



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 19TH DAY OF DECEMBER, 2025

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MS. JUSTICE TARA VITASTA GANJU

WRIT PETITION NO. 43252 OF 2017 (GM-DRT)

BETWEEN:

1. SRI. AURANGAZEB @ KABEERUDDIN
AGED ABOUT 55 YEARS,
S/O. SRI. MOHAMMED SULAIMAN,
PROPRIETOR OF M/S. M. M. TIMBERS,
RESIDING AT MALLANDUR ROAD,
UPPALLI CIRCLE,
CHIKMAGALUR- 577 101.
2. SMT. ZAREENA AURANGAZEB
AGED ABOUT 50 YEARS,
W/O. SRI. AURANGAZEB,
RESIDING AT MALLANDUR ROAD,
UPPALLI CIRCLE,
CHIKMAGALURU- 577 101.
3. SRI. NAGENDRA RAO TERADAL
MAJOR IN AGE,
S/O. LATE RAJAPPA,
RESIDING AT PENSION MOHALLA,
CHIKMAGALUR TOWN,
CHIKMAGALUR- 577 101.

...PETITIONERS

(BY SMT. AMMAYAMMA, ADVOCATE - ABSENT)



AND:

1. THE MANAGER
BANK OF BARODA,
CHIKMAGALUR BRANCH,
CHIKMAGALURU-577 101.
2. SRI. M. S. RAGHU
MAJOR IN AGE,
NO.61, AG LAYOUT,
NEW BEL ROAD,
BANGALORE-560 054,
REPRESENTED BY
SMT. PADMAJA RAGHU.

...RESPONDENTS

(BY SRI. MOHAMMAD JAFFAR SHAH, AGA FOR R1
SRI. B.B. PATIL, ADVOCATE FOR R2 AND R3
SRI. PRADEEP NAYAK, ADVOCATE FOR R4)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER DTD.8.10.2012 PASSED BY THE DRT, BANGALORE IN A.O.R.NO.3/2011 IN DCP NO.3916 IN O.A.NO.265/2004 VIDE ANNEX-J AND ALSO THE ORDER PASSED BY THE RECOVERY OFFICER ON 23.9.2011 IN DCP NO.3916 IN O.A.NO.265/2004 VIDE ANNEX-B AND ETC.

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

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MS. JUSTICE TARA VITASTA GANJU



ORAL ORDER

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

The present writ petition has been filed impugning the order dated 08.10.2012 passed by the DRT, Bengaluru in A.O.R. No.3/2011 in DCP No.3916 in O.A.No.265/2004 and also order passed by the Recovery Officer on 23.09.2011 in DCP No.3916 in O.A.No.265/2004. The order dated 17.08.2017 passed by the Debt Recovery Appellate Tribunal, Chennai in R.A.No.23/2013 is also under challenge.

2. The petitioner/borrower had taken overdraft facility of Rs.1,00,000/- and timber loan of Rs.4,00,000/- from the respondent No.1-Bank in the year 1998. The Bank has claimed outstanding amount of Rs.4 Crores against the said overdraft facility and timber in the year 2018.

3. Petitioners' property was put to auction by the Bank for recovery of its dues and auction purchaser had paid the amount of Rs.26,50,000/-. The said auction proceedings were the subject matter of challenge before the DRT. The petitioner deposited Rs.15,00,000/- with the Bank while contesting



auction proceedings before the order was passed by the DRAT passed in O.A.No.265/2004.

4. The sale certificate was issued in favour of the auction purchaser-respondent No.2 and it also has been registered in favour of the auction purchaser. These proceedings have remained pending since long period i.e., from 2012 before the DRT, DRAT and before this Court. The auction purchaser though has paid entire amount of the auction sale, has not been put to possession as of now.

5. The petitioners/borrower and the auction purchaser have settled the dispute in respect of the scheduled property in question, whereby, the petitioners have agreed to pay the following amount to the auction purchaser. They have also filed a joint memo before this Court in term of the settlement arrived between them which reads as under:

"JOINT MEMO

"1. The present writ petition is filed seeking to quash order dated 08.10.2012 passed by the DRT, Bengaluru in A.O.R. No. 3/2011 in DCP No.3916 in O.A. No. 265/2004 vide Annexure-J; the order passed by the Recovery Officer on 23.09.2011 in DCP No.3916 in O.A. No. 265/2004; the order dated 17.08.2017 passed by the Debt Recovery Appellate Tribunal, Chennai in R.A. No. 23/2013 vide Annexure-L and consequently set aside the auction sale in favour of respondent No.2 in respect of the schedule property



and the Sale Certificate issued by the Debt Recovery Tribunal, Bengaluru on 08.11.2011 and for such other reliefs.

2. During the pendency of the present writ petition, as suggested and advised, the Petitioner No.1 and the auction purchaser Respondent No.2 have decided to amicably settle the dispute in the following terms:

a) The auction purchaser - Respondent No.2 has agreed to forego the property purchased by him in the public auction held by the Recovery Officer attached to DRT, Bengaluru which is belonging to the petitioners subject to the condition that the petitioners pay the following amounts:

SL. No.	Particulars	Amount
1.	Purchase Price	Rs. 26,50,000/-
2.	Stamp Duty	Rs. 1,85,500/-
3.	Registration Fee	Rs. 26,500/-
4.	Tax Arrears & Katha Transfer Expenses	Rs. 1,00,000/-
5.	Interest 10% for 14 years (From 01.10.2011 to 30.09.2025)	Rs. 37,10,000/-
6.	Advocate Charges in a) DRT(AOR No. 3/2011), b) DRAT (RA No.23/2013) c) DRAT (M.A. No. 73/2015) d) High Court (W.P.No. 43252/2017) e) Original Suit filed at Chikkamagaluru	Rs.2,00,000/-
7.	Total Amount	Rs.68,72,000/-



b) The petitioners have deposited the following amounts before the DRT, DRAT, before this Hon'ble Court and the 1^o respondent Bank. The details are as follows:

Rs.4,00,000/- before the recovery officer in DCP 3916.

Rs.15,00,000/- before the Respondent No.1 - Bank pursuant to the order dated 06.01.2012 passed in W.P. No. 457/2012

Rs.2.50,000/- before the DRAT. Chennai

Rs.4,00,000/- before this Hon'ble Court pursuant to the order passed this Hon'ble Court.

c) During the pendency of this writ petition, the petitioners have already tendered a sum of Rs. 10,00,000/- by way of Demand Draft to the auction purchaser - Respondent No.2.

d) The petitioners submit that they have no objection for the Respondent No.2 to withdraw the amounts in deposit before the DRT, DRAT and this Hon'ble Court and pay the same to Respondent No.2 along with accrued interest. In addition to that, the petitioners have no objection to release an amount of Rs.15,00,000/- deposited by them with the 1st respondent Bank pursuant to the order dated 06.01.2012 passed by this Hon'ble Court in W.P. No. 457/2012. The respondent No.1 Bank may be directed to release the said amount of Rs.15,00,000/- in favour of Respondent No.2.

e) The petitioners have agreed to pay in all sum of Rs. 68,72,000/- and out of which, already they have paid a sum of Rs. 10,00,000/- and deposited a sum of Rs.25,50,000/- as aforementioned. After deducting the said amount, the balance amount payable by the petitioners comes to Rs. 33,22,000/-

f) The petitioners undertake to clear the balance amount of Rs. 33.22.000/- in two instalments in the following manner:

i) A sum of Rs.15,00,000/- on or before 30.01.2026 and

ii) Balance amount of Rs.18,22,000/- on or before 28.02.2026

Failing which, the present Joint Memo will have no legal sanctity in the eye of law and the respondent No.2 shall refund the amount



so received by him as aforementioned either to the 1^a Respondent Bank or to the Court as directed by this Hon'ble Court and he is at liberty to proceed with the schedule property as per the auction held by the Recovery Officer, DRT. Bengaluru.

g) It is further made clear that the 1st respondent Bank is at liberty to proceed against the petitioners so as to recover the balance amount, if any, payable from the petitioners to the loan account.

h) The respondent No.2 has agreed to execute necessary Conveyance Deed upon receipt of the amounts as mentioned on or before 28.02.2026. The cost of re-conveyance including registration fee, stamp duty and other incidental expenses shall be borne by the petitioners.

i) In the event if the petitioners fail to adhere to the terms of this understanding, a direction may be issued to the Recovery Officer attached to the DRT, Bengaluru to complete the formalities relating to the auction including handing over the vacant possession of the property to the 2nd respondent within 7 days thereafter viz.. on or before 07.03.2026.

j) The 1st Respondent Bank is at liberty to proceed against the petitioners to recover the outstanding amount against the petitioners."

6. We direct the respondent No.1-Bank to pay Rs.15,00,000/- to the auction purchaser within a period of three weeks from today.

7. Though the petitioners in person have submitted that this amount was deposited in the year 2012, the bank should pay the interest at the same rate which they charged from the petitioners inasmuch as Rs.5,00,000/- taken in the



year 1998 have turned to 4 Crores in the year 2018. We, however, are not granting any such interest as demanded on the said amount but direct the Bank to issue Bank Draft for Rs.15,00,000/- plus interest, if any, accrued on the paid amount in favour of the auction purchaser within a period of three weeks from today.

8. The amount of Rs.4,00,000/- deposited before the Recovery Officer in DCP No.3916 in O.A.No.265/2004, Rs. 2,50,000/- deposited before the DRAT, Chennai and Rs.4,00,000/- deposited before this Court along with accrued interest thereon to be paid to the auction purchaser by the concerned one within four weeks from today after due verification.

9. In terms of the settlement arrived between the parties and direction given for payment to the respondent-auction purchaser, we post this writ petition on 30.01.2026 for compliance.

10. The auction purchaser is directed to file an affidavit of the amount received from the Bank, DRT, from DRAT, Chennai, and as well as from this Court.



11. The learned counsel for the respondent Bank submits that this order will be prejudicial to the interest of the Bank as the recovery certificate was for Rs.70,00,000/-. We are unable to agree. The Bank has already received Rs.26,50,000/- from the auction purchaser and has left no interest in the property in question. It is the settlement between the borrower and the auction purchaser. It is for the auction purchaser to deal with the property in the manner it likes and bank would not have any say in the matter.

12. If the Bank has any grievance, it may proceed against the borrower in accordance with law.

Accordingly, the petition is disposed of.

Post this petition on 30.01.2026 for compliance. The petitioner shall physically be present on the said date.

Digitally signed by
DINESH KUMAR SINGH
Location: HIGH COURT
OF KARNATAKA

(D K SINGH)
JUDGE

Digitally signed by TARA
VITASTA GANJU
Location: HIGH COURT
OF KARNATAKA
(TARA VITASTA GANJU)
JUDGE

HR
List No.: 1 Sl No.: 1