IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE S RACHAIAH

WRIT PETITION NO. 27289 OF 2024 (GM-CON)

BETWEEN:

1. BANK OF BARODA
(ERSTWHILE VIJAYA BANK)
A BODY CORPORATE CONSTITUTED BY AND
UNDER THE BANKING CORPORATION
(ACQUISITION AND
TRANSFER OF UNDERTAKINGS) ACT, 1970,
HAVING HEAD OFFICE SITUATED AT
BARODA BHAVAN,
R.C. DUTT ROAD,
ALKAPURI,
VADODARA,
GUJARATH STATE,
CORPORATE OFFICE AT MUMBAI
AND
BRANCH OFFICE AT BANTWAL,
DAKSHINA KANNADA DISTRICT,
KARNATAKA,
REPRESENTED BY ITS BRANCH MANAGER.

...PETITIONER

(BY SRI. N N DAMODAR, ADVOCATE)

AND:

1. SRI. SURESH BALIGA
S/O. LATE B. VASUDEV BALIGA,
AGED ABOUT 59 YEARS,

PROPRIETOR:
SURESH VASUDEV BALIGA JEWELERS
MAIN ROAD, BANTWAL,
D.K. DISTRICT,
KARNATAKA - 574 211.

2. NATIONAL INSURANCE COMPANY LTD.,
A GOVERNMENT OF INDIA UNDERTAKING,
HAVING ITS HEAD OFFICE AT
NO.3, MIDDLETON STREET,
KOLKATA,
WEST BENGAL - 700 071.
AND ONE OF ITS DIVISIONAL OFFICE IN
MANGALORE,
AT NO. 30, BHARATH BUILDING,
P.M. RAO ROAD,
MANGALORE - 575 001.
REPRESENTED BY ITS DIVISIONAL MANAGER.

...RESPONDENTS

(BY SRI. N RAVINDRANATH KAMATH, SR. ADVOCATE FOR
SRI. MOHAMMED ASHHAR C K, ADVOCATE FOR R1;
SRI. I.S. DEVAIAH, ADVOCATE FOR R2)

THIS WRIT PETITION IS FILED UNDER ARTICLE 227 OF THE CONSTITUTION OF INDIA PRAYING TO SET ASIDE THE IMPUGNED JUDGMENT AND ORDER DATED 29.07.2024, (ANNEXURE-A) PASSED BY THE HON’BLE NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION NEW DELHI AND ETC.,

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

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MR. JUSTICE S RACHAIAH

ORAL ORDER

(PER: HON'BLE MR. JUSTICE D K SINGH)

1. The present writ petition has been filed challenging the order dated 29.07.2024 passed by the National Consumer Disputes Redressal Commission (for short 'NCDRC') at New Delhi in First Appeal No.808/2022 preferred by the petitioner against the order dated 06.07.2022 passed by the Karnataka State Consumer Disputes Redressal Commission (for short 'KSCDRC') in Consumer Complaint No.192/2010 instituted by the complainant / respondent No.1.

2. The complainant is a jeweler having two shops bearing door Nos. 4-108 and 4-111 on the Main Road, Bantwal, Dakshina Kannada District. These two shops are separated by one shop in between. The main office or head office of the complainant is at door No.4-111, whereas the shop bearing No.4-108 is a branch office. The stock in trade and accounts as well as income tax

returns are common in the name of the proprietorship, namely, Suresh Vasudev Baliga Jewellers.

3. The shops are owned by common proprietor.

4. On the request of the appellant Bank, the respondent / complainant transferred the over draft facilities and accounts from Syndicate Bank to the Vijaya Bank, which now stands merged with Bank of Baroda, petitioner herein.

5. The hypothecation and extension of working capital facility were extended by the Vijaya Bank to the tune of Rs.50.00 lakhs as agreed as against the stocks held by the respondent No.1.

6. The insurance was taken for a stock in trade from the National Insurance Company.

7. The Vijaya Bank was required to fill up the proposal form of the insurance policy and the proposer would be the Branch Manager of Vijaya Bank. However, the premiums were deducted from the accounts of the complainant. The policy of insurance was effective from 08.03.2007 to

07.03.2008. The burglary took place on 09.06.2007 at shop No. 4-111 on the Main Road, Bantwal, Dakshina Kannada District.

8. The complainant raised a claim for loss caused by burglary at shop No.4-111. The said claim was repudiated by the insurance company vide order 31.03.2010. According to the insurance company, the risk under the contract of insurance was covered only in respect of the premises bearing shop No.4-108. Whereas, the claim was not indemnifiable in respect of the shop bearing No.4-111.

9. The State Commission, however, vide the impugned order dated 06.07.2022 passed in Consumer Complaint No.192/2010 held the complainant entitled for the loss of the damages caused to him on account of alleged burglary committed on 09.06.2007. It was the appellant Bank, who filled up the insurance form and failed to mention the property bearing shop No.4-111 in the proposal form that was submitted for insuring Rs.66.00 lakhs worth of stock in trade. In view of the proposal

submitted by the appellant Bank, the policy of insurance in the name of the complainant in respect of the property shop No.4-108 for Rs.66.00 lakhs was issued. The State Commission held that on the basis of the evidence led by the parties, particularly, the evidence of the complainant, report of Mr.Upendra, Chartered accountant, Surveyor and Loss Assessor, the appellant Bank would be liable to pay loss suffered by the insured/the respondent herein in burglary for an amount of Rs.63,27,160/- along with interest at the rate of 12% per annum from the date of repudiation of the claim by the Insurance Company till realisation of the amount and to pay Rs.2,00,000/- as compensation for the mental agony and Rs.50,000/- towards litigation cost within 60 days.

10. This order came to be challenged by the appellant Bank before the National Commission in First Appeal No.808/2022.

11. Mr. Rajesh Mahale, learned Senior Counsel assisted by learned counsel Mr. N.N.Damodar, has submitted that the proposal was correctly filled up only for the shop at

Door No.4-108 for which the premium was deducted and the proposal form was not for the Shop at Door No.4-111 and no premium was collected. Therefore, the findings recorded by the two Commissions that it was the mistake or error of the appellant Bank is not correct.

12. The NCDRC has held that the proposal form (Exhibit C5) before the State Commission was an admitted document and signed by the Branch Manager of the appellant Bank as the proposer. The said proposal form was not submitted by the complainant/borrower. Even the policy was issued in favour of the borrower and the premium was paid by the bank from its account. The fact would reveal that the appellant bank was not only facilitator but also the proposer of the insurance policy and it was exclusively handled by the appellant.

13. The proposal form which got converted in the cover note mentioned only Door No.4-108. Therefore, the error was on the part of the Bank and that stand was admitted by the Bank vide letter dated 04.08.2007, which has been extracted in the impugned order passed by the NCDRC.

14. The NCDRC further held that the Bank was conscious about the inadvertent omission by the Branch Manager in the proposal form and therefore, it wrote the letter dated 04.08.2007 accepting the same. The NCDRC, therefore, has rendered the opinion that the appellant Bank not having mentioned the additional Door No.4-111 in the insurance documents and also not taking care to inform the insurance company about the omission, dismissed the appeal.

15. We have gone through the impugned order passed by the State Commission and the National Commission.

16. Both Commissions have concurrently held on the basis of the evidence that, it was the mistake of the Bank having not mentioned additional Door No.4-111 in the proposal form on which the insurance policy came to be issued. In view of said finding of fact, as we are exercising only limited jurisdiction of the judicial review under Article 227 of the Constitution of India, and we are not sitting in Regular Appeal against the order passed by the NCDRC, we do not want to disturb the concurrent findings of facts

recorded by the two Commissions below. We **dismiss** this petition.

17. Any amount deposited by the appellant Bank along with accrued interest thereon should be remitted to the State Commission in EP No.57/2024.

Sd/-
(D K SINGH)
JUDGE

Sd/-
(S RACHAIAH)
JUDGE

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