

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO(S). 5063 OF 2015

**AKAL ELECTRICALS
PVT. LTD.**

....APPELLANT(S)

VERSUS

**NATIONAL INSURANCE
CO. LTD. AND ANR.**

....RESPONDENT(S)

ORDER

- 1.** The instant appeal is directed against the judgment dated 16th February, 2015 passed by National Consumer Disputes Redressal Commission, New Delhi (hereinafter being referred to as 'Commission') in Consumer Complaint No. 150 of 2010.
- 2.** The appellant-complainant preferred the aforesaid complaint, being aggrieved by the assessment and partial disallowance of its claim arising out of a fire incident which occurred at its factory on 7th August, 2008.
- 3.** The appellant-complainant, a manufacturer of transformers based at Doraha, Ludhiana, had obtained three Standard Fire and Special Perils Policies from the respondent-National Insurance Co. Ltd. (hereinafter being referred to as the 'respondent-Insurance Company') covering sums insured of Rs.2,50,00,000/-, Rs.6,00,00,000/- and Rs.40,00,000/- respectively. A fire broke out in the appellant-complainant's factory on 7th August, 2008 causing extensive damage

to the working hall shed, finished stock, semi-finished stock and raw materials, such as transformers, core-coil assembly, core assembly, HT/LT coils, etc. The respondent-Insurance Company was immediately notified of this incident by the appellant-complainant. Respondent No. 2-M/s. Cunningham Lindsey International Pvt. Ltd. was appointed by the respondent-Insurance Company as a surveyor for assessment of the loss. The Surveyor visited the premises and after undertaking extensive physical survey, submitted its final survey report dated 23rd July, 2009 to the respondent-Insurance Company, who then disallowed the claim of the appellant-complainant to the extent of almost 75% and allowed the claim to the tune of Rs.2,79,22,550/- only. The respondent-Insurance Company accepted the Surveyor's report and indemnified the appellant-complainant to the above extent.

4. Being dissatisfied with the assessment and the claim awarded, the appellant-complainant preferred a complaint before the Commission praying for award of additional compensation to the tune of Rs.3,12,18,652/-.

5. The Commission, after due appreciation of the material available on record, found that the appellant-complainant had not disclosed in its complaint that it had conveyed its acceptance to receive damages to the tune of Rs. 2,79,82,286/- as full and final settlement towards the loss sustained by it *vide* letter dated 18th November, 2009 without any protest and prejudice. The appellant-complainant pleaded that the aforesaid settlement/acceptance letter was issued under the dictat of the respondent-Insurance Company because the appellant-complainant was facing proceedings under Securitisation and Reconstruction of Financial Assets and Enforcement of Security

Interest Act, 2002 (hereinafter referred to as 'SARFAESI') owing to the damage caused in the factory. However, the Commission did not find the said plea to be palpable because the material relied upon by the appellant-complainant indicated that the notice under Section 13(2) of the SARFAESI Act was issued only on 10th April, 2013, long after the claim had been settled and the amount disbursed.

6. Having heard and considered the submissions advanced by learned counsel for the appellant-complainant, we do not find any justifiable reason to interfere in the impugned decision to the extent it disallows the prayer for additional insurance claim.

7. The Commission, however, noted that the conduct of the Surveyor in submitting the survey report after a period of 11 months was difficult to fathom. Nevertheless, the fact remains that the appellant-complainant did not raise any protest against the said report and accepted the full and final settlement immediately. The challenge to the assessment was raised only subsequently through the consumer complaint. The settlement was accepted on 18th November, 2009 whereas the complaint was filed on 4th August, 2010. The settlement amount was derived from and broadly corresponded to the Surveyor's assessment. The appellant-complainant itself was unable to place consistent evidence for additional quantification of the loss allegedly suffered in the fire. There were divergent figures quoted in the complaint wherein, at one place, the loss suffered was stated to be Rs.11 crores whereas the claim was filed for a sum of Rs.8,63,41,930/-. Thus, we are not inclined to interfere in the impugned order which rejects the complaint of the appellant-complainant for want of acceptable evidence.

8. However, an additional issue has been pointed out by learned counsel for the appellant-complainant during the course of submissions. It was urged that though as per the policy of the respondent-Insurance Company, the Surveyor was authorised to present the survey report within a period of 6 months but the fact remains that the survey report was furnished after approximately 11 months from the date of the incident.

9. It was further pointed out that the final survey report was submitted on 23rd July, 2009 and the settlement was accepted by the appellant-complainant on 18th November, 2009; however, the settled amount came to be disbursed as late as on 9th April, 2010.

10. In this background, we are satisfied that there has been a significant delay on the part of the respondent-Insurance Company in furnishing the survey report and in making the payment to the appellant-complainant. Accordingly, we direct that the settled amount shall carry simple interest @ 10% per annum for the period from 23rd July, 2009 till 9th April, 2010. The amount as directed above shall be paid within a period of 8 weeks from today, failing which the interest shall stand enhanced to 15% per annum.

11. The appeal is partly allowed in these terms.

12. Pending application(s), if any, shall stand disposed of.

.....**J.**
(SANDEEP MEHTA)

.....**J.**
(VIJAY BISHNOI)

NEW DELHI;
JUNE 18, 2026.

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Civil Appeal No(s). 5063/2015

AKAL ELECTRICALS PVT. LTD.

Appellant(s)

VERSUS

NATIONAL INSURANCE CO. LTD. AND ANR.

Respondent(s)

IA No. 39661/2020 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/
ANNEXURES

Date : 18-06-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE SANDEEP MEHTA
HON'BLE MR. JUSTICE VIJAY BISHNOI
[PARTIAL COURT WORKING DAYS BENCH]

For Appellant(s) : Ms. Madhumita Bhattacharjee, AOR
Ms. Debarati Sadhu, Adv.
Mr. Dhruv Bhalla, Adv.
Ms. Rashmi Prava Mohanty, Adv.
Mr. Keshav Bansal, Adv.
Mr. Anant, Adv.

For Respondent(s) : Mr. Yogesh Malhotra, Adv.
Mr. Gaurav Sharma, AOR

UPON hearing the counsel the Court made the following
O R D E R

1. The civil appeal is partly allowed in terms of the signed order.
2. Pending interlocutory application(s), if any, is/are disposed of.

(JAYANT KUMAR ARORA)
ASTT. REGISTRAR-cum-PS

(NIDHI WASON)
ASSISTANT REGISTRAR

(Signed order is placed on the file)