

**Government of Jammu and Kashmir
Finance Department
(Insurance Section)
(Civil Secretariat, Jammu/Srinagar)
-**

Subject: Blacklisting/Debarment of M/s Reliance General Insurance Company Limited for a period of two (02) years.

**Government Order No. 167 –FD of 2026
Dated: 27-04-2026**

WHEREAS, the Government of Jammu & Kashmir, after following a transparent tendering process, entered into a Tripartite Agreement dated: 15.10.2018 with M/s Trinity Reinsurance Brokers Limited (TRBL) (Insurance Broker) and M/s Reliance General Insurance Company Limited (RGICL) (Insurer) for implementation of a Group Medclaim Insurance Policy/Scheme for government employees and other eligible beneficiaries;

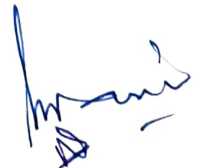
2) *WHEREAS*, in terms of this agreement, the first premium installment of ₹61,43,78,800/- for 3.50 lakh government employees (vide G.O. No. 419-FD of 2018), and ₹66,95,326/- for 1,506 pensioners (vide G.O. No. 443-FD of 2018) was released in favour of the insurer, Reliance General Insurance Company Ltd. (RGICL).

3) *WHEREAS*, immediately after implementation, serious and widespread doubts were expressed by various quarters including several cross sections of the society, as well as, by the employees about the finalization of the contract.

4) *WHEREAS*, one month prior notice for termination of the agreement, as per clause 43 (h) of the agreement, was served to Reliance General Insurance Company Ltd. on 30-11-2018 . The agreement was finally terminated w.e.f. 31-12-2018 vide G.O. No. 555-FD of 2018 dated: 28-12-2018.

5) *WHEREAS*, the matter was referred to ACB for investigation by the Government and ACB after conducting verification found that RGICL had settled claims of 3344 number of employees/pensioners amounting to ₹17,25,36,983/-. ACB advised the department to recover the balance amount of ₹44,85,37,143 /- as unutilized premium from the RGICL.

6) *WHEREAS*, in terms of Clause 43 of the tripartite agreement, the insurance company was bound to pay back the Government the unutilized amount of premium plus tax as applicable.



7) *WHEREAS*, notice for recovery for balance amount was served to RGICL vide No. FD/Insr/1/2021/156-160 dated: 16-11-2021. The Insurance Company instead of complying with the agreement demanded an amount of ₹6,19,95,366/- as receivable from the Government.

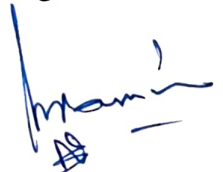
8) *WHEREAS*, M/s Reliance General Insurance Company limited also failed to discharge the following essential contractual obligations as per the tripartite agreement:

- a) Failure to issue health insurance cards and enrollment kits to beneficiaries within the stipulated period;
- b) Failure to provide the list of empanelled hospitals and related information as required under the agreement;
- c) Failure to provide the web-based application platform and Management Information System (MIS) for beneficiaries and Government authorities;
- d) Failure to establish district level KIOSK offices and project offices for coordination with the Government;
- e) Failure to provide dedicated telephone/call centre services for the beneficiaries as mandated under the agreement;
- f) Failure to finalize performance parameters and penalty framework forming part of the contractual obligations;

9) *WHEREAS*, the matter relating to the implementation of the said scheme has also been investigated by the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED) and FIRs have been registered in connection with the matter. While submitting the complaint on 20th June 2025 before the Special Judge Anti-Corruption CBI Cases Kashmir, Srinagar (Designated Special Court of PMLA Cases under the Prevention of Money Laundering Act (PMLA), 2002 at Srinagar, in which M/S Reliance General Insurance Company Ltd. is accused no. 5, the ED has concluded as under: -

“Role of M/s. RGICL through its representative Milan Maheshwari, -

M/s. RGICL has entered in conspiracy with M/s. TRBL, which resulted in to their selection as the Insurance Company for Group Medical Insurance Scheme for Govt. Employees of State of Jammu & Kashmir, even without having the required eligibility. M/s. RGICL has approved the brokerage to M/s. TRBL and payment of TPAs on the higher side and the same was added to the premium quoted for providing the Medical



Insurance Policy and thereby caused loss to the Govt. and its employees. Thereby M/s. RGICL cheated the Govt. and fraudulently got disbursed the amount of Rs 63 Crore as the premium for the first quarter and thereafter the said amount was utilized/disposed off for payment of Brokerage, fees and taxes. Balance amount of Rs 32.53 Crores were diverted to various accounts and utilized for the business purposes and laundered and prevented its identification. Thus, Ms. RGICL has been found to have committed the offence of Money laundering u/s 3 of PMLA, which is punishable u/s 4 of PMLA, 2002."

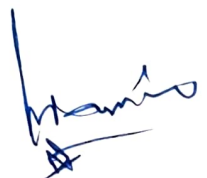
10) *WHEREAS*, in view of the above circumstances, the Finance Department issued a Show Cause Notice dated: 29.05.2025 to M/s Reliance General Insurance Company Limited calling upon the company to explain as to why action for blacklisting/debarment should not be initiated against it;

11) *WHEREAS*, M/s Reliance General Insurance Company Limited submitted its reply dated: 12.06.2025, wherein it was, inter-alia, contended that the issues raised in the Show Cause Notice are subject matter of adjudication before the Arbitral Tribunal constituted to resolve disputes between the parties;

12) *WHEREAS*, subsequent to issuance of the Show Cause Notice, the Company approached the Hon'ble Arbitral Tribunal seeking stay of the said notice and interim protection, and the Hon'ble Tribunal, vide Procedural Order No. 10 dated: 30.07.2025, disposed of the application with the direction that in the event any adverse decision is taken by the UT of J&K against the Company, the same shall not be given effect to for a period of fifteen (15) days, so as to enable the parties to avail appropriate remedies, while clarifying that the Tribunal has not expressed any opinion on the merits of the case;

13) *WHEREAS*, the matter was also referred to the Law Department for legal opinion, and Law Department vide U.O. dated: 12.03.2026 advised that although the order of the Hon'ble Tribunal does not presently operate as a restraint upon the Government from taking a decision on the Show Cause Notice, any adverse decision against the Company shall be implemented only after expiry of fifteen (15) days, in compliance with the directions of the Hon'ble Tribunal;

14) *WHEREAS*, the reply submitted by the Company has been duly examined and considered by the Government, and it is observed that the reply does not



satisfactorily explain or justify the serious lapses and contractual failures attributable to the Company;

15) *WHEREAS*, the Government has also taken note that arbitration proceedings between the UT of Jammu & Kashmir and M/s Reliance General Insurance Company Limited are presently under progress, however, the pendency of arbitration does not bar the Government from exercising its independent administrative powers in matters of public procurement, including the power to debar or blacklist entities whose conduct is found to be inconsistent with the standards of integrity, transparency and reliability expected in public contracts;

16) *WHEREAS*, the Government is also guided by the principle that public authorities are entitled to take administrative decisions to protect public interest and maintain the integrity of government procurement processes, particularly where serious contractual defaults and financial implications for the public exchequer are involved;

17) *NOW THEREFORE*, after careful consideration of the entire record, the reply submitted by the Company, the legal position, and in order to safeguard public interest and ensure probity in public procurement, the M/s Reliance General Insurance Company Limited is hereby blacklisted/debarred for a period of two (02) years from participating in any bidding or procurement process to be initiated by the Government of Jammu & Kashmir.

18) In compliance with the directions of the Hon'ble Arbitral Tribunal contained in Procedural Order dated: 30.07.2025, the implementation of this order shall take effect after the expiry of fifteen (15) days from the date of issuance of this Government Order.

By order of the Government of Jammu and Kashmir.

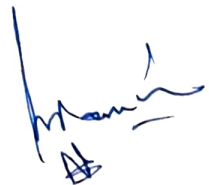
Sd/-
(Shailendra Kumar), IAS
Financial Commissioner (ACS),
Finance Department.

No:FD-INSR/1/2026-11-FD (7720101)


Dated:27-04-2026

Copy to:

1. All Financial Commissioners (Additional Chief Secretaries).
2. Additional Chief Secretary to the Hon'ble Chief Minister.
3. Director General of Police, Jammu & Kashmir.



4. All Principal Secretaries to the Government.
5. Principal Secretary to Hon'ble Lieutenant Governor.
6. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
7. All Commissioner/Secretaries to the Government.
8. Principal Resident Commissioner, 5- Prithvi Raj, New Delhi.
9. Divisional Commissioner Jammu/Kashmir.
10. Reliance General Insurance Company Ltd.
11. 1/C Website, Finance Department ([www. jakfinance.jk.gov.in](http://www.jakfinance.jk.gov.in))
12. 1/C Website, GAD ([www. jkgad.nic.in](http://www.jkgad.nic.in))
13. Records file (W2scs).


27-04-2026

**Nodal Officer (Insurance),
Finance Department.**

