

GOVERNMENT OF JAMMU & KASHMIR
DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
KUPWARA

Coram: -

- | | |
|----------------------------|-----------------|
| 1. Peerzada Qousar Hussian | President |
| 2. Ms Nyla Yaseen | Member |

Consumer Complainant No: 163/2025

Shareefa Begum Wd/o Gh Sarwar Shah R/o Dedikote
Tehsil & District Kupwara

..... (Complainant)

Versus

1. Manager Baramulla Central Cooperative Bank B/U Kupwara.

..... (Opposite party)



Date of Institution: 13-02-2025

Date of Decision: 15-10-2026

Appearing Counsel:

For the complainant: Adv. Waseem Gulzar

For the OP: Ex-Parte

Judgement

Present Complaint has been filed by the complainant before this Commission on 13-02-25 alleging therein the deficiency in service and wilful negligence on the part of the OP with prayer to grant the following relief:

1. Direction to OP to pay an amount of Rs 5,00,000/- (Rupees Five Lac) for deficiency in service.
2. Direction to OP to pay an amount of Rs 2,00,000/- (Rupees Two Lac) for causing mental agony and frustration.

3. Direction to OP to pay an amount of Rs. 1,00,000/- (Rupees One Lac) as litigation charges.

Brief facts

The Complainant's husband namely Gh Sarwar Shah S/o Rehmat Shah R/o Deedikote Kupwara availed a consumption loan of Rs 2,00,000/- (**Rupees Two Lac**) in the year 2009, which was sponsored by the **KVIB Kupwara**. The contention of the Complainant is that her husband died in the year 2024. Contention of the Complainant is further that her husband was regularly liquidating the loan amount by regular instalments, however in the year 2013, he got involved in a serious ailment, due to which the business of her husband suffered a huge loss, and her deceased husband was not able to liquidate the loan amount or could not continue his regular instalments towards the loan account.

In the meantime, her husband died and she somehow managed to liquidate the amount, despite her bad condition. Contention of the Complainant is further that she belongs to BPL Category and has no one at her back. Her financial condition worsened and she has nothing to feed her family. The OP has charged huge interest and is regularly visiting her home and are pressurizing her to liquidate the loan amount despite the fact that she is a poor lady and is at the verge of starvation.

Notice was issued, however despite service of notice, the OP failed to submit the written version. Consequently, the OP was set to ex parte.



The Complainant submitted Evidence Affidavits of three witnesses namely

- 1) Mohammad Sikandar Shah S/o Syed Shah Rasool R/o Dedikoot, Kupwara
- 2) Syed Zubair S/o Syed Marwah Shah R/o Dedikoot, Kupwara
- 3) Shareefa Begum W/o Late Ghulam Sarwar Shah R/o Dedikoot the Complainant as witness in her own case.

The witnesses on affidavits stated that the husband of the Complainant availed business loan of Rs 2,00,000/- (**Two Lacs Only**) against his business unit in the year 2009. He was regularly paying the monthly instalments towards the said loan account. However, he died in the year 2019, due to which the instalments could not be continued and the outstanding amount could not be paid. As the deceased husband was the only source of income. The complainant paid an amount of Rs 50,000/- (**Fifty Thousand Only**) as one time settlement but the OP failed to comply with the settlement, instead started serving notices to the complainant to pay an amount of Rs 5,00,000/- (**Five Lac Only**).

Heard the learned counsel appearing for the Complainant, perused the records & evidence affidavits placed on file along with the written arguments advanced by the Complainant's Counsel and we are of the considered opinion that the respondent bank is guilty of gross deficiency in service & negligence. Because of the fact that the bank explicitly offered the complainant a One Time Settlement (OTS) of Rs 50,000/- (**Rupees Fifty Thousand**) against the original loan amount of Rs 2,00,000/- (**Two Lacs Only**), which was accepted by the complainant who deposited an amount of Rs 50,000/- (**Fifty Thousand Only**), which is evident by issuance of a formal settlement documents placed on record. The bank's subsequent reversal and issuance of fresh demand notice to liquidate the outstanding amount of Rs. 5,00,000/- (**Rupees Five Lacs**) is

admittedly arbitrary, unjust and not sustainable in the eyes of law.

Having induced the Complainant to settle an account and subsequent issuance of clearance documentation the bank cannot backtrack and levy high charges or exorbitant charges on the complainant.



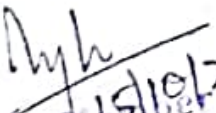
Against the above backdrop, the Complaint is allowed and disposed of with the following directions:

1. The respondent Bank is directed to honour the OTS agreement of Rs 50,000/- and treat the loan account of the borrower account as fully settled and closed, however, subject to verification of Rs 50,000/- (Fifty Thousand Only) payment.
2. The respondent Bank is further directed to withdraw the demand notices for Rs 5,00,000/- (Rupees Five Lacs Only) and cease the recovery proceedings for the specific loan account of deceased borrower.
3. The respondent Bank is further directed to issue a formal 'No Dues Certificate' and return the original documents if any deposited to the Complainant.
4. The respondent is further directed to pay an amount of Rs 20,000/- (Rupees Twenty Thousand Only) to the Complainant as compensation for causing mental agony and inconvenience.
5. The respondent Bank is further directed to pay an amount of Rs 10,000/- (Rupees Ten Thousand Only) to the Complainant as litigation charges.

The OP shall comply with the order within a period of 30 days from the date copy of the order is served upon OP, failing which the entire awarded amount shall carry interest at the rate of 5% per annum from the date of the order till realization of the amount.

Order announced

Date: 15-10-2026


Ms Nyla Yaseen
District Consumer Disputes
Redressal Commission
Kupwara


Peerzada Qousar Hussain
President
District Consumer Disputes
Redressal Commission Kupwara

Copy of the Order be provided to the parties for compliance and file be consigned to records after due completion.