



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JANUARY, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

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

WRIT APPEAL NO. 149 OF 2026 (GM-RES)

BETWEEN:

1. SANKAR NARAYANAN
AGED 52 YEARS
S/O RAMAN K S
R/O FLAT NO 304
MY DREAM KEERTHI RIVIERA
6TH CROSS, 6TH G MAIN
KAGGADASAPURA
BANGALORE - 560 093.

ALSO AT M/S KALKI FLUID POWER PRIVATE LIMITED
B-56, NGEF INDUSTRIAL ESTATE
MAHADEVAPURA
BANGALORE - 560 048

...APPELLANT

(BY SRI. KUMAR B.M., ADVOCATE)

AND:

1. AUTHORIZED OFFICER
CANARA BANK
MAHADEVAPURA SME BRANCH
DYAVASANDRA INDUSTRIAL ESTATE
MAHADEVAPURA WHITEFIELD ROAD
BANGALORE - 560 048

Digitally
signed by
SRIDEVI S
Location:
High Court
of Karnataka



2. THE MANAGER
CANARA BANK, OCTAGONAL HALL
KSIDC BUILDING
DYAVASANDRA INDUSTRIAL ESTATE
MAHADEVAPURA WHITEFIELD ROAD
BANGALORE - 560 048

...RESPONDENTS

THIS WRIT APPEAL FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO CALL FOR RECORDS AND SET ASIDE THE ORDER DATED 30.10.2025 IN W.P. No. 19944/2025 (GM-DRT) BY THE HONOURABLE SINGLE BENCH, HIGH COURT OF KARNATAKA AT BANGALORE ATTACHED ALONG WITH THIS APPEAL CONSIDERING THE FACTS AND CIRCUMSTANCES OF THIS MATTER FROM THE INTEREST OF JUSTICE AND EQUITY.

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. For the reasons stated in the application – I.A.No.1/2026, the same is allowed, and the delay of fifty-two days in filing the appeal is condoned.



2. The appellant has filed the above captioned appeal impugning an order dated 30.10.2025 passed by the learned Single Judge in W.P.No.19944/2025 (GM-DRT). The appellant has filed the appeal *inter alia* praying as under:

"1. Call for records and set aside the order dated 30.10.2025 in W.P.No.19944/2025 (GM-DRT) by the Hon'ble Single Bench, High Court of Karnataka at Bangalore attached along with this appeal considering the facts and circumstances of this matter from the interest of justice and equity.

2. Consequently, allow the prayers mentioned in W.P.No.19944/2025 dismissed against the appellant by the Hon'ble Single Bench on 30.10.2025 in the interest of justice and equity.

3. Pass necessary orders that this Hon'ble Court may deem fit from the interest of justice and equity."

3. The appellant had filed the writ petition aggrieved by an order dated 30.05.2025 passed by the learned Debt Recovery Tribunal-1, Bengaluru, [DRT], in S.A.No.287/2023, rejecting the securitization application dated 08.06.2023, which was filed by the appellant under Section 17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 **[SARFAESI Act]**.



4. Admittedly, the appellant had availed of financial assistance to the extent of ₹3,60,00,000/- (Rupees three crores sixty lakhs only) from Canara Bank [**the Bank**]. As on 28.01.2022, an amount of ₹3,64,09,235.80/- (Rupees three crores sixty-four lakhs nine thousand two hundred and thirty five and paise eighty only) was outstanding. The appellant states that its loan account became irregular in October 2021 and was categorised as a non-performing asset (NPA) on 28.01.2022. Thereafter, the Bank issued a notice dated 04.02.2022 under Section 13(2) of the SARFAESI Act calling upon the appellant to pay the amount of ₹3,64,09,235.80/-, which was outstanding as on 28.01.2022. The appellant was also put to notice that if it failed to pay the aforesaid amount along with interest and incidental expenses as mentioned in the said notice, the Bank would exercise its rights to take over possession of the secured assets under Section 13(4)(a) and 13(4)(b) of the SARFAESI Act.

5. It is the appellant's case that prior to the issuance of the said notice, it had applied for settling its dues under a One-Time Settlement scheme [**OTS**]. The Bank accepted the request in a letter dated 25.03.2022. The Bank had accepted to settle and close the accounts for a sum of ₹3,50,00,000/- (Rupees three crores fifty



lakhs only). The terms and conditions mentioned in the sanction letter stated that after the payment of a sum of ₹2,90,00,000/- (Rupees two crores ninety lakhs only), the mortgage over one of the secured assets will be released, and the remaining secured asset will be released after the payment of the full OTS amount. The appellant claims that it paid ₹2,90,00,000/- and the Bank released one of the secured asset from the mortgage. However, admittedly, the appellant failed to pay the balance amount. Admittedly, the OTS period expired on 24.06.2022. Thereafter, since the loan amount was not settled, the Bank issued a notice under Section 13(4) of the SARFAESI Act on 25.04.2023 to enforce its security interest, and took possession of the remaining secured asset. Thereafter, the Bank issued a notice dated 26.05.2023 for the E-auction of the said secured asset, the possession of which was taken over.

6. On 08.06.2023, the appellant filed an application (S.A.No.287/2023) before the learned DRT. The same was dismissed by an order dated 30.05.2025. A plain reading of the averments made indicates that it is the appellant's case that notice under Section 13(2) of the SARFAESI Act was issued when the



appellant was about to pay the balance amount of ₹60,00,000/- (Rupees sixty lakhs only), which had remained outstanding. The appellant also contended that it was necessary for the Bank to issue a fresh demand notice under Section 13(2) of the SARFAESI Act, as the possession notice dated 25.04.2023 was issued more than a year after the notice dated 04.02.2022.

7. It is apparent from the order passed by the learned DRT that it was the appellant's contention that it was entitled to seek the benefit of an OTS even though there is no dispute that the appellant had not complied with the terms of the said OTS. The learned DRT referred to the decision of the Supreme Court in ***The Bijnor Urban Cooperative Bank Ltd. vs. Meenal Agarwal : (2021) (6) KLT OnLine 1048 (SC)*** and held that no borrower can, as a matter of right, pray for the grant of the benefit of the One-Time Settlement scheme without fulfilling the eligibility criteria. Accordingly, the learned DRT dismissed the securitization application.

8. Although the appellant had a remedy of an appeal under Section 18 of the SARFAESI Act, the appellant chose not to proceed with the same and filed a writ petition. A plain reading of



the impugned order indicates that the learned Single Judge found no merit in the appellant's case. The learned Single Judge noted that, after appropriating the amounts already paid by the appellant, a sum of ₹1,02,78,491.4/- remained outstanding and payable by the appellant. The Bank was pursuing proceedings under the SARFAESI Act to enforce its security interest and recover the said amount. The learned Single Judge also noted that the Bank had issued a notice under Section 13(8) of the SARFAESI Act, communicating to the appellant the particulars of the amount due as on 08.08.2025. Thus, if the appellant was interested in redeeming the mortgage, it could do so by paying the amount due.

9. The learned counsel for the appellant submits that there is some discrepancy in the date on which the account had turned a NPA. He submitted that while the notice issued under Section 13(2) of the SARFAESI Act mentioned that the appellant's account had turned NPA on 28.01.2022, the letter sanctioning the OTS scheme indicated the said date as 26.02.2022. He submitted that if it is accepted that the appellant's account was classified as a NPA on 26.02.2022, the notice issued under Section 13(2) of the



SARFAESI Act would be invalid as the same was issued prior to 26.02.2022.

10. Second, he submits that there is also a discrepancy in the calculation of the amount and that the demand letter indicates that the amount claimed was increased to almost ₹10,00,000/- within a period of eighteen days on account of interest, which is not possible.

11. Clearly, the issue sought to be raised involves disputed questions of fact, and it would not be apposite for the Court to examine the same in these proceedings. We are also of the view that in view of the statutory remedy available to the appellant, the writ petition was not required to be entertained. We may also note that at this stage, the learned counsel for the appellant submits that the appellant had invoked the supervisory jurisdiction of this Court under Article 227 of the Constitution of India. We are not persuaded to accept the said contention at this stage.

12. A plain reading of the prayer clause in the writ petition indicates that the appellant had sought a writ in the nature of a certiorari. More importantly, if the appellant's submission that it



had invoked the supervisory jurisdiction of this Court is accepted, the present appeal would not be maintainable in view of the decision of a Larger Bench of this Court in ***Tammanna & Others vs. Miss Renuka and Others (2009 SCC OnLine Kar 123)***.

13. In view of the above, the appeal is dismissed.

14. Pending applications also stand disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**