IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.(S)   OF 2026
(Arising from Diary No.(s). 10650/2026

M/S NIKON SYSTEMS PRIVATE LIMITED   APPELLANT(S)

VERSUS

NATIONAL INSURANCE COMPANY LIMITED   RESPONDENT(S)

WITH

CIVIL APPEAL NO.(S)   OF 2026
(Arising from Diary No.(s). 24280/2026

O R D E R

1. Delay condoned.

2. These are appeals and cross-appeals. One appeal is at the instance of the complainant before the National Consumer Disputes Redressal Commission (NCDRC). The cross-appeal is by the National Insurance Company, the opposite party before the NCDRC.

3. The complainant filed Consumer Complaint No. 814 of 2018 before the NCDRC for the following reliefs:-

> "In view of the foregoing facts and submissions, the Complainant Company most humbly prays that this Hon'ble Commission may be pleased to:-
>
> (a) allow the Claim and direct the Opposite Party to pay a sum of Rs. 4,95,69,987/- (Rupees Four Crore Ninety Five Lacs Sixty Nine Thousand Nine Hundred and Eighty Seven) as compensation for deficiency of service being loss suffered by the Complainant Company due to fire;
>
> (b) direct the Opposite Party to pay a sum of Rs. 25,645/- (Rupees Twenty Five Thousand Six Hundred and Forty Five) on account of expenses incurred for disposal of damage material/debris/burnt malba residue;
>
> (c) direct the Opposite Party to pay to the Complainant Company Rs. 25,00,000/- (Rupees Twenty Five Lakh Only) towards harassment and mental agony suffered by the Complainant Company and its Directors;
>
> (d) direct the Opposite Party to pay to the Complainant Company Rs. 10,00,000/- (Rupees Ten Lakhs only) towards the expenses incurred for hiring various professionals, consultants, Advocates etc.
>
> (e) direct the Opposite Party to pay to the Complainant Company interest on claims (a) to (d) at the rate of 18% per annum from the date of the loss i.e. 05.12.2014 till the date of the payment.
>
> (f) Pass such other order or orders as this Hon'ble Commission may deem fit and proper in the facts and circumstances of the present case."

4. According to the complainant, they had taken a Standard Fire and Special Peril policy from the Opposite Party for the period 01.12.2014 to the midnight of 30.11.2015 covering the risk of fire in the sum of Rs. 5 crores. It was in respect of the goods stored/lying at Rangpuri godown of the complainant-Company. Premium was duly paid.

5. According to the complainant, a fire broke out on 05.12.2014 at around 3 pm - 03:15 pm at the Rangpuri godown where the goods/stocks of the complainant-Company and M/s Alpha Radios (the appellant in a separate appeal) were kept. The firefighting operations continued up to 1 am, the next day and the fire fighting team left at 09:16 hours, the next day. All stocks were burnt beyond use. Police complaints were filed and intimation was given to the Opposite Party on 05.12.2014 on phone followed by a written communication via fax on 06.12.2014.

6. According to the complainant, the Opposite Party, on 06.12.2014, appointed M/s Soni & Co. as Surveyors, Loss Assessors and Investigators to survey and assess the loss suffered. The said Surveyors visited the location on 06.12.2014, conducted preliminary survey and recorded statements of the

concerned parties and collected all relevant details. The said Surveyors asked for details and the same were furnished. Necessary inventory of goods was taken and the tally data was also taken in soft copy. The said Surveyors submitted their preliminary report on 08.12.2014. The complainant avers that this Report has not been made available to the complainant in spite of requests.

7. It is further averred in the complaint that the opposite party, contrary to the prescribed norms, appointed one Mr. J.C. Gupta & Co., as a Surveyor, on or about 09.12.2014, with respect to the same claim. This Surveyor called the second Surveyor in the complaint, visited the premises on 12.12.2014 and further again on 16.12.2014.

8. On 16.12.2014, the second Surveyor informed the complainant-Company and M/s Alpha Radios that one CA Dilip Kumar Saha from Calcutta has also been appointed as a Joint Surveyor along with the second Surveyor. That on 19.12.2014 and 20.12.2014, the joint Surveyors visited the Rangpuri godown.

9. Elaborate details have been set out in the complaint about the interactions with this joint Surveyors. They are not

set out in detail herein, in view of the nature of the order that we proposed to pass.

10. It is also averred that the complainant filed a formal claim for Rs. 5,25,06,053/-. It was ultimately totally revised to Rs. 5,58,26,285/- It transpires from the complaint that the joint Surveyors submitted their Survey Report on 15.02.2017 to the Opposite Party and the same was received by the Opposite Party on 20.02.2017.

11. In para 75.3 of the complaint, the complainant summarized what according to them were the transgressions in law, committed by the opposite party. The substance of it was about the appointment of multiple Surveyors. It also transpires from the record that after the Report of the joint Survey, an investigator, namely, M/s J. Basheer and Associates also submitted a Report on 07.04.2017. It was alleged that deficiencies in service was committed by the opposite party, by repudiating the claim.

12. A detailed reply was filed by the Opposite Party. Apart from the preliminary objections with regard to how the complainant was not a Consumer since a commercial establishment was carried out, the Opposite Party set out that

the claim of the complainant was considered and repudiated by letter of 04.05.2018. The opposite party averred that it totally repudiated and total repudiation was after consideration of all the relevant factors.

13. It was alleged that the complainant could not establish, by any of the documents, anything from source of stock accumulation to quantum of stock at the affected premises; that original inventory sheets were not submitted; that the insured could not substantiate or provide the documents that authenticated or verified the transportation of good from the Noida warehouse; that contradictory information was furnished; that unsubstantiated and inflated and varying claims were put forward; that documents showing compliance of the norms of DDA, MDC, town and country planning were not furnished and that records were tampered.

14. The reply justified the appointment of the joint Surveyors. It was submitted that the preliminary Surveyor, namely, M/s Soni & Co, had observed that the estimated loss was subject to detailed verification of bills and records and joint physical inventory and other terms and conditions of the policy. The

reply also set out in detail the back and forth events that happened between the joint Surveyors and the complainant.

15. The reply relied on the final analysis of the joint Surveyors who had concluded that the insured had failed to substantiate the quantity claimed by them as the loss. Joint Surveyors had concluded that the quantity claimed is based on balance/stocks as on date which itself was not based on any detailed record.

16. The reply also set out that without prejudice the joint Surveyors had assessed the net loss at Rs. 1,07,25,027/-. However, the reply set out that the joint Surveyors had observed that the loss is not indemnifiable in view of the observations made by them. Relying on condition No. 8 of the General Condition, the joint Surveyors had opined that no liability was attached to the Opposite Party. Any allegation of deficiency in service was denied.

17. The above facts are set out only to show that the rival parties were at daggers drawn on several fundamental issues.

18. By a brief order, the NCDRC disposed of the complaint by observing in paras 5 and 6 as under:-

“5. Heard learned counsels for both the parties in detail and carefully perused the records. The terms of contract entered into between the parties, the date of fire incident on 05.12.2014 and the belated claim that was the complainant filed on 12.04.2016 are undisputed. While OP alleged fraud against the Complainant, the loss that occasioned on 05.12.2014 is not in dispute. The matter was immediately reported by the Complainant and OP appointed V the surveyor. While the Complainant's claim for loss was Rs.4,95,69,987, the total insured cover was Rs.5,00,00,000 and the net assessed loss determined by the surveyor was Rs. 1,07,25,027/-. Considering-the very nature of the insurance contract providing for insurance' cover for stocks at multiple locations and the commercial activity involved, there were delays in communications and lapses in providing records and details. In our considered view, however, these delays/lapses do not reflect indulging in fraudulent actions by the Complainant.

6. After careful consideration of the entire facts and circumstances of the case, including the submissions made by the learned counsels 'for the both the parties, we consider it appropriate to partly allow the complaint directing the opposite party to pay the complainant 'Rs. 1,07,25,027/-, as determined by the surveyor vide Final Joint 7 Survey Report dated 15.02.2017, along with interest @ 6% per annum form the date commencing from six months after the date of filing-the claim till the date of final payment. This payment shall be made within three months from today. In the event of delay, the interest payable for the delayed period shall be @ 9% per annum.”

19. We have heard Mr. K. Parameswar, learned senior counsel for the appellant and Ms. Meenakshi Midha, learned counsel for the Opposite Party-cross appeal. Learned senior counsel contends that the impugned order is a non-speaking order and no reasons have been set out as to how the court reached the

conclusion on the quantum of Rs. 1,07,25,027/- when the total loss was Rs.4,95,69,987/-.

20. This Court drew the specific attention of the learned senior counsel to para 2 of the impugned order and to the following statement:-

> "The learned counsel........He further states that, at this stage, the Complainant would be satisfied if the claim is settled by the OP s determined by the surveyor."

Learned senior counsel contends that this statement did not pertain to the without prejudice amount determined by the joint Surveyors and this was an alternative submission with regard to the findings of M/s Soni & Co.

21. Ms. Midha, learned counsel for the Opposite Party raised her client's own grievances against the impugned order. Learned counsel contends that the impugned order completely disregards the findings of the joint Surveyors about the blatant violation of policy conditions and about how the joint Surveyors had opined that even the without prejudice amount ought not be to be paid to the complainant. Learned counsel contends that the impugned judgment is silent on critical evidence and

reports and does not disclose any rational for rejecting the same. Learned counsel contends that the findings are cryptic and unsustainable.

22. We have considered the submissions of the learned counsels and perused the records. We find that the impugned order is totally bereft of reasons. [See ***Kranti Associates Private Limited and Another*** vs. ***Masood Ahmed Khan and Others***[1]] The proceeding was an original proceeding before the NCDRC. On multiple factual issues, parties were at loggerheads. No doubt, the proceedings were before the NCDRC and not before the Civil Court. However, there ought to be an analysis *al beit* briefly of the contentions and recording of findings. It is also not clear how the NCDRC assumed that the counsel for the complainant was conceding to receive the without prejudice amount arrived at by the joint Surveyors. Para 2 which we have extracted above, does not establish the fact that it was the without prejudice amount of Rs. 1,087,25,027/- that the counsel was alluding to.

1 (2010) 9 SCC 496

23. In a classic passage that repays study, this Court in ***Union of India*** vs. ***Mohal Lal Capoor and Others***[2] explained the concept of Reasons thus:

> "28. .... Reasons are the links between the materials on which certain conclusions are based and the actual conclusions. They disclose how the mind is applied to the subject matter for a decision whether it is purely administrative or quasi-judicial. They should reveal a rational nexus between the facts considered and the conclusions reached. Only in this way can opinions or decisions recorded be shown to be manifestly just and reasonable....."

24. The manner of disposal of the original complaint has been totally unsatisfactory. Both parties are aggrieved by the impugned order. As the pleadings and contentions of parties which have been set out hereinabove establish, while the complainant sought for award of Rs4,95,69,987/-, the Opposite Party was praying for total repudiation.

25. In view of the discussion hereinabove, we deem it appropriate to allow both the appeals and set aside the impugned order and remit the matter back to the NCDRC. The appeals are allowed. The impugned order is set aside.

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2 (1973) 2 SCC 836 at 854

26. We direct that Consumer Complaint No. 814 of 2018 will stand restored to the file of NCDRC, New Delhi for *de novo* adjudication. The NCDRC shall dispose of the matter on merits, in accordance with law and un-influenced by any of the observations in this order. No order as to costs.

……………………………………J.
[K.V. VISWANATHAN]

………………………………………J.
[ARUN PALLI]

NEW DELHII
JULY 13, 2026.