of the report of the Surveyor who had recommended payment of Rs.41,13,127.87/- for the value of the gunny bags destroyed in the fire. The National Commission before which this question was raised, considered the evidence on record and ultimately recorded a finding that the appellant itself by its letter dated 19.12.1989 had invited quotation from various insurance companies for a Fire Policy setting out the details as under : "1. Fire Policy Stock of Sugar 400 Lakhs Stock of gunnies 12 Lakhs Stock of sulphur & 6 Lakhs chemicals Stock of stores and spares 35 Lakhs ----- Total value of Fire Policy 453 Lakhs ----- The entire stock lying in the premises of the appellant was destroyed by a major fire accident which took place on 15.11.1990 and although the Policy had not till then been issued by the respondents, the claim raised by the appellant was not repudiated and the Policy was also issued in December, 1990. The appellant and the respondents mutually settled the claim so far as other items were concerned but they did not agree on the quantum of compensation for the stock of gunny bags and consequently, the appellant approached the National Commission which held that though there was no deficiency of service, the respondents were liable to pay Rs.11,69,994/- to the appellant as they themselves had made that offer by their letter dated 24.4.1992. The National Commission also allowed interest at the rate of 18 per cent from the date of its order provided the amount was not paid within two months. Having regard to the facts and circumstances of this case, we are not prepared to accept the contention of the appellant's counsel that the claim should have been allowed in terms of the surveyor's report. It is not disputed that the appellant itself by its letter dated 19.12.1989 had invited quotations for a Fire Policy and in that letter of invitation, it had mentioned the value of the Policy in which they had indicated the value of the gunny bags as Rs.12 lakhs. In this background, the National Commission was justified in not placing any reliance on the surveyor's report. We fully endorse the view of the National Commission and reject the contention raised by the appellant's counsel that the claim ought to have been allowed in terms of the surveyor's report. We, however, feel that the interest ought to have been awarded from the date on which the claim was filed before the National Commission. Consequently, while maintaining the order of the National Commission for payment of Rs.11,69,994/- to the

appellant as value of Gunny Bags, direct that this amount shall be paid within two months from today and that too, with interest at the rate of 18 per cent per annum from the date of filing of the claim before the National Commission till the date of actual payment. The appeal is disposed of in the manner indicated above without any order as to costs.

JUDIS