



CNR: KAHC010658632026

NC: 2026:KHC:52802
WP No. 30146 of 2026

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IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT PETITION NO. 30146 OF 2026 (GM-DRT)

BETWEEN:

MRS. ANTHONYRAJ SAGAYAMARY,
W/O LATE BALARAJU
AGE-63 YEARS
RESIDENT OF NO.34, 4TH MAIN,
PUTTENAHALLI, NEXT TO GOVERNMENT SCHOOL,
J.P.NAGAR 7TH PHASE,
BENGALURU - 560 078

REP. BY HER SPA HOLDER
SRI. T.G. ASHOK KUMAR
S/O T.M.G. NAIDU,
AGED ABOUT 47 YEARS,
RESIDENT OF NO.18, 23RD MAIN,
AYODHYA NAGAR, J.P.NAGAR 5TH PHASE,
J.P.NAGAR POST, BENGALURU - 560 078

...PETITIONER

(BY SRI. D.R. RAVISHANKAR, SENIOR ADVOCATE FOR
SRI. KRISHNA MURTHY N., ADVOCATE)

AND:

1. ANAND RATHI GLOBAL FINANCE LTD.,
EXPRESS ZONE, A-WING, 10TH FLOOR,
WESTERN EXPRESS HIGHWAY,
GOREGAON (EAST), MUMBAI-400 063.
MAHARASHTRA





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2. ANAND RATHI GLOBAL FINANCE LTD.,
BRANCH OFFICE AT 4TH FLOOR,
BIKANER PINNACNE, RHENIUS ST,
SHANTHALA NAGAR, RICHMOND TOWN,
BENGALURU - 560 025.
REP. BY AUTHORISED OFFICER
3. ICICI LOMBARD GENERAL- INSURANCE COMPANY
LTD.,
ICICI LOMBARD HOUSE, 414,
VEERSAVARKAR MARG,
NEAR SIDDI VINAYAK TEMPLE,
PRABHADEVI, MUMBAI - 400 025.
MAHARASHTRA
4. ICICI LOMBARD GENERAL- INSURANCE COMPANY
LTD.,
INTERFACE BUILDING NO.16,
601/602, 6 TH FLOOR,
NEW LINK ROAD,
MALAD (WEST) MUMBAI - 400 064
5. ICICI LOMBARD GENERAL- INSURANCE COMPANY
LTD.,
BRANCH OFFICE AT 3 RD AND 4 TH FLOOR,
SJR TOWER, 27,
BANNERGHATTA- MAIN ROAD,
3 RD PHASE, J.P.NAGAR,
BENGALURU - 560 078

...RESPONDENTS

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF
THE CONSTITUTION OF INDIA PRAYING TO CALL FOR THE
RECORDS FROM THE OFFICE OF THE RESPONDENT NOS.1 AND
2 VIZ., LOAN APPLICATION, SANCTION LETTER, LOAN



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AGREEMENT, PROPERTY TITLE DEED, MEMORANDUM OF DEPOSIT OF TITLE DEEDS AND OTHER DOCUMENTS ETC.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE C.M. POONACHA

ORAL ORDER

The present writ petition is filed seeking for the following reliefs:

- "a) Call for the records from the office of the respondent Nos.1 and 2 viz., Loan Application, Sanction Letter, Loan Agreement, Property Title Deed, Memorandum of Deposit of Title Deeds and other documents; and*
- b) To issue writ in the nature of certiorari or any other appropriate writ/direction and may quash the order dated 21/08/2026 in a case No.D.No-2517/2026 passed by the Debts Recovery Tribunal at Bengaluru (DRT-II), only insofar as condition imposed on the petitioner to pay Rs.20.00 lakhs with the respondent bank in two installments Rs.10.00 lakhs each first installment to be paid on or before 25/09/2026 and the second to be paid on or before the 25/10/2026 vide Annexure-A and;*
- c) Grant such other order/s as this Hon'ble Court may deem fit to grant, in the circumstances of the case, in the interest of justice and equity. "*

2. The petitioner seeks to assail the condition imposed in the interim order dated 21.08.2026¹ passed in Case

¹ Hereinafter referred as to 'impugned order'



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No.D.No.2517/2026 (Annexure-A to the writ petition) by the Debts Recovery Tribunal, Bengaluru (DRT-II)², whereunder stay of dis-possession of the petitioner from schedule property was granted subject to deposit to the petitioner depositing `20,00,000/- in two installments of `10,00,000/- each to be paid on or before 25.09.2026 and 25.10.2026 respectively.

3. The primary contention urged by the learned Senior counsel for the petitioner, placing reliance on a Division Bench Judgment of the High Court of Telangana in the case of ***Mrs. B. Madhvi V.s SBI Life Insurance Company Limited***³, is that the credit facility in question is a housing loan which was taken by the son of the petitioner who subsequently died on 05.08.2025 resulting in default in payment of the equated monthly installments⁴ of the housing loan, for the recovery of which proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002⁵ have been initiated by respondent Nos.1 and 2. It is the contention put forth on behalf of the petitioner that, the said

² Hereinafter referred as to 'Tribunal'

³ WP.Nos.8760/2019 and 13176/2020 DD 01.04.2026

⁴ Hereinafter referred as to 'EMI'

⁵ Hereinafter referred as to 'Act'

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housing loan was insured by respondent Nos.3 to 5 - Insurer and the said insurance amount would completely repay the credit facilities.

4. In this context, it is pertinent to note the relevant portion of the judgment in the case of **Mrs. P. Madhvi³** which reads as under;

"23. It is an admitted fact that the petitioner and her husband obtained housing loan to a tune of Rs.23,00,000/- repayable in 233 EMIs at Rs.24,976/- commencing from October, 2008. It is also not in dispute that the insurer had received the premium amount of Rs.87,802/- from the petitioner on 10.05.2008 towards insurance coverage of the housing loan. After the death of the petitioner's husband, she had approached the Bank seeking discharge of loan liability. Since the respondents did not act on the representations, she approached the learned Ombudsman. It is evident from the record that she had remitted EMIs at Rs.24,976/- from 10.10.2008 till 10.04.2019 i.e. 187 instalments out of 233 instalments.

24. It is to be noted that the insurer having received premium amount of Rs.87,802/-, towards insurance coverage, failed to place any convincing material to establish that the alleged requirement of submission of income proof was ever duly communicated to the petitioner or that the cancellation of the proposal was effectively intimated to her. On the contrary, the record reveals that the premium amount remained with the insurer for an inordinately long period of nearly ten years in an

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'unencashed' account without any meaningful attempt to either conclude the contract of insurance or ensure refund of the amount to the petitioner. Such conduct, as rightly observed by the learned Ombudsman, clearly reflects gross negligence and deficiency in service particularly in the context of insurance contracts, which are governed by the principle of utmost good faith.

25. Having recorded categorical findings regarding the failure of the insurer to establish communication of rejection and its lack of diligence in refunding the premium, the learned Ombudsman committed a manifest error in declining the substantive relief sought by the petitioner. In the considered view of this Court, once the premium was admittedly received and retained by the insurer without proper communication of rejection, a presumption arises in favour of the petitioner regarding the existence of a concluded contract of insurance, particularly in the context of housing loan insurance schemes, which are intended to secure the loan liability in the event of death of the borrower.

26. In this backdrop, the reliance placed by the respondents in the case of Vasireddy Komalavalli Kamba 's (1 supra) on the principle that silence does not amount to acceptance in insurance contracts is of no avail, inasmuch as the present case is not one of mere silence, but one of prolonged and unexplained retention of premium coupled with failure to communicate rejection. The facts of the case, therefore, clearly attract the principles laid down by the Hon'ble Supreme Court in D.Srinivas 's case (2 supra) relied upon by the learned counsel for the petitioner, wherein it was held that the retention of premium without communication of rejection leads to a

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presumption of acceptance and the insurer cannot subsequently disclaim liability. Further, in cases of housing loans secured with insurance cover, the policy is intended to secure the loan liability and technical pleas cannot be permitted to defeat the legitimate expectation of the borrower.

27. Furthermore, the petitioner, after the demise of her husband on 04.08.2017, has been diligently pursuing the matter and had even continued payment of instalments for a considerable period. The denial of insurance benefit in such circumstances on technical and procedural grounds attributable solely to the insurer, would result in grave injustice and defeat the very purpose of obtaining insurance coverage in connection with a housing loan.

28. As far as the issue of classification of the loan account as a Non- Performing Asset (NPA) is concerned, this Court is of the considered view that once the petitioner is found entitled to the benefit of the insurance coverage, the outstanding loan liability itself stands liable to be discharged from the date of death of her husband. In such circumstances, the very foundation for treating the account as defaulted ceases to exist. Therefore, the action of the Bank in classifying the account as NPA, which is based on alleged default in repayment, becomes legally untenable and cannot be sustained in the eye of law.

29. In view of the aforesaid discussion, we hold that the impugned award passed by the learned Ombudsman is arbitrary and unsustainable and the insurer cannot be permitted to evade its liability. Consequently, the petitioner is entitled to the benefit of insurance coverage and the outstanding loan liability from the date of death of her husband is liable to be



discharged. Consequently, the classification of the petitioner's loan account as NPA also cannot be sustained.

(emphasis supplied)

5. At the outset, it cannot be stated that the contention put forth by the petitioner is insubstantial. However, having regard to the fact that the impugned order is an interim order passed by the Tribunal, limited to the extent of imposing of the condition, having regard to the legal proposition as held in the case of ***Mrs. P. Madhvi³***, it is expedient that the petitioner urge the contention put forth in the present petition by placing reliance on the judgment in the case of ***Mrs.P.Madhvi³*** before the Tribunal and also seek for relaxation of the condition to enable the Tribunal to consider the same.

6. In the aforesaid context, it is expedient that the petitioner be permitted to make suitable application before the Tribunal within one week from today i.e., on or before 01.10.2026 and in the event the same is made, the Tribunal shall consider the same in accordance with law.

7. The application for relaxation of condition shall be considered by the Tribunal without construing the same as a



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default of the condition imposed in the impugned order dated 21.08.2026.

8. The writ petition is ***disposed of*** in the aforementioned terms.

9. All contentions on the merits of the matter are kept open to be considered before the Tribunal.

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(C.M. POONACHA)
JUDGE

PNV
List No.: 1 Sl No.: 24