(2001) 06 NCDRC CK 0023

In the National Consumer Disputes Redressal Commission

ANAND CLOTH STORE APPELLANT

Vs

CHAIRMAN, NATIONAL INSurance CO. LTD. RESPONDENT

Date of Decision : 29-06-2001

Acts Referred:

Citation : 2001 3 CPJ 387 : 2002 2 CPR 177

Hon'ble Judges : D.M.Patnaik , Pramodnath Das J.

Final Decision : Complaint disposed of

Judgement

1. IN this original case the complainant being the proprietor of the shop M/s. Anand Cloth Store claims under a shop owner''s policy for fire etc. the total amount of Rs. 2,50,000/- assured. The INsurance Company repudiated the claim on the ground that the claim was a false one. Complainant claimed that while the insurance coverage under the policy No. 153400/9800110/91-92 was valid from 22.7.1991 to 21.7.1992, a fire broke out in his shop on 28.5.1992, because of short electric circuit in the shop. The matter was reported to the police, FIR lodged and the INsurance Company i.e. opposite party No. 3 was informed by letter dated 28.5.1992. A Surveyor was appointed but the claim of the complainant was not settled. Therefore, he filed this case. The case of the INsurance Company is that even though the Surveyor was appointed but since he did not submit his report the claim could not be settled and the Surveyor submitted the report on 27.9.1993 and assessed the loss at Rs. 31,290/- and this amount was offered to the complainant, but he did not accept this, alleging inadequacy.

2. WE have heard the learned Counsel for both sides at length. WE have perused the various documents on record. Annexure-6 is the document dated 22.7.1992 of the Fire Officer, Orissa, Cuttack which indicates that on a reference by the Insurance Company it was informed that the complainant''s cloth store was gutted with fire on 27/28.5.1992 due to electric short circuit. Annexure-4 dated 6.6.1992 is letter that of the Circle Inspector of Police, Sambalpur stating therein that the accidental fire was due to the electrical short circuit as a result of which

the entire shop room and the clothes were fully burnt and the value of the property damaged were to the tune of Rs. 2,50,000/-. From the above two official documents it is amply proved that the complainant''s shop caught fire and textile articles were damaged. WE do not find any reason to disbelieve the assessment of loss by money value made by the police which they are also competent to find out for the purpose of investigation. The Circle Inspector has given a guess valuation which we should not say to be grossly excessive since the amount so given is almost nearer to the figure arrived by the Surveyor. In this regard the Surveyor P.K. Sen in his report on the head assessment mentioned that the opening stock as on 1.4.1992 was of the value of Rs. 2,59,300/-. To this the Surveyor added purchases made during the period 1.4.1992 to 27.5.1992 amounting Rs. 59,546/-. Thus the total came to Rs. 3,18,846/- out of that the Surveyor calculated the total sale for 50 days at the rate of Rs. 3,900/- per day which came to Rs. 1,95,000/-. Therefore, the total stock in the shop available as on the date of the fire was Rs. 1,23,846/-. The Surveyor has deducted a sum of Rs. 23,400/- towards the profit at the rate of 12% which in our view is not correct and we are unable to understand why such a deduction was made. For the purpose of assessment of loss we are only concerned with the value of the textile materials which were in hand when the fire occurred. Therefore, calculating that way it comes to Rs. 3,18,846/- minus Rs. 1,95,000/- worth of goods sold and thus the figure comes to Rs. 1,23,846/-. WE do not find there could be any other exact mode of calculation taking into the figure given by the Surveyor himself. His assessment that loss was to the tune of Rs. 31,000/- and odd is held unacceptable to us being not based on correct calculation. The Insurance Company is, therefore, liable to pay a sum of Rs. 1,23,846/- under the policy. In the result this complaint petition is allowed. WE direct the Insurance Company to pay a sum of Rs. 1,23,846/- with 12% interest per annum calculated from the date of the fire i.e. 28.5.1992 till the date of payment on this amount. The Insurance Company also directed to pay a compensation of Rs. 5,000/- for mental agony and harassment of the complainant and a sum of Rs. 2,000/- for the cost of litigation. The above direction be complied within 8 weeks from the date of communication of the order. Mr. Pramodnath Das, Member-I agree. Complaint disposed of.