IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-25350-2017 (O&M)
Reserved on: 09.03.2022
Date of Decision:15 .03.2022

Rani Devi . . . . Petitioner

Vs.

Allahabad Bank & Anr. . . . . Respondents

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CORAM: HON'BLE MR JUSTICE M.S. RAMACHANDRA RAO
HON'BLE MR JUSTICE H.S. MADAAN

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Present: - Mr. HS Saggu, Advocate for the petitioner

Mr. Vikas Chatrath, Advocate for the respondents

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M.S. RAMACHANDRA RAO, J.

The husband of the petitioner who was the truck driver obtained a house loan of Rs.4,95,000/- from the Allahabad Bank (respondent No.2) in November, 2006.

At the time of sanction of loan, two policies had been taken by the respondent-bank: (i) for a sum of Rs.5,75,000/- by paying Rs.1291/- on 16.02.2007; (ii) policy dt. 30.08.2007 in respect of building for Rs.4,44,600/- on a premium of Rs.1124/-. Both these policies were of Standard Fire and Special Perils Protection Policies. The husband of the petitioner died on 27.04.2017.

The contention of the petitioner is that the life of the loanee Ram Krishan was insured by the Bank. On the death of the loanee, the Bank should call upon the Insurance Company to pay the amount assured and adjust it towards the dues payable to the respondents.

This fact is controverted by the respondents who have filed copies of the policies of insurance taken at the time of granting the loan. The said policies filed as Annexures R1/1 and R1/2 are not '*life insurance policies'* covering the *risk of death* of the loanee. Therefore, on the death of the loanee, no amount would be made available by the insurer for the respondents to set off the said amount towards the loan dues of the borrower.

Therefore, we are of the opinion that the petitioner cannot *stop* the respondents from selling the *secured assets* for recovery of the loan dues of the deceased borrower unless they make payments towards the loan arrears.

In this view of the matter, we find no merit in the Writ Petition.

Dismissed.

No costs.

Interim orders granted earlier shall stand vacated.

All miscellaneous application(s), if any, also stand disposed of accordingly.

(M.S. Ramachandra Rao)
Judge

15.03.2022
V.Vishal

(H.S. Madaan)
Judge

1. *Whether speaking/reasoned?* *Yes/No*
2. *Whether reportable?* *Yes/No*