GOVERNMENT OF JAMMU & KASHMIR
DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
KUPWARA

Coram: -

1. **Peerzada Qousar Hussian** .... **President**

2. **Ms Nyla Yaseen** ...... **Member**

Consumer Complainant No:

1. **Ghulam Mohammad Shah S/o Abdul Khaliq Shah R/o Mughalpora Kupwara.**

.....(Complainant)

Versus

Bajaj Allianz General Insurance Co.Ltd. Lake City Plaza Karan Nagar Srinagar.

...... (Opposite party)

Date of Institution: 19-03-2018.
Date of Decision: 07-08-2026.

Appearing Counsel:
For the complainant: - Adv. Shabir Ahmad Bhat
For the OPs: - Ad. Zubair Ahmad Wani

Judgement

The present complaint has been filed by the complainant before the erstwhile Consumer Forum, Kupwara, on 19-03-2018 alleging therein deficiency in service on the part of the OP, with a prayer to direct the OP to pay an amount of **Rs. 10 lakh (Rupees Ten Lakh only).**

District Consumer Disputes Redressal Commission Kupwara

Brief Facts

The complainant was running a business unit of readymade garments and cosmetics at College Road, Bohipora, Kupwara. The contention of the complainant is that a fire incident occurred on 22-07-2017, due to which the stock of the said shop was damaged. A police report was also obtained in this regard. The contention of the complainant is that he had a valid insurance policy bearing Policy No. **OG-17-1229-4092-0000-9440** in respect of the said shop for an insured amount of **Rs. 10,00,000/- (Rupees Ten Lakh only)**. However, at the time of the incident, the stock worth **Rs. 25,00,000/- (Rupees Twenty-Five Lakh)** was lying in the shop.

The contention of the complainant is further that he represented before the OP with a request to settle his insurance claim. However, the claim was denied, and due to the negligence of the OP, he suffered financial loss and mental agony. Despite repeated requests for settlement of his claim, the OP refused to pay the insurance amount for the loss suffered, thereby constraining the complainant to approach the erstwhile Consumer Forum Kupwara for redressal of his grievances.

Upon notice, the OP submitted its written statement contending therein that the complainant had filed the complaint against the OP with the sole intention of extracting money and harassing the OP and that the complaint deserves to be dismissed. It was further contended that the complainant had not produced the relevant records and had failed to establish deficiency in service or unfair trade practice. Therefore, the complainant was required to prove the admissibility of his claim by strict proof.

The contention of the OP is further that, upon intimation of the claim, an IRDAI-licensed surveyor and an investigator were appointed to ascertain the cause of the incident and the admissibility of the claim. The complainant submitted bills in support of the claim. Upon verification of those bills by the investigator, it was found that the bills were fake and forged, which amounted to a violation of the terms and conditions of the insurance policy. It is further contended by the OP that the complainant was served with a letter dated **23-01-2018,** wherein it was pointed out that forged bills had been submitted, and the insured was called upon to explain why the claim should not be repudiated. However, no reply was received. The surveyor, in his report, recommended closure of the claim as "No Claim", and accordingly, the claim of the complainant was closed. The OP contended that there was neither deficiency in service nor unfair trade practice on the part of OP. It was also contended that the complainant was neither registered nor had he produced any documentary proof regarding the purchase of the goods. The complainant failed to furnish any clarification or explanation in response to the aforesaid letter, which constrained the OP to close the insurance claim.

The parties lead to evidence. The complainant adduced five witnesses namely **Mushtaq Ahmad Hajam S/O Bashir Ahmad Hajam R/O Kushta Khumriyal, Javid Iqbal Peer S/O Ghulam Mohammad Peer R/O Mughalpora, Ghulam Hassan Peer S/O Wali Mohammad Peer R/O Mughalpora Kupwara, Mohd. Shafi Shah S/O Ghulam Mohammad Shah R/O Solekote Kupwara**, as a witness in his own case.

The complainant's witness, namely **Mushtaq Ahmad Hajam S/o Bashir Ahmad Hajam R/o Kushta, Khumriyal**, on cross-examination, stated that he is a businessman by profession and he knows the complainant since his childhood. He stated that the complainant was having a shop at Azad Gali. He was present at his own shop when the complainant's shop caught fire; however, he was not present at the actual spot. He further stated that he knew the complainant had a bank account but did not know the premium amount deducted from the complainant's account. He also stated that he had no knowledge about the insurance company or the insured stock of the complainant's shop. The witness further stated that, to his knowledge, the complainant used to purchase stock from him.

Another witness, namely **Javid Iqbal Peer S/o Ghulam Mohammad Peer R/o Mughalpora**, on cross-examination, stated that he is the son of the complainant. He stated that the shop was run by him, his father, and his brother and the shop was destroyed in the fire incident. He further stated that the shop caught fire on **22-07-2017** and that it contained readymade garments and cosmetics. The said shop was insured with **Bajaj Allianz**, and the insurance was obtained through **J&K Bank**. He further stated that the stock present at the time of the incident was worth about **Rs. 25,00,000/-** out of which nearly **70%** was burnt, while the remaining stock was taken into account by the surveyor. He further stated that the insurance company offered compensation of **Rs. 2,50,000/-** which was not acceptable to them, and thereafter they filed the complaint before the Consumer Forum.

Another witness of the complainant, namely **Ghulam Hassan Peer S/o Wali Mohammad Peer R/o Mughalpora, Kupwara**, on cross-examination, stated that he is a shopkeeper by profession and has no relationship with the complainant except that he is his neighbour. He stated that the complainant's shop was situated at Regipora, Kupwara. He was at his residence when the incident occurred. The surveyor visited the spot on the next day and collected certain documents from the complainant. The witness further stated that the complainant used to purchase stock from Srinagar, Kupwara, and Sopore. He further stated that Bajaj Allianz Insurance Company was offering a lesser amount than what the complainant claimed, which was not accepted by the complainant. He also stated that he used to purchase goods from the complainant's shop. The witness further stated that the complainant had submitted the bills of **Imran, Javid Beauty, Mir General Store, and Sofi General Store** to the surveyor. He further stated that the complainant maintained his account with **J&K Bank, Old Chowk, Kupwara**, and that the complainant informed the bank about the incident, whereafter the bank intimated the insurance company.

The witness, namely **Mohd. Shafi Shah S/o Gh. Mohammad Shah R/o Solekote, Kupwara**, on cross-examination, stated that he is relative and neighbour of the complainant, and was also running a shop at Bohripora Road, Kupwara. He stated that the complainant was running a readymade garments and cosmetics shop. The owner of the shop informed him about the incident, whereupon he immediately visited the spot. He found the police and the Fire and Emergency Services present at the place of occurrence. He further stated that the complainant was dealing in readymade garments and cosmetics. He did not know whether an FIR had been lodged or what premium had been paid. However, he knew that the complainant had obtained insurance from Bajaj Allianz, though he did not know whether it was through J&K Bank or directly through Bajaj Allianz.

The complainant, namely **Ghulam Mohammad Shah S/o Abdul Khaliq Shah R/o Mughalpora**, while appearing as a witness in his own case, stated on cross-examination that he used to run the shop along with his son. The shop contained readymade garments and cosmetics. The shop caught fire on **22-07-2017** in the evening. The police had already reached the spot and subsequently lodged an FIR. He stated that the cause of the fire was unknown. He had availed a loan from **J&K Bank** for the said shop. The loan amount was **Rs. 30,00,000/-**. The shop as well as the stock were insured separately, while as the bank had insured the loan amount. The shop was covered under two insurance policies. The insurance officials visited the spot for survey after about **4 to 5 days**. He approached the bank immediately after the fire incident, and the bank informed the insurance company. The surveyor thereafter assessed the loss, which, according to him, was about **Rs. 20 to 25 lakh**. However, the insurance company offered only **Rs. 2 to 3 lakh** as compensation, which was not acceptable by him.

We have pragmatically perused the record placed on the file including the written arguments which reveals that the fire incident occurred on 22-07-2017. Consequently, the complainant intimated the insurer and the team visited the spot and verified the bills issued by the shopkeepers/dealers which were owned by the shopkeepers/dealers by putting their seal/signatures. The complainant submitted the bills to the insurer however the claim of the complainant was repudiated on the plea that the bills are fake. Additionally, the surveyor report submitted by the surveyor surprisingly reflects the burglary despite the fact that the fire incident has occurred.

Since there is a major contradiction in the case. The survey report, which forms the basis of the insurer's defence, records the incident as burglary, whereas the FIR as well as the Fire and Emergency Services report clearly establish that the fire incident occurred. Such a contradictory survey report becomes unreliable and cannot be blindly relied upon. The insurer cannot merely allege that the bills are fake. It is incumbent upon the insurer to prove the said allegation by cogent evidence, such as GST mismatch, non-existence of sales, or any other credible material.

On the contrary, the bills were verified on the spot by the insurer's verification team, and the issuing shopkeepers confirmed the genuineness of the bills in writing by affixing their seals and signatures on every bill.

It is well settled that once the insurer verifies the documents and accepts them during the claim process, a subsequent rejection without strong and convincing evidence amounts to deficiency in service. If the bills were indeed fake, there is no explanation as to why no FIR or other criminal proceedings were initiated against the complainant or the issuing shopkeepers who had accepted responsibility by verifying the bills.

The subsequent allegation that the bills were fake appears to be an afterthought intended to avoid payment of the legitimate insurance claim. Further, reliance upon a survey report describing the incident as a burglary instead of a fire amounts to an unfair trade practice. The survey report is defective and unreliable, Additionally the insurer has failed to establish that the bills are fake.

In view of the above facts and circumstances, we hold the OP liable for indulging in unfair trade practice and deficiency in service and partly allow the complaint with the following directions:

1. **The OP is directed to pay an amount of Rs.5,00,000/- (Rupees Five Lakh only) to the complainant for the loss caused to the damaged stock, along with interest at the rate of 6% per annum from the date of institution to its realization.**
2. **The OP is further directed to pay an amount of Rs.50,000/- (Rupees Fifty Thousand only) to the complainant as compensation for the mental agony and harassment suffered by the complainant.**
3. **The OPs are further directed to pay an amount of Rs.20,000/-(Twenty thousand only) as litigation charges.**

The OPs shall comply with the order within a period of **30 days from the date copy of this order is served upon OPs.**

Order announced
Date: 07-08-2026.

07/08/26
Nyla Yaseen
Member
Member
District Consumer Disputes
Redressal Commission
Kupwara

07/08/26
Peerzada Qousar Hussain
President
PRESIDENT
District Consumer Disputes
Redressal Commission kupwara

Office is directed to provide copy of order to the parties, free of cost, and thereafter, the file be consigned to records after due completion.