

GOVERNMENT OF JAMMU & KASHMIR
DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
BARAMULLA/BANDIPORA

Coram: -

1. Peerzada Qousar Hussain

..... **President**

2. Ms Nyla Yaseen

..... **Member**

Consumer Complainant No: 22/2024



Rubeena Manzoor W/O Ajaz Ahmad Najar R/O Mohalla Syed Karim, Baramulla.

Shop/Business center at Dangiwachha Baramulla, District Baramulla.

.....(Complainant)

Versus

New India Assurance Co. Ltd. Through its Branch Manager Branch Office Sopore.

Damnoo Building, Opposite Bus stand, Sopore, 193201 Tehsil & District Baramulla.

..... (opposite party)

Date of Institution: 12-03-2024

Date of Decision: 27-08-2025

Appearing Counsel

Adv. Suhail Tariq Wani present for the complainant.

Nemo for the OP.

Judgement

The complaint in hand has been filed by the complainant before this Commission under Section 35 of CPA 2019 on **12-03-2024** alleging therein deficiency in service on the part of the OP with the prayer to grant the following relief: -

- 1. Direction to the OP to pay an amount of Rs.30,00,000/- (Thirty Lacs) as compensation for the loss suffered due to unfair trade practice.**
- 2. Direction to the OP to pay an amount of Rs.5,00,000/- (Five Lakh) for deficiency in service.**
- 3. Direction to the OP to pay an amount of Rs.1,00,000/- (One Lakh) for putting the complainant into mental agony and Rs.15,000/- (Fifteen Thousand) as litigation charges.**

Brief Facts: -

The complainant is a Bonafide domicile of UT of J&K and hails from District Baramulla. Contention of the complainant is that she was

running her business of readymade garments at main market Dangiwacha Baramulla. She borrowed loan of lakhs of Rupees from individuals and financial institutions to establish the business. The said business unit was insured with the OP under insurance Policy No **35120348530600000033** which was effective from **08-05-2023 to 07-05-2024** and the premium was paid as **Rs.3,661/-** against the sum assured of **Rs.15,02,000/-**. However, the said business unit of the complainant was unfortunately struck due to devastating fire incident, which occurred on **19-08-2023** and engulfed almost **80%** of the business along with furniture/fittings, fixtures and rest of the **20%** was destroyed by water, heat and smoke. The readymade garments of the complainant's shop got completely damaged for which an FIR was registered. Contention of the complainant is further that the requisite documents including the copy of FIR, Fire and Emergency Certificate were submitted to the insurer however, to her dismay the insurer agreed to pay merely an amount of **Rs.5,31,503/-** without any reasonable cause, which amount was received by the complainant in protest. Although the said amount was not justified and was unacceptable, because of the fact that the loss and damage caused was higher. The estimated loss of the stocks was not less than 30 lakhs including furniture and fixture.

The complainant further contended that the OP is liable for breach of contract for not complying the terms and conditions of the insurance (contract) and is guilty of deficiency in service/unfair trade practice as contemplated under the provision of CPA Act 2019.

The negligence and the unfairness of the OP has caused monetary loss and mental agony to the complainant, which constrained her to approach the District Consumer Disputes Redressal Commission for redressal of her grievances.

Notice was issued however the OP didn't choose to appear before the commission or to contest the case resultantly the ex-parte proceedings were initiated against the OP.

The complainant submitted evidence affidavit of 2 witnesses namely Ajaz Ahmad Najar S/O Farooq Ahmad Najar R/O Mohalla Syed Karem District Baramulla and Rubeena Manzoor W/O Aijaz Ahmad Najar R/O Syed Karem District Baramulla the complainant as witness in her own case. The witness on affidavit stated that the complainant was running shop of readymade garments & Allide hosiery items at main market Dangiwacha however the said shop was damaged due to the fire incident which occurred on **20-08-2023** which caused loss of **Rs.30,00,000/-** to the complainant for which the complainant

submitted the bills. The OP paid an amount of **Rs.5,31,503/-** to the complainant which was not agreed and was received under protest. The complainant approached the OP however her grievances were not redressed.

Additionally, the complainant adduced 1 official witness namely Towseef Ali Mir Branch Manager J&K Bank Dangiwacha. The witness on cross-examination by the complainant's counsel stated that the complainant maintained a business account with the concerned branch which was financed by the bank for establishment of the ready-made garments and cosmetics shop however the said shop was already established prior to finance. The Manager as witness further stated that the complainant had enhanced and improved the business unit and the bank had taken the stock of the said shop under hypothecation as security against the loan and the account of the complainant was running smoothly upto **29-05-2023**.

Heard the complainant and meticulously perused the documents placed on the record including the FIR and the Fire and Emergency Certificate which reflects that the complainant insured her shop with the New India Assurance Co. Ltd. hereafter referred to as the OP for a sum of **Rs.15,02,000/-** under Policy No **35120348530600000033** which was effective from **08-05-2023** to **07-05-2024**. However, during the subsistence of the said insurance policy the insured, shop suffered damages due to the Fire incident which occurred on **19/20** of August 2023. The report given by the Fire and Emergency Department shows damage as partly damage however, on intimation the complainant was paid merely an amount of **Rs.5,31,503/-** by the OP.

Since the OP has undoubtedly paid an amount **Rs.5,31,503/-** which is not disputed however the said amount is stated to have been received under protest. The complainant has alleged that the amount paid as compensation is inadequate and arbitrary. The complainant has placed reliance on documents including the Fire and Emergency report, stock/purchase bills which substantiates that the loss of the insured shop is substantially higher than the amount paid. The OP was under obligation to assess the loss of the insured shop judiciously and redress the grievances of the complainant. Under assessment and under payment amounts to unfair trade practice as well as the deficiency in service on the part of the OP.

*In view of the above facts and circumstances of the case, this Commission is of the considered opinion that the loss assessed by the OP and the amount restricted to **Rs.5,31,503/-** is arbitrary and unjustified, as the complainant has suffered substantial loss of her*

insured shop. As such the complaint of the complainant is partly allowed with the following directions: -

1.The OP is directed to re-access the loss of the complainant's insured shop on the basis of bills and allied documents of stocks submitted at the time of the claim and pay the balance amount of her insured shop accordingly along with the interest @6% from the date of claim till its realization.

2.The OP is further directed to pay an amount of Rs.3,00,000/- as compensation for putting the complainant into mental agony and harassment.

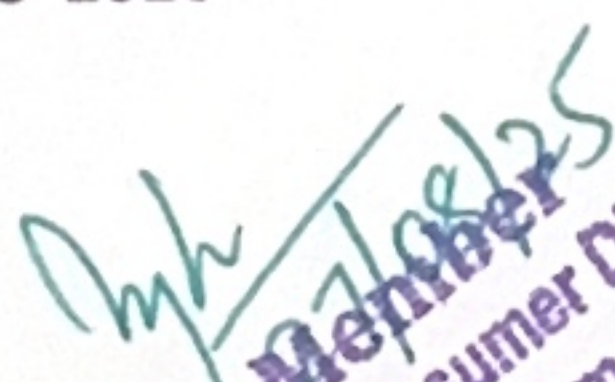
3.The OP is further directed to pay an amount of Rs.20,000/- to the complainant as litigation charges.

In case of default the balance amount of insurance shall carry penalty interest @10% thereafter till its realization.

The OP shall comply with the order within a period of 4 weeks from the date of order.

The matter is Disposed off.

Order announced
Date: 27-08-2025


Nyla Yaseen
Member
District Consumer Disputes
Redressal Commission
Baramulla


Peerzada Qousar Hussain
President
District Consumer Disputes
Redressal Commission
Baramulla

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