J&K STATE CONSUMER DISPUTES REDRESSAL COMMISSION, SRINAGAR

C.C.: 481 OF 2015
DT OF INSTITUTION: 16/06/2015
DATE OF DISPOSAL: 29/07/2026
Case Title:

M/S LALA ENTERPRISES AND HEMKUNT SALE & SERVICES, MIR COMPLEX, OPP. GENERAL BUS STAND, PANTHA CHOWK, SRINAGAR THROUGH ITS PROP. KAMAL KANR GOHIL.

--- COMPLAINANT

Versus

DIVISIONAL MANAGER, UNITED INDIA INSURANCE CO. LTD., REGAL CHOWK, SRINADAR.

--- OPPOSITE PARTY

Coram:
Smt. Nighat Sultana, President (O)
Sh. Maheep Gupta, Member

PARTIES REPRESENTED BY:
Adv. N.A. SHALLA, Ld. Counsel for the complainant.
Adv. SHABIR KANTH, Ld. Counsel for O.P.

29/07/2026 PER: MR. MAHEEP GUPTA, MEMBER.

1. This is a case of quantum of loss. Complainant alleges that he had suffered a loss to the tune of Rs.16.50 Lakhs but was paid only an amount of Rs.7,28,017/- by the O.P. Insurance Company and is before us with the prayer to direct the O.P. Insurance Company to pay him the differential amount along with compensation.
2. Per Contra, the stand of the Insurance Company is that it had discharged its liability as assessed by the Surveyor in toto and there is no deficiency in service.

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3. Heard the parties, perused the records.
4. From the perusal of the survey report, we find that the Surveyor has first assessed the net admissible loss and then proceeded to deduct the Under Insurance and policy excess to arrive at the net adjusted loss value/liability of the insurance company.

   The net admissible loss has been arrived by the Surveyor as under:

   i. Stocks:

Particulars	**Amount**
Gross Loss of stock	7,12,387
Less: Dead Stock@ 5%	35,619
Balance	6,76,768
Less: Rate Variation @ 5%	33,838
Balance	6,42,930
Less: Salvage	12,859
Net Loss	**6,30,071**

   ii. F/F/F, Plant & Machinery

Item	**Gross Loss**	**Dep.**	**Bal.**	**Salvage**	**Net Loss**
FFF	100000	20000	80000	1600	78400
Power Steering Machine	195000	39000	156000	16000	140000
Blasting Machine	120000	24000	96000	16000	80000
Testing Machine	325000	65000	260000	25000	235000
Compressor	110000	22000	88000	18000	70000
Generator	210000	42000	168000	18000	150000
Total	**1060000**	**212000**	**848000**	**94600**	**753400**

   The net adjusted loss/ liability of the Company has been arrived by the Surveyor as under:

Item Description	**Net Loss**	**Under Insurance**	**Net Adjusted Loss**
Stocks	630071	453651	176420
FFF	78400	29400	49000
Power Steering Machine	140000	38551	101449
Blasting Machine	80000	0	80000
Testing Machine	235000	54231	180769

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Compressor	70000	0	70000
Generator	150000	41304	108696
	1383471	**617137**	**766334**
			38,317
			728017

5. Ld. Counsel for the Complainant Submits that his was a case of total loss and no under Insurance should have been applicable.

   We do agree with the Ld. Counsel that the Under Insurance definitely is not applicable in the case of Total Loss but the question is whether the loss is a total one or a partial one.

   Further we observe that no under insurance has been deducted by the Surveyor in respect of Blasting Machine and Compressor so there is no dispute as far as the assessment in respect of the said machines is concerned. We will now discuss rest of the items one by one.

   i. Stocks - We find that the Surveyor has considered the gross value at risk to be Rs. 25.00 Lakhs and accordingly applied the Under Insurance. From the perusal of the Survey Report The surveyor has considered the gross value at risk to be Rs.25.00 on the basis of his physical inspection and the information provided by the Complainant himself. During his cross examination not only, he struck to his stand but also categorically stated presence of the safe stocks in the second floor and having arranged the photographs. We have no reasons to disbelieve the Surveyor and neither could we find any discrepancy in the calculation of the Under Insurance amount.

   ii. FFF – From the perusal of the survey report it is found that the Surveyor has considered the Gross Value at Risk to be Rs. 2.00 Lakhs. However, no clear basis has been provided by him for same. As such, we find no justification in applying the Under Insurance on Furniture.

   iii. Testing Machine – Perusal of page 3 of the Survey Report would reveal that the Surveyor himself confirms the same to be a case of total loss and as such application of Under Insurance is not justified.

   iv. Power Steering Machine & Generator – From the perusal of the page No. 3 of the Survey Report, we find that the surveyor has based his assessment on the estimated repair costs and the replacement cost of the machines under question.

We have no reasons to disbelieve the Surveyor and neither could we find any discrepancy in the calculation of the Under Insurance amount.

6. In the light of the above observations, we feel the deduction of Under Insurance in case of Furniture, Fixture & the testing machine is unwarranted and the claim should have been assessed as under:

Item Description	**Net Loss**	**Under Insurance**	**Net Adjusted Loss**
Stocks	630071	453651	176420
FFF	78400	0	78400
Power Steering Machine	140000	38551	101449
Blasting Machine	80000	0	80000
Testing Machine	235000	0	235000
Compressor	70000	0	70000
Generator	150000	41304	108696
	1383471	**533506**	**849965**
			42498
			807467

7. It is, therefore, that the Complainant has been short paid by Rs.79,450/- by the O.P. Insurance Company and he needs to be compensated for the same besides he needs to be compensated suitably for the delay in payment, mental agony and litigation.
8. We feel that a lumpsum amount of Rs.1.25 Lakhs by the O.P. Insurance Co. to the Complainant shall be just and sufficient to meet the ends of justice.

<u>Judgment:</u>

A. **Complaint is partially allowed and O.P. Insurance Company is directed to pay an amount of Rs.1,25,000/- to the complainant within 30 days of this order failing which not only the company will be liable to pay an additional interest @6% p.a. on the entire amount of Rs.1,25,000/- to be**

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calculated from 30/07/2026 till the final deposition of the award.

B. Office is directed to provide a certified copy of this order to all the stakeholders & consign the file to records after due compilation.

Announced: 29/07/2026

(Maheep Gupta)	**(Nighat Sultana)**
Member, JKSCDRC	President (O), JKSCDRC

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