



CNR: KAHC010144512026

NC: 2026:KHC:39812-DB
WP No. 6650 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE T.M.NADAF

WRIT PETITION NO. 6650 OF 2026 (GM-DRT)

BETWEEN:

1. THE KARNATAKA BANK LTD.,
BRANCH AT ASSET RECOVERY
MANAGEMENT BRANCH
NO.105, 3RD FLOOR
MOHAN MANSION
KASTURBA ROAD, BENGALURU
NOW AT C.A.NO.1, 'C' BLOCK
AKKAMAHADEVI ROAD
J.P.NAGAR, MYSURU, KARNATAKA
REPRESENTED THROUGH ITS
CHIEF MANAGER AND
AUTHORIZED OFFICER
MR. LOKESH V N
S/O LATE NARAYANA SHETTY
AGE: 48 YEARS

...PETITIONER

(BY SRI SHYAMA PRASADA K V, ADVOCATE)

AND:

1. M/S. MAHADESHWARA BRICKS
PROPRIETOR MR. MAHADEVA
S/O LATE KARIGOWDA
MADAGALLI VILLAGE
BELAWADI POST

Digitally
signed by
VASANTHA
KUMARY B K
Location:
HIGH
COURT OF
KARNATAKA



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YELAVALA HOBLI
MYSURU TALUK-570 018

2. MR. MAHADEVA
S/O LATE KARIGOWDA, MAJOR
MADAGALLI VILLAGE
BELAWADI POST
YELAVALA HOBLI
MYSURU TALUK-570 018
3. MRS. LAKSHMAMMA
W/O LATE PAPEGOWDA, MAJOR
BELAVADI POST
YELAVALA HOBLI
MYSURU TALUK-570 018
4. MR. HARSHA C K
FATHER'S NAME NOT KNOWN
TO THE PETITIONER
MAJOR IN AGE, NO.2265/19
BHARATHI, 6TH CROSS
2ND MAIN ROAD
VINAYAKA NAGAR
MYSURU-570 012

...RESPONDENTS

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH THE ORDER PASSED BY THE DEBT RECOVERY TRIBUNAL, BENGALURU DATED 21.10.2013 PASSED IN S.A.NO.465/2012 AT ANNEXURE-C AND ETC.

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



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ORAL ORDER

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

1. The present writ petition has been filed impugning the order dated 21.10.2013 passed in SA No.465/2012 by the Debt Recovery Tribunal, Bengaluru (DRT) as well as the order dated 20.08.2025 passed in RA(SA) No.133/2013 by the Debt Recovery Appellate Tribunal, Chennai (DRAT).
2. The respondent Nos.1 and 2 herein, who are the borrowers, filed SA No.465/2012 under Section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as 'the SARFAESI Act') before the DRT, challenging the Possession Notice dated 10.12.2010, Sale Notice dated 12.09.2011 and the Sale Certificate dated 29.10.2011. The DRT, vide order dated 21.10.2013, allowed SA No.465/2012. Being aggrieved by the said order, the petitioner-Bank filed an appeal in RA(SA) No.133/2013 under Section 18 of the



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SARFAESI Act before the DRAT, which was dismissed. Both the Tribunals have concurrently held that the auction proceedings conducted by the Bank in respect of the secured asset was in contravention of the relevant provisions of the Act and the rules. The secured asset/property was undervalued. There was only one bidder in whose favour the sale was confirmed and the sale certificate was issued.

3. The learned counsel for the petitioner has submitted that there was no pleading with regard to undervaluation of the property, excessive execution of secured asset and other aspects. The said submission has been comprehensively dealt with by the DRAT in paragraphs 27 and 28, which would read as under:-

"27. True, that there is no pleading with regard to under-valuation of the property, excessive execution of secured asset and other aspects except questioning the service of possession and sale notices in the SA. It is settled proposition of law that evidence without pleading, projection of the case without pleading and evidence cannot be entertained. However, SARFAESI Act, 2002 is a special enactment introduced with an object of recovery of debt due to banks and financial institutions in a



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fast track mode. Banks and financial institutions are empowered to sell the secured asset without the intervention of the Court or the Tribunal. This was not possible in an ordinary Civil Litigation for recovery of money due prior to introduction of SARFAESI Act, 2002. While empowering banks and financial institutions with such enormous power to sell the secured asset without the intervention of the Courts or Tribunals, law makers made sure banks/financial institutions observe the mandatory procedures before the sale of the property. It is primarily the duty of the banks/financial institutions to prove that measures taken for sale of the secured asset are in conformity with the provisions of the SARFAESI Act, which is ingrained in Sections and Rules of the Act, irrespective of the challenge made by the borrowers/guarantors as to the irregularities/illegalities in the measures taken.

28. In this regard, it is pertinent to refer to the judgment reported in 1965 SCC Online SC 111 in re, Bhagwati Prasad Vs. Chandramaul, referred supra, the relevant portion of which, is extracted hereunder.

"10. But in considering the application of this doctrine to the facts of the present case, it is necessary to bear in mind the other principle that considerations of form cannot over-ride the legitimate considerations of substance. If a plea is not specifically made and yet it is covered by an issue



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by implication and the parties knew that the said plea was involved in the trial, then the mere fact that the plea was not expressly taken in the pleadings would not necessarily disentitle a party from relying upon it if it is satisfactorily proved by evidence. The general rule no doubt is that the relief should be founded on pleadings made by the parties. But where the substantial matters relating to the title of both parties to the suit are touched, though indirectly or even obscurely, in the issues, and evidence has been led about them, then the argument that a particular matter was not expressly taken in the pleadings would be purely formal and technical and cannot succeed in every case. What the Court has to consider in dealing with such an objection is: did the parties know that the matter in question was involved in the trial and did they lead evidence about it? If it appears that the parties did not know that the matter was in issue at the trial and one of them has had no opportunity to lead evidence in respect of it, that undoubtedly would be a different matter. To allow one party to rely upon a matter in respect of which the other party did not lead evidence and has had no opportunity to lead evidence, would introduce considerations of prejudice, and in doing justice to one party, the Court cannot do injustice to another."

4. Having considered the submissions and the impugned orders passed by the two Tribunals, we find no ground to



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interfere with the same. The petitioner wants to take advantage of its illegal act on the ground of pleadings expressly not taken by the respondents. The two Tribunals have concurrently held that the secured asset/property in question was undervalued and the auction sale was conducted by the Bank by undervaluing the property.

5. We are exercising only supervisory jurisdiction under Article 227 of the Constitution of India and we find no error either of law or jurisdiction having been committed by the two Tribunals. We, therefore, dismiss this writ petition, however, without costs.

**Sd/-
(D K SINGH)
JUDGE**

**Sd/-
(T.M.NADAF)
JUDGE**

BKV
CT:SM
List No.: 1 Sl No.: 10