IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 3713 of 2023

UNITED INDIA INSURANCE COMPANY LTD ..... APPELLANT

VERSUS

M/S. GVR COLD STORAGE ..... RESPONDENT

O R D E R

1. **United India Insurance Company Ltd., the appellant, is aggrieved by the order dated 04.01.2023 passed by the National Consumer Disputes Redressal Commission[1], New Delhi, in Consumer Case No. 54 of 2014. By the said order, the NCDRC directed the appellant to pay to the respondent, the complainant in Consumer Case No. 54 of 2014, a sum of ₹3,34,25,044/- (Rupees three crore thirty four lakh twenty five thousand forty four only) along with interest.**

2. **The complainant in Consumer Case No. 54/2014, the respondent herein, secured two standard fire and special perils insurance polices from the appellant for its buildings, machinery, cold storage equipment and the stock in the cold storage.**

3. **These polices covered the period from 09.08.2010 to 18.08.2011 and 06.05.2011 to 05.09.2011 respectively. While so, it was the case of the respondent, that on the evening of 06.07.2011, owing to torrential rains, a chamber of the cold storage plant**

1 For short 'NCDRC'

collapsed, causing damage to the building as well as the stock stored therein. On this basis, claims were raised by the respondent against the appellant in January, 2012. The appellant appointed a licensed surveyor in relation thereto. Basing on the surveyor’s report dated 05.02.2012, the appellant repudiated the claim of the respondent by letter dated 27.02.2012.

4. As the appellant did not act upon the respondent’s legal notice dated 27.03.2012, calling upon it to pay the insurance claims, the respondent approach the NCDRC by of way the subject consumer case.

5. We may note that the Manager of the respondent addressed letter dated 29.07.2011 to the appellant. Therein, he stated that owing to the thunder and rain, Chamber-B and the R.C.C. slab had collapsed.

6. The Final Survey Report dated 05.02.2012 submitted by Rank Surveyors Pvt. Ltd., an approved surveyor under Section 64UM of the Insurance Act, 1938[2], assumes great significance in this regard. Therein, it was noted that the Manager of the respondent had reported that the collapse had occurred due to thunder and rain. During the Surveyor’s inspection onsite, information relating to the accident was conveyed by the representatives of the respondent. They also stated to the effect that there was loud noise/sound followed by heavy dust and this had taken place due to collapse of the building.

2 “Act of 1938”, for short

7. **Dealing with the cause of loss, the surveyor noted that in the claim form submitted on 10.01.2012, the cause of the loss was indicated as unknown. In the initial intimation, however, it was stated that the loss was due to thunder. No evidence was produced before the surveyor in support of this cause.**

8. **A Senior Civil Engineer was appointed by the surveyor to analyze the cause of loss and also furnish an assessment of the loss in respect of the building. The Senior Civil Engineer noted in his analysis report that there was a structural failure and gave full details as to why he opined that the structure was not in a good condition. He blamed the improper structural design, poor quality of material and poor quality of workmanship. He also observed one important point, that is, that the electric pipes were running inside the columns and beams with switch controls on the columns. He observed that the failure of the structure due to this was unavoidable.**

9. **The surveyor concluded that the loss caused to the building, plant and machinery and stock was not due to any of the perils covered by the insurance policies, that is, fire, lightning, explosion, implosion, etc., and was squarely attributable to the structural defects in the building construction. The surveyor, accordingly, reported that the claim was inadmissible. Despite the same, the surveyor assessed the loss, quantifying the same at ₹52,43,881/- (Rupees fifty two lakh forty three thousand eight hundred eighty one only).**

10. **We find that the NCDRC failed to give due weightage to the**

surveyor’s report in the context of the structural defects found in the construction which, according to the surveyor, were directly responsible for the collapse of the building.

11. Reliance was only placed upon the self-serving certificates produced by the respondent as to the stability of the structure, which had been obtained before the incident. Notably, the respondent did not even adduce any evidence in the context of the specific defects in the construction that had been pointed out by the Senior Civil Engineer, whose report was taken into consideration by the surveyor.

12. Further, we find that the NCDRC did not even undertake any independent assessment to compute the net loss suffered by the respondent and granted the sum as claimed by the respondent, far in excess of the net loss assessed by the approved surveyor. There is no discussion whatsoever on this aspect and the NCDRC seems to have blindly accepted the claims put forth by the respondent without reference to the law laid down by this Court in *United India Insurance Co. Ltd. & Ors. v. Roshan Lal Oil Mills Ltd. & Ors.*[3] Therein, this Court noted that the NCDRC cannot ignore the report submitted by the approved surveyor appointed under Section 64UM of the Act of 1938 and held that non-consideration of such a report would result in serious miscarriage of justice, vitiating the very order passed by the NCDRC.

13. This edict is squarely applicable in the present case as we

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find that the NCDRC not only ignored the report submitted by the approved surveyor but blindly accepted the claims put forth by the respondent in all respects. We find that, in the consumer case, the respondent claimed that the cause of the building collapse was lightning. This seems to have been an afterthought on the part of the respondent, as it was not projected earlier, either before the appellant or before the approved surveyor. No credible evidence, oral or otherwise, was brought on record about any lightning strike. The irrefutable fact remains that the construction was faulty and those defects were squarely responsible for the collapse of the building. Significantly, no evidence was adduced of any other building nearby suffering similar damage due to the torrential rains and thunder on that day.

14. The appeal is, accordingly, allowed setting aside the order dated 04.01.2023 and dismissing Consumer Case No.54 of 2014. Registry shall return to the appellant the suitor’s fund amount of ₹50,000/- along with the interest accrued thereon, if any, under proper acknowledgement as per due procedure.

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

......................J.
(SANJAY KUMAR)

......................J.
(SANJEEV SACHDEVA)

NEW DELHI;
SEPTEMBER 22, 2026.

ITEM NO.21 COURT NO.8 SECTION XVII-A

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

<u>Civil Appeal No. 3713/2023</u>

UNITED INDIA INSURANCE COMPANY PVT. LTD Appellant(s)

VERSUS

M/S GVR COLD STORAGE Respondent(s)

Date : 22-09-2026 This appeal was called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE SANJAY KUMAR
HON'BLE MR. JUSTICE SANJEEV SACHDEVA

For Appellant(s) Mrs. Nanita Sharma, AOR
Mr. Vivek Sharma, Adv.
Mr. Mahesh Chandra Tiwari, Adv.
Mr. Rohit Kumar, Adv.

For Respondent(s) Mr. Ritin Rai, Sr. Adv.
Mr. Sanjay Bhatt, Adv.
Mr. Rabin Majumder, AOR
Mr. Sarthak Bhandari, Adv.
Ms. Mousumi Roy, Adv.
Mr. Shivam Majhi, Adv.

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

The appeal is allowed in terms of the signed order.

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

(BABITA PANDEY) (PREETI SAXENA)
AR-CUM-PS COURT MASTER (NSH)
(Signed order is placed on the file)