HC-KAR

NC: 2026:KHC:15795
WP No. 21521 of 2025

# IN THE HIGH COURT OF KARNATAKA AT BENGALURU

## DATED THIS THE 17TH DAY OF MARCH, 2026

## BEFORE

## THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

## WRIT PETITION NO. 21521 OF 2025 (GM-RES)

**BETWEEN:**

SEETHALAKSHMI K S
WIFE OF LATE SRI. SURYANARAYANA RAO K,
AGED ABOUT 82 YEARS,
RESIDING AT NO.21/2, DR. D.V.G. ROAD,
BASAVANAGUDI, BENGALURU 560 004.

...PETITIONER

(BY SRI. RAMESH CHANDRA., ADVOCATE)

**AND:**

1. THE ASSISTANT COMMISSIONER
OFFICE OF THE SPECIAL OFFICER AND
COMPETENT AUTHORITY,
3RD AND 4TH FLOOR, PODIUM BLOCK,
V.V. TOWER, DR. AMBEKAR VEEDHI,
BENGALURU 560 001

2. SRI VASHISTA CREDIT SOUHARDA SAHAKARI LTD.,
NO.1, 1ST FLOOR, SRI RAMANJANEYA ROAD,
HANUMANTHANAGAR,
BENGALURU - 560 019.
REPRESENTED BY ITS CHIEF EXECUTIVE OFFICER



...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL., ADVOCATE FOR R1)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER, OR DIRECTION, QUASHING THE ENDORSEMENT DATED 21.01.2025, BEARING NO SPLOCA/CLAIM/P-GRIV/35/2024-25 AS PER ANNEXURE-A, ISSUED BY THE COMPETENT AUTHORITY (RESPONDENT NO. 1), REJECTING THE PETITIONER'S CLAIM AND DIRECT THE RESPONDENT NO. 1 TO RECONSIDER THE PETITIONER'S CLAIM.

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

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

**ORAL ORDER**

The petitioner, a widow aged about 82 years, is aggrieved by the endorsement issued by respondent No.1 whereby her claim preferred under Section 7(2) of the KPIDFE Act, 2004 has been rejected on the ground that the application is not supported by proper and verifiable proof, as contemplated under the said provision (Annexure-A).

2. Heard the learned counsel appearing for the petitioner and the learned counsel appearing for respondent No.1. Perused the material on record.

3. The petitioner, a senior citizen and stated victim of financial fraud, has approached this Court seeking redressal of her grievance. It is her case that she is a bona fide depositor and that she along with her husband, late Suryanarayan Rao K., had invested their life savings with respondent No.2–Society in the form of fixed deposits. It

is specifically asserted that the deposits made by her husband aggregate to Rs.3,99,657/-, while the petitioner herself had deposited a sum of Rs.1,24,082/-.

4. Sri. Ramesh Chandra, learned counsel appearing for the petitioner, would submit that the petitioner had furnished fixed deposit receipts along with identity-related documents before respondent No.1. It is contended that respondent No.1 has rejected the claim by adopting an unduly technical interpretation of Section 7(2) of the Act, ignoring the material placed on record.

5. Per contra, Sri. Veeresh R. Budihal, learned counsel appearing for respondent No.1-authority, would contend that in view of the law laid down by the Hon'ble Apex Court in a catena of decisions, the authority is justified in insisting upon strict proof, and unless the claimant produces proper and verifiable material to substantiate the claim, the authority is not obliged to adjudicate the claim under Section 7(2) of the Act.

6. In rejoinder, learned counsel for the petitioner has placed on record additional documents, including income tax returns and bank statements, in support of the deposits made by the petitioner and her deceased husband.

7. Section 7(2) of the KPIDFE Act, 2004 mandates that a claimant seeking disbursement must furnish satisfactory and verifiable material to establish the existence of the deposit and entitlement thereto. The provision is intended to ensure that only genuine depositors are identified and protected, and therefore, the authority is justified in insisting upon foundational documents such as fixed deposit receipts, account statements, or other reliable financial records evidencing the transaction. At the same time, the requirement under Section 7(2) cannot be construed in an unduly rigid or technical manner so as to defeat legitimate claims, particularly when primary documents indicating deposit are placed on record.

8. The scheme of the Act being a beneficial legislation intended to protect depositors from financial fraud, the authority exercising jurisdiction under Section 7(2) is required to adopt a pragmatic and holistic approach while examining claims. The insistence on “proper proof” must be understood as proof that is reasonably sufficient to establish the claim, and not proof beyond all doubt. Where a claimant produces fixed deposit receipts coupled with supporting material such as bank statements, income tax returns, or other corroborative documents, the authority is obligated to evaluate the cumulative evidentiary value of such materials rather than rejecting the claim on hyper-technical grounds.

9. More importantly, while adjudicating claims under Section 7(2), the authority is required to bear in mind the socio-economic context and the status of the claimant. In cases where the claimant is a senior citizen, particularly a widow asserting deposits made during the lifetime of her husband, a liberal and justice-oriented

approach is warranted. If the claimant produces original or secondary evidence such as FD receipts and subsequent supporting documents, the authority must extend due consideration and afford an opportunity to substantiate the claim, instead of non-suiting the claimant on procedural deficiencies. Such an approach would advance the object of the Act and ensure that its protective intent is meaningfully realized.

10. On a careful examination of the additional material now produced, this Court is of the considered view that the impugned endorsement cannot be sustained. The documents now placed on record require due consideration by the competent authority. Consequently, the matter deserves to be remitted to respondent No.1 for fresh consideration in accordance with law.

## **ORDER**

i) The Writ Petition is allowed.

ii) The endorsement issued by respondent No.1 at Annexure-A is hereby set aside.

iii) The matter is remitted to respondent No.1-authority for fresh consideration of the petitioner's claim under Section 7(2) of the KPIDFE Act, 2004.

iv) Respondent No.1 shall take into consideration the additional documents produced by the petitioner, including income tax returns and bank statements, along with the fixed deposit receipts and other material already on record.

v) While reconsidering the claim, respondent No.1 shall bear in mind that the petitioner is an 82-year-old widow and a senior citizen, and shall adopt a pragmatic and holistic approach in evaluating the claim.

vi) The petitioner shall be afforded an opportunity of hearing and permitted to place any further material, if so advised.

vii) Respondent No.1 shall pass appropriate orders in accordance with law within a period of six (6) weeks from the date of receipt of a copy of this order.

viii) All contentions of the parties are kept open.

**SD/-**
**(SACHIN SHANKAR MAGADUM)**
**JUDGE**

PRS
List No.: 1 Sl No.: 43