

**IN THE DELHI STATE CONSUMER DISPUTES REDRESSAL
COMMISSION**

Date of Institution: 19.11.2014

Date of Hearing: 14.11.2025

Date of Decision: 15.01.2026

FIRST APPEAL NO.-1072/2014

IN THE MATTER OF

ORIENTAL INSURANCE COMPANY LTD.,

REGIONAL OFFICE – II, SCOPE MINAR,

LAXMI NAGAR DISTRICT CENTRE,

LAXMI NAGAR - DELHI – 92.

(Through: J.P.N Shahi & Associates)

...Appellant

VERSUS

MR. PRAVEEN KUMAR SHARMA,

R/O WZ – 174, STREET No. 4 A, 5 A,

OLD SAHIB PURA, TILAK NAGAR,

DELHI – 110018.

(Through: Mr. Zahid Laiq Ahmed, Legal Aid Advocate)

...Respondent

CORAM:

HON'BLE JUSTICE SANGITA DHINGRA SEHGAL (PRESIDENT)
HON'BLE MS. BIMLA KUMARI, MEMBER (FEMALE)

Present: Mr. J. P. N. Shahi, Counsel for the appellant.
(Enrl. No. D/171A/1996, Email: advspnshahi@gmail.com.
Respondent in person
Mr. Zahid Laiq Ahmed, Counsel for the Respondent.
(Enrl. No. D/5680/2017) Email: zahidlaiqahmed@gmail.com)

PER: HON'BLE JUSTICE SANGITA DHINGRA SEHGAL, PRESIDENT

JUDGMENT

1. The facts of the case as per the District Commission record are as under:

"1. We have summarily considered the complaint of alleged deficiency on the part of OP in not paying the claim against insurance amount for unfortunate loss of gold jewellery of complainant, insured with OP for Rs.18,37,304/- as per valuation report, accepted by OP, while effecting policy issued to him for householder insurance, by accepting Cheque Rs.17,216/- as premium vide Provisional Cover Note No.513880, issued on 24.12.2009, for various house holding items including jewellery.

The case of the complainant is that on 7.1.2010 while going on his scooter No.DL-45, AD5867 at about 1:30 p.m. or 2:00 p.m. while going to Narela, he was carrying the jewellery of his wife in a pouch in his pocket, as he had to further go to Dariba Kalan, Chandni Chowk at Kapoor Jewellers. At about 3:00 he checked and found the pouch missing from his pocket. He immediately went to Bawana Police Station and lodged report of loss, for which policy issued a NCR. He informed the office of OP about the incident.

The OP made enquiries from him and other sources as it doubted the loss in a short time after the policy taken on 24.12.2009. The OP vide its letter 15.4.2010, Annexed at page C-10, informed him that the claim was not admissible for five reasons mentioned, in the letter, including the reason that he did not take reasonable care of the Insured items to prevent the loss. The other reasons included stated that he did not obtain the jewellery certificate of valuation by producing before the, the jewellery which was insured; that he did not carry the jewellery to Narela or that he did not intend to visit Dariba.

It is seen from the record that after complainant filed his affidavit in evidence, OP wanted to cross-examine him orally, which was allowed by court as case required details. However, the complainant did not come forward for cross examination and left the court without informing. The case was dismissed for this technical reason and complainant approached State Commission, which allowed the complainant again to give evidence. The OP filed a list of 61 questions as Interrogatories, which are replied by him and placed on record.’

2. The District Commission after taking into consideration the material available on record passed the judgment dated 12.09.2014, whereby it held as under:

“We have considered the entire material on record and the terms of policy, the interrogatories and queries and heard the submissions.

We find that the policy covers, loss of jewellery in Section-III of the policy, which deals with All risks of jewellery and valuables. It covers risk for loss by accident or misfortune. The policy does not exclude liability in case of not taking care of the lost items. This type of clause regarding care is incorporated in other sections of the policy. In this Section III special

conditions are specifically mentioned, which do not apply in this case.

The question for consideration is that once before effecting insurance, the complainant submitted a valuation report, from a values giving details of jewellery and its value etc., that was the time to raise the question of source of purchase of money, the inspection of jewellery and verification from the jewellers by surveyor, or values. Once all these are ignored or if OP simply accepts the vouchers and insured the jewellery by charging premium how, the OP can now turn around to say that he had not purchased the jewellery etc., as stated in repudiation letter.

The OP can not question the loss which includes loss by misfortune as covered in the policy. The OP has no positive evidence. In our considered view, OP cannot, after loss raise question of value of jewelry or valuation or source of purchase or fact of complainant having it or not. OP is bound to reimburse the insured sum only, irrespective of the present value of the jewelry/gold.

In the circumstances we hold OP guilty of deficiency in arbitrarily refusing the claim and denying its liability. We direct OP to pay Rs.17,75,520/- with interest of 9% from date of repudiation till payment to complainant and pay compensation of Rs.50,000/- for the deficiency including litigation expenses.

If the compliance is not made within 30 days of the receipt of the copy of the order; OP will also pay interest @ 12% for the delayed period.”

3. The Appellant has preferred the present appeal against the aforesaid order on the ground that the District Commission failed to properly appreciate the material placed before it including the surveyor's report, the interrogatories raised by the Appellant and the replies furnished by

the Respondent. The counsel for the Appellant further contended that the District Commission erred in interpreting the terms and conditions of the insurance policy as well as the surveyor's report. He submitted that the District Commission wrongly held that the Appellant cannot raise questions regarding the value, valuation, source of purchase or the existence of the jewellery claimed to have been lost after the occurrence of loss, as the mere production of a valuation certificate at the time of issuance of the policy does not ipso facto establish ownership of the jewellery mentioned therein.

4. He further submitted that the Respondent admitted that the gold articles were purchased over the preceding one year; however, he failed to recall the name or details of the shop or place from where the alleged purchases were made. Lastly, he submitted that the version put forth by the Respondent is highly improbable as he claimed to be travelling alone with the jewellery, first to Narela to inspect a plot and thereafter to Dariba Kalan for replacement of jewellery, despite the fact that both locations lie in opposite directions and are approx. 30–35 kilometres apart. Pressing the aforesaid objections, the Appellant prayed for setting aside of the said impugned order.
5. The Respondent has filed the reply to the present appeal and denied all the contentions of the Appellant. Moreover, he submitted that there is no error in the impugned order as the entire material available on record was properly scrutinized before passing the said order.
6. Written Arguments have been filed by both the parties.
7. We have perused the material available on record and heard the counsel for both the parties.

8. The *only* question that falls for our consideration is *whether the District Commission wrongly held the Appellant liable for deficiency in service.*
9. On perusal of the record, it is evident from Annexure-A that the Respondent had taken a house insurance policy bearing No. 271900/48/2010/2927 from the Appellant for the period from 24.12.2009 to 23.12.2010 including jewellery worth Rs.18,37,304/-.
10. Further, it is evident from the record that the Respondent lodged a police complaint regarding the loss of jewellery on 07.01.2010, stating that he was going to Narela on his scooter bearing No. DL-45 AD-5867 at about 1:30 p.m. and carrying his wife's jewellery in a pouch in his pocket as he was required to further go to Dariba Kalan, Chandni Chowk, to Kapoor Jewellers. At about 3:00 p.m., he checked and found that the pouch was missing from his pocket. Thereafter, on the next day i.e. 08.01.2010, he duly intimated the Appellant about the said incident.
11. Accordingly, the Appellant appointed a surveyor namely Shri Atul Kapoor, who vide survey report dated 18.03.2010 assessed the loss at Rs.17,75,520/-. However, the surveyor observed that the incident and the circumstances leading to the loss of the said gold articles did not appear to be logical or reasonable and could not be corroborated from any external source apart from the statement of the insured. As a result, the Appellant vide letter dated 15.04.2010 repudiated the claim of the Respondent.
12. However, the observation of the surveyor that the Respondent failed to establish the "logic or reasonability" of carrying the jewellery is merely an opinion based on presumption and assumption. The surveyor has not

disputed the valuation, existence of the policy or the occurrence of loss. More so, it is pertinent to note that the Respondent intimated the Appellant about the incident on 08.01.2010 whereas the Appellant appointed the surveyor on 16.01.2010 i.e., after about one week from the date of the incident and the investigation was conducted on 17.01.2010. In such circumstances, some difficulty may arise in investigating the matter of loss articles, particularly when the insured himself was commuting between Narela and Dariba Kalan, Chandni Chowk. However, denial of the claim cannot be based on conjectures or subjective perceptions.

13. It is necessary to refer to the **Section III of the insurance policy**, which deals with “*All Risks of Jewellery and Valuables*” wherein the said policy specifically covers loss caused by accident or misfortune. The Appellant repudiated the claim questioning the ownership of jewellery, absence of purchase bills, alleged improbability of travel and alleged lack of reasonable care. However, the Appellant failed to file any cogent document or evidence to substantiate the aforesaid grounds of reject of the claim.
14. Moreover, it is undisputed that at the time of issuance of the policy, the Respondent had complied with all the formalities required by the Appellant. The Appellant issued the said policy only after acceptance of the valuation report submitted by a certified valuer towards the said gold articles. The surveyor as well as the Appellant have not disputed the valuation report at any stage. Furthermore, it is clear from the Annexure C-I of the insurance policy that at the time of taking the policy, the Respondent had disclosed that the bills of the jewellery were lost or

misplaced. Therefore, the Appellant ought to have raised any doubt at the time of issuance of the policy towards the ownership of jewellery and absence of purchase bills. As a result, raising doubts regarding the value or existence of the jewellery after the loss is clearly unjustified.

15. Here, we also deem it appropriate to refer the case of *National Insurance Company Ltd. Vs. Hareshwar Enterprises (P) Ltd. & Ors.* reported in 2021(226) AIC 179, wherein the Apex court has held as under:

“11. In the said decision, it is no doubt held that though the assessment of loss by an approved surveyor is a prerequisite for payment or settlement of the claim, the surveyor report is not the last and final word. It is not that sacrosanct that it cannot be departed from and it is not conclusive. The approved surveyor's report may be the basis or foundation for settlement of a claim by the insurer in respect of loss suffered by insured but such report is neither binding upon the insurer nor insured. On the said proposition, we are certain that there can be no quarrel. The surveyor's report certainly can be taken note as a piece of evidence until more reliable evidence is brought on record to rebut the contents of the surveyor's report.”

16. The above dicta reflect that the surveyor's report is not final or conclusive and may be departed from where the circumstances so warrant as it is neither binding upon the insurer nor upon the insured.
17. Consequently, we are of the view that the Appellant repudiated the claim of the Respondent based on assumptions and presumptions as once the

policy has been issued after due verification, the insurer cannot subsequently question the valuation, ownership, or existence of the jewellery only after the loss has occurred. Therefore, the District Commission has rightly appreciated the evidence on record and rightly held the Appellant liable for deficiency in service.

18. In light of the aforesaid discussion, we find no reason to interfere with the order dated 12.09.2014 passed by the District Consumer Disputes Redressal Commission– VI, New-Delhi District, M-Block First Floor, Vikas Bhawan, I.P. Estate, New Delhi- 110002.
19. Consequently, the present Appeal stands dismissed with no order as to costs.
20. Application(s) pending, if any, stand disposed of in terms of the aforesaid judgment.
21. The judgment be uploaded forthwith on the website of the Commission for the perusal of the parties.
22. File be consigned to record room along with a copy of this Judgment.

(JUSTICE SANGITA DHINGRA SEHGAL)
PRESIDENT

(BIMLA KUMARI)
MEMBER (FEMALE)

Pronounced On:
15.01.2026

LR-ZA