(2002) 10 NCDRC CK 0012

In the National Consumer Disputes Redressal Commission

AVON RICE TRADING COMPANY APPELLANT

Vs

UNITED INDIA INSURANCE CO. LTD. RESPONDENT

Date of Decision : 25-10-2002

Acts Referred:

Citation : 2002 0 NCDRC 52 : 2002 3 CPJ 340 : 2003 0 CTJ 110 : 2003 1 CPC 233 : 2003 1 CPR 34 : 2003 2 CLT 154

Hon'ble Judges : B.K.TAIMNI , D.P.WADHWA , J.K.MEHRA , RAJYALAKSHMI RAO J.

Advocate : PREM PRAKASH , VISHNU MEHRA

Judgement

1. THIS first appeal arises out of the order of the State Consumer Disputes Redressal Commission, Punjab whereby the State Commission allowed the appeal.

2. THE fact, in brief which led the complainant to approach the State Commission are as follows : The complainant is a partnership firm dealing in the business of rice shelling. The firm had stocks of paddy, rice and husk in its premises. The stocks were insured with the respondent No. 1 vide Insurance Policy No. 200202/46/03/455346/92 (in lieu of Cover Note No. 293600) covering fire, floods and Cover Note No. 044100 both dated 15.10.1992, for a sum of Rs. 25 lakhs for the period from 15.10.1992 to 14.10.1993. The respective premia were paid by the complainant. In the month of July, 1993 there were unprecedented rains causing damage to the stocks of the complainant. On being intimated about the loss, the opposite party deputed a Surveyor. Since the claim was not settled till 7.7.1995, the complainant approached the State Commission by way of a complaint claiming a sum of Rs. 14 lakhs. On notice being issued, the Insurance Company filed its reply. It is seen from the order of the State Commission that the Insurance Company had extended an offer of Rs. 1,12,407/-, allowing the claim against the loss of paddy and rice and rejecting the claim against the husk on the ground that the policy did not cover such a risk. This offer was made after a period of two years, though the Surveyor had submitted his report 4.9.1993.

The State Commission in its detailed order, while holding that the complainant was a consumer; held that delay in settling the claim by the Insurance Company amounted to deficiency in service and that the Insurance Company and the Surveyor were not justified in denying the claim for the husk as the insurance policy covers the loss suffered on this count. It directed the opposite party/ Insurance Company to pay Rs. 1,34,067/-, which amount was indicated in the survey report by the Surveyor as the loss suffered on account of rice husk damaged on account of floods, along with the amount already offered by Insurance Company on account of damage done to the paddy, i.e. Rs. 1,12,407/- totalling a sum of Rs. 2,46,474/-. The State Commission also awarded interest at the rate of 18% on this amount and Rs. 5,000/- for costs.

3. WE have heard the learned Counsel for the parties. We have also gone through the appeal along with its Annexures. In the appeal the appellant has claimed Rs. 11 lakhs on account of damage and loss caused by rains and floods to the stocks; Rs. 1 lakh on account of interest excess paid to the Bank and Rs. 2 lakhs for harassment and business loss. We have also gone through the well reasoned order of the State Commission and we do not find it a fit case for us to interfere with the order of the State Commission except for the rate of interest which in our opinion is on higher side and which we reduce from 18% to 12% p.a. In view of what is stated above we modify this impugned order as stated above and dispose of this appeal. We direct the Insurance Company to make the payment in terms of the order of the State Commission as modified above within a period of one month from the date of receipt of a copy of this order. In the facts and circumstances of the case, there is no order as to costs.