

IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 03.10.2019
CORAM

THE HON'BLE MR. JUSTICE P.D. AUDIKESAVALU

W.P. No. 26778 of 2019
and
W.M.P. Nos. 26158 and 26159 of 2019

The Tamil Nadu State Marketing Corporation Limited,
Rep. by its Managing Director,
4th Floor, CMDA Tower-II,
Gandhi Irwin Bridge Road,
Egmore, Chennai - 600 008.

... Petitioner

-vs-

The Senior Divisional Manager,
United India Insurance Co. Ltd.,
Divisional Office,
129-C, 1st Floor,
Coimbatore,
Mettupalayam-641301.

... Respondent

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records relating to the impugned orders of Respondent dated 26.08.2019 by cancelling the Policy Nos. 1717002118P111265908 and 1717002118P111267233 and quash the same, consequently direct the Respondent to continue Marine (Transit) Policy till 31.10.2019 as per tender notice dated 22.08.2018.

For Petitioner : Mr. K. Sathish Kumar

For Respondent : Mr. S. Arunkumar

O R D E R

Heard Mr. K. Sathish Kumar, Learned Counsel for the Petitioner and Mr. S. Arunkumar, Learned Counsel for the Respondent and perused the materials placed on record, apart from the pleadings of the parties.

2. The Writ Petition has been filed challenging the order dated 26.08.2019 passed by the Respondent cancelling the Policy Nos. 1717002118P111265908 and 1717002118P111267233 and for a consequential direction to the Respondent to continue Marine (Transit) Policy till 31.10.2019 as per tender notice dated 22.08.2018.

3. This Court during the earlier hearing on

09.09.2019 had passed the following self-explanatory order:-

"Heard Mr. P.H. Aravindh Pandian, Learned Additional Advocate General appearing for the Petitioner and Mr. S. Arun Kumar, Learned Counsel for the Respondent.

2. Learned Additional Advocate General appearing for the Petitioner submits that the Respondent was awarded the contract to provide insurance coverage by a tender floated by the Petitioner and as such, it was not permissible for the Respondent to cancel the policy of insurance before the agreed period. In response to that contention, Learned Counsel for the Respondent submits that the Respondent was constrained to cancel the policy of insurance on account of the failure of the Petitioner to mitigate the losses despite several correspondence between the parties in that regard. The rival contentions of the parties require detailed examination.

3. Learned Additional Advocate General appearing for the Petitioner submits that the Respondent ought to continue to receive the claims submitted by the Petitioner under the policy during its tenure, though their eventual settlement would depend upon the result of the Writ Petition. In response to that contention, the Learned Counsel for the Respondent states that part of the insurance premium for the period after the date of cancellation has been refunded by the Respondent to the Petitioner and in view of the same, it would not be possible to receive such claims. The Learned Additional Advocate General states that the Demand Draft by which the payment has been sent has not yet been encashed and that the Petitioner would return the same to the Respondent.

3. In view of the aforesaid submissions made, the aforesaid Demand Draft issued by the Respondent towards refund of part of insurance premium shall be immediately taken back by the Respondent from the Petitioner under written acknowledgment without prejudice to the mutual rights of the parties and the Respondent shall receive the claims made by the Petitioner till the agreed period of insurance policy. However, the ultimate decision on the entitlement of the Petitioner to those claims shall depend upon the outcome of this Writ Petition.

4. In the meanwhile, a High Level meeting shall be arranged between the Chairman and Managing

Director of the United India Insurance Company Limited (the Respondent) and the Managing Director, Tamil Nadu State Marketing Corporation Limited (the Respondent) in the presence of the Commissioner and Secretary to the Government of Tamil Nadu, Prohibition and Excise Department, on a mutually convenient date, to amicably sort out the disputes between the Petitioner and Respondent and inform the action taken in this regard on the next hearing.

Post the matter on 03.10.2019."

4. When the matter is taken up for hearing today, it is represented by the Learned Counsel for both sides that after negotiation between the parties, the matter has been amicably resolved and the Respondent has decided the following:-

- (i) continue the two insurance policies till its expiry on 31.10.2019; and
 - (ii) process each claim lodged under the policies on merits.
- A copy of the letter dated 17.09.2019 sent by the Respondent to the Petitioner to that effect is produced. It is also informed that the Petitioner shall take necessary action in accordance with its circular Rc. No. I-2/7256/2018 dated 08.03.2019 issued against its suppliers to comply with the requirements mentioned therein. In view of the same, Learned Counsel for both sides state that nothing remains for further consideration in the matter.

5. Recording the aforesaid subsequent events, the Writ Petition stands disposed. Consequently, the connected Miscellaneous Petitions are closed. No costs.

vjt

Sd/-
Assistant Registrar(CS VI)

//True Copy//

Sub Assistant Registrar

To
The Senior Divisional Manager,
United India Insurance Co. Ltd.,
Divisional Office,
129-C, 1st Floor, Coimbatore,
Mettupalayam - 641 301.

+1cc to Mr.K.Sathish Kumar, Advocate, SR.No.84943
+1cc to Mr.S.Arun Kumar, Advocate, SR.No.84657

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Kak(17/10/2019)