(1994) 05 NCDRC CK 0022

In the National Consumer Disputes Redressal Commission

INDIAN HARDWARE STORES APPELLANT

Vs

UNITED INDIA INSURANCE CO. LTD. RESPONDENT

Date of Decision : 09-05-1994

Acts Referred:

Citation : 1994 0 NCDRC 111 : 1994 2 CPJ 101 : 1995 2 CLT 411

Hon'ble Judges : V.BALAKRISHNA ERADI , Y.KRISHAN , B.S.YADAV J.

Advocate : M.A.FIROZ , A.V.RANGAM , A.RANGANATHAN , SANJEEV MEHTA

Judgement

1. IN our opinion, the State Commission was in error in holding that there was no valid policy of insurance at the time when the loss by fire occurred and in dismissing the claim of the complainant on the said limited ground. It is clear from the records that a request had been made to the insurer to renew the earlier insurance policy in respect of the premises in question and the State Bank of Travancore had also forwarded to the insurer a bank guarantee for the full amount of the premium payable for such renewal well before the expiry of the previous policy of insurance. The said letter, forwarding the bank guarantee forms part of the paper book, and is Annexure ''J'' dated 26.5.1987 and a photo copy of the bank guarantee itself is also annexed in the paper book as Annexure I.

2. IN these circumstances, the State Commission has acted illegally and erroneously in dismissing the complaint on the ground that there was no valid policy of insurance existed on the date of the occurrence of the loss i.e. 3.1.1988. Since the State Commission has not adjudicated upon the merits of the claim put forwarded by the complainant we are constrained to remand the case to the State Commission for considering the claim on the merits on the basis that the policy of insurance did subsist as on the date of occurrence of the fire which led to the alleged loss. This appeal is allowed as above. The Respondent No. 1 shall pay a sum of Rs. 5,000/- by way of costs to the appellant in this case.

