



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 02ND DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE E.S.INDIRESH

WRIT PETITION NO.8682 OF 2026 (CS-RES)

BETWEEN:

1. RELIANCE PROJECTS AND PROPERTY
MANAGEMENT SERVICES LIMITED
(PREVIOUSLY KNOWN AS RELIANCE
CORPORATE IT PARK LIMITED)
A 'COMPANY'
WITHIN THE MEANING OF
THE COMPANIES ACT, 2013
REGISTERED OFFICE AT: 101,
SAFFRON, NEAR CENTER POINT,
PANCHWATI 5 RASTA,
AMBAWADI, AHMEDABAD,
GUJARAT - 380006.
WITH ITS BRANCH OFFICE AT
NO.62/2, RICHMOND ROAD,
BANGALORE - 560025
REPRESENTED BY ITS
AUTHORISED SIGNATORY.

....PETITIONER

Digitally signed by
CHAYA S A

Location: HIGH
COURT OF
KARNATAKA

(BY SRI. MANU PRABHAKAR KULKARNI, ADVOCATE)

AND:

1. DEPUTY REGISTRAR
OF CO-OPERATIVE SOCIETIES
UDUPI DISTRICT,
FIRST FLOOR,
DEPUTY COMMISSIONER OFFICE,



RAJATADRI, MANIPAL,
UDUPI DISTRICT - 576104.

2. ASSISTANT REGISTRAR
RECOVERY OFFICER
SOUTH CANARA DISTRICT
CENTRAL CO-OPERATE BANK LTD.
UTHKRUSHTA SAHAKARI SOWDHA,
KODIALBAIL,
MANGALURU - 575 003.
3. SOUTH CANARA DISTRICT CENTRAL
CO-OPERATIVE BANK LTD.
HAVING ITS HEAD OFFICE AT:
UTHKRUSHTA SAHAKARI SOWDHA,
KODIALBAIL, MANGALURU 575 003
ALSO HAVING ITS OFFICE AT:
PUTTUR MAIN ROAD,
PUTTUR 574 201
REPRESENTED BY ITS
CHIEF EXECUTIVE OFFICER.
4. SAHAD RENTAL PRIVATE LIMITED
A COMPANY UNDER COMPANIES ACT, 2013
HAVING ITS REGISTERED OFFICE AT
FORUM HEIGHTS, DARBE,
PUTTUR, DAKSHINA KANNADA 574202
REPRESENTED BY ITS DIRECTOR
5. MR. SULAIMAN K.
S/O YUSOOF BEARY,
AGED ABOUT 54 YEARS
RESIDING AT MURABAIL HOUSE
KALLADKA POST, GOLTHAMAJALU VILLAGE,
BANTWALA TALUK,
DAKSHINA KANNADA - 574 222.
6. MOHAMMAED SALEEL
S/O AHMED
RESIDING AT PURUSHARA KATTE HOUSE,



NARIMOGARU POST AND VILLAGE,
PUTTHUR TALUK,
DAKSHINA KANNADA - 574221.

7. MUMTAZ P.
W/O SULAIMAN K.
RESIDING AT MURABAIL HOUSE
KALLADKA POST,
GOLTHAMAJALU VILLAGE,
BANTWALA TALUK,
DAKSHINA KANNADA - 574 222.
8. HAMID SAHEB,
S/O CHATA ISMAIL SAHEB
RESIDING AT DOMRADI HOUSE,
KADABA POST AND VILLAGE,
PUTTHUR TALUK,
DAKSHINA KANNADA - 574221.
9. MANGALORE REAL ESTATE
AND DEVELOPERS PRIVATE LIMIT
A COMPANY UNDER COMPANIES ACT, 2013
HAVING ITS REGISTERED OFFICE AT:
DOOR NO.16-1-32/4, 3RD FLOOR,
ROHAN CORPORATION,
BENDOREWELL, BALMATA ROAD,
MANGALORE - 575002
REPRESENTED BY ITS DIRECTOR
10. SALE OFFICER
SOUTH CANARA DISTRICT CENTRAL
CO-OPERATIVE BANK
UTHKRUSHTA SAHAKARI SOWDHA,
KODIALBAIL,
MANGALURU - 575 003.

...RESPONDENTS

(BY SRI. YOGESH D. NAIK, AGA FOR R1, R2 & R10;
SRI. D.R. RAVISHANKAR, SENIOR COUNSEL FOR
SRI. RAKSHIT KUMAR, ADVOCATE FOR R3;
V/O DATED 23.03.2026 NOTICE TO R4 TO R8



IS DISPENSED WITH;
SRI. MAHESH KIRAN SHETTY, ADVOCATE FOR R9)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO SET ASIDE THE ORDER OF THE RESPONDENT NO.1 DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES, UDUPI DISTRICT DATED 09.03.2026 IN APPEAL NO.02/2025 (ANNEXURE -A) ISSUED TO THE PETITIONER ON 11.03.2026; AND ETC.

THIS WRIT PETITION HAVING BEEN RESERVED FOR ORDERS, COMING ON FOR PRONOUNCEMENT THIS DAY, **E.S. INDIRESH J.**, MADE THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE E.S.INDIRESH

CAV JUDGMENT

In this writ petition the petitioner is assailing the order dated 09.03.2026 (Annexure-A) in Appeal No.2 of 2025 passed by respondent No.1; order dated 29.12.2022 in EP No.2 of 2022-23 passed by the respondent No.2 (Annexure-B); notice dated 05.01.2023 (Annexure-C) issued by the respondent



No.10; order dated 10.12.2025 (Annexure-D) issued by the respondent No.10 *inter-alia* sought for declaration that, the Sale Certificate dated 16.12.2022, registered on 26.12.2022 is subject to the registered Lease Deed dated 01.12.2017 as well as to declare that the petitioner is a tenant under the registered Lease Deed dated 01.12.2017.

2. Relevant facts for adjudication of this writ petition are that, the petitioner is a "Company" and a tenant in schedule property No.2, constructed on schedule property No.1. The petitioner was previously known as Reliance Corporate IT Park Ltd., and merged with Reliance Digital Platform and Project Services Ltd. Respondent No.3, is a Society, constituted under the provisions of Karnataka State Co-operative Societies Act, 1959 (for short, the Act). The respondent No.3-Society, has extended the loan to the respondent No.4. Respondent No.6 to 8 are the guarantors of the



loan extended by respondent No.3-Society. The respondent No.5, is a owner of the constructed commercial building on schedule property No.1. It is stated that, schedule property No.2 is a portion of the building "Forum Heights" which is constructed on the schedule property No. 1. Lease Deed dated 01.12.2017 (Annexure-F) was entered into between the petitioner with the respondent No.5, in respect of schedule property No.2 for a period of 15 years till 24.08.2032. It is also stated that respondent No.5 had mortgaged schedule property No.1, in favour of Vijaya Bank, and on account of Non-Performing Assets (NPA), Vijaya Bank initiated proceedings under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'SARFAESI' Act). It is also stated that the Vijaya Bank, did not dispute as to the lease made in favour of the petitioner. Respondent No.5 had created an



encumbrance by way of mortgage in respect of the premises in question to Vijaya Bank, Puttur.

3. It is further stated that, the respondent No.5, through respondent No.4, availed the loan of Rs. 10 Crores from respondent No.3-Bank/Society, and further mortgaged schedule property No.1 with the respondent No.3 Bank/Society to the said loan. Accordingly, the respondent No.5 has closed the loan account with the Vijaya Bank, as per letter dated 06.06.2018. It is the case of the petitioner that the petitioner was not aware about the mortgage of the schedule property No.2, with the respondent No.3 and came to know about the same during December, 2022. It is stated in the petition that, the petitioner has been continued to be the tenant in the schedule property No.2 and unaware about the mortgage about the said property. It is further stated that on account of failure on the part of respondent No.5, to repay the loan with



the respondent No.3, and as such respondent No.3 has initiated recovery proceedings under the Act. It is stated that, the petitioner was not a party in the proceedings initiated by the respondent No.3 before the respondent No.2. On 17.06.2022 the respondent No.2, caused notice, under Rule 34 (3) of the Karnataka State Co-operative Societies Rules, 1960 (hereinafter referred to as KCS Rules) to the respondent No.4 to 8 for clearing the loan account, and further intimated to the respondent No.4 to 8 that, in the event of default in satisfying the claim of the respondent No.3, the schedule property No.1 would be sold through public auction. It is also stated that, on 01.08.2022, respondent No.2, caused notice as to attach the schedule property No.1 towards recovery of debts owed by the respondent Nos. 4 and 5 to the respondent No.3-Bank/Society and the public auction was fixed on 13.09.2022 at 12 pm.



4. It is the case of the petitioner that, the respondents failed to consider the prior registered Lease Deed executed in favour of petitioner having earlier encumbrance with the schedule property No.2. It is also stated that the auction proceedings were conducted, without hearing the petitioner, and as such, the respondent No.2 has passed an order dated 29.12.2022 directing the respondent No.10 to take possession of the schedule property No.1 including the schedule property No. 2 with the police assistance. It is the case of the petitioner that, Rule 38-A, (8)(b) of the Rules, is not applicable to the case on hand and therefore, the impugned auction is null and void. The respondent No.10, was a successful bidder in the sale auction held on 28.10.2022. It is also stated that, the alleged public auction is contrary to law and as such, the petitioner has presented this writ petition



challenging the orders passed by the respondent-authorities at Annexure-A to D.

5. I have heard Sri. Manu Prabhakar Kulkarni, learned counsel for the petitioner; Sri. Yogesh D. Naik, learned counsel for the respondent Nos. 1, 2 and 10; Sri. D.R. Ravishankar, learned Senior Counsel appearing on behalf of Sri. Rakshit Kumar learned counsel for the respondent No.3. and Sri. Mahesh Kiran Shetty, learned counsel for the respondent No.9.

6. It is submitted by Sri. Manu Prabhakar Kulkarni, learned counsel for the petitioner that the impugned orders passed by the respondent-authorities are erroneous and both the respondent - authorities have not considered the fact that the petitioner is in possession of the property as per the registered Lease Deed dated 01.12.2017 and got prior interest and encumbrance, by the petitioner has been ignored by



the respondent-authorities and accordingly, sought for interference of this Court.

7. It is also argued by the learned counsel for the petitioner that, Rule 38-A(5) and 38-A(8) of the KCS Rules, are not applicable to the case on hand and the impugned orders passed by the respondent-authorities is erroneous as the respondent No.2 does not have the powers, identical with the civil court for executing orders of recovery proceedings subject to the extent provided under Section 117 of the Act. It is further argued by the learned counsel for the petitioner by referring to Section 101 to 103 of Act and Rules 31, 32, 33A to 49 of KCS Rules, that, the aforementioned proceedings makes it clear that, the respondent No.2 does not have power of the Civil Court, and therefore, sought for interference of this Court. It is also argued by the learned counsel for the petitioner by referring to Section 65 of the Transfer of



Property Act, that, the alleged mortgage of the schedule property No.2 with the respondent No.3 Bank/Society, was subsequent to the execution of the registered Lease Deed dated 01.12.2017 and therefore, the respondent-authorities failed to consider that the loan with the Vijaya Bank was closed and a fresh loan was taken from the respondent No.3 by the respondent No.4, and further, the Lease Deed between the petitioner and respondent Nos.4 and 5 was prior to the raising loan and alleged mortgage by the respondent No.5 with the respondent No.3-Bank/Society, and same is in violation of Section 65 of the Transfer of Property Act and accordingly, sought for interference of this Court.

8. It is also argued that, the respondent-authorities failed to considered that the alleged sale of the schedule property was subject to the prior encumbrance in favour of petitioner under Rule



38(2)(e) and therefore, sought for interference of this Court. In this regard, learned counsel for the petitioner places reliance on the judgment of the Hon'ble Supreme Court in the case of ***Harshad Govardhan Sondagar v. International Assets Reconstruction Company Ltd and others*** reported in ***(2014) 6 SCC 1*** and argued that, in the event of valid Lease Deed has been executed prior to the creation of the mortgage with the respondent No.3 and such tenancy right cannot be disturbed.

9. Learned counsel for the petitioner further argued that, the respondent - authorities failed to consider the right of the lessee - petitioner herein had a right to enjoy the property till the completion of the lease period and such right cannot be taken away without the authority of law, as per Article 300-A of the Constitution of India and accordingly, sought for interference of this Court.



10. Per contra, Sri. D.R. Ravishankar, learned Senior Counsel appearing on behalf of Sri. Rakshit Kumar, learned counsel for respondent No.3, invited the attention of the Court to various provisions under the Act, particularly referring to Section 102 of the Act and contended that, if the language employed under Section 102 of the Act is read along with Rule 38 of the Rules, the respondent - authority exercising jurisdiction under Section 70 of the Act, is a 'Civil Court' for the purpose of execution of the orders and therefore, submitted that, the arguments advanced by the learned counsel appearing for the petitioner cannot be accepted. Referring to Section 65-A(e) of the Transfer of Property Act, 1882, it is contended by the learned Senior Counsel that, the remedy available for the petitioner to continue the lease in respect of the subject building is narrowed down and at any rate, the right of the lessee shall in no case exceed three years



from the execution of the Lease Deed under the circumstances of the case, and accordingly, sought for dismissal of the petition.

11. Learned Additional Government Advocate Sri. Yogesh D. Naik, has referred to Section 101(2)(b)(iv) of the Act and argued that the respondent - Registrar is clothed with all the powers of the Civil Court as to execution of the Award or Decree and therefore, sought for dismissal of the petition.

12. In the light of the submissions made by learned counsel appearing for the parties, it is not in dispute that, the respondent No.5 is the absolute owner of the schedule property No.1 and the schedule property No.2 is the portion of the building constructed on the schedule property No.1. It is also to be noted that the petitioner took the schedule property No.2 on lease as per the registered Lease Deed dated



01.12.2017 for a period of 15 years till 24.08.2032. It is also to be noted that, the schedule property No.1 was mortgaged by respondent No.5 in favour of Vijaya Bank and proceedings were initiated under SARFAESI Act against the respondent No.5 towards the loan dispute. In the meanwhile, the respondent No.5 availed loan from the respondent No.3 - Bank/Society and as such, mortgaged the entire schedule property No.1 to the respondent No.3-Bank/Society. It is the case of the petitioner that, petitioner was unaware about the mortgage made by the respondent No.5 in favour of the respondent No.3 as a security of loan. The respondent No.2, in a dispute raised by the respondent No.3, against respondent No.5, passed a demand notice on 11.07.2022 as to sale of the schedule property No.1. I have carefully examined the language employed under Rule 38 of the Rules. On careful consideration of the aforementioned Rule,



embodies the authority of the respondent No.2 to attach and sale of immoveable property in a dispute raised under Section 70 of the Act.

13. The core question to be raised at Bar that the respondent No.2 - authority has no jurisdiction like a Civil Court in the execution proceedings as to sale and attachment. On careful consideration of the right of the respondent No.3 - Bank to take over the schedule property No.1 for auction on account of default on the part of respondent No.5 has to be decided based on the recitals in the registered Lease Deed dated 01.12.2017 (Annexure-F). Clause 21 of the Lease Deed provides for attornment of the Lease Deed, which reads as under:

21. Attornment: In the event the lessor at any time during the subsistence of the lease intends to sell/ transfer/ assign his rights in the Demised Premises as a whole or in part, in such an event, lessor shall ensure that such sale, transfer or assignment shall be subject to the rights of the



Lessee under the Lease Deed and the Lessee shall attorn to such transferee on the same terms and conditions as are contained therein and also a letter shall be issued by the lessor to the prospective new owner(s) in favour of the Lessee confirming that the terms of the lease shall be binding on the new owner(s) and that they shall also acknowledge the Security Deposit paid by the Lessee to the lessor, the benefit of which shall also be transferred to the new owner(s) and all adjustments shall be made accordingly. The lessor further covenants with the Lessee that in such an event, the lessor shall ensure that such third party transferee or assignee shall execute appropriate deed of novation in favour of Lessee and also extend full co-operation to the Lessee to protect its rights flowing therefrom.

(underlined by me)

14. On careful examination of the aforementioned Clause 21 of the Lease Deed which determines the rights of the parties in the event of the lessor intends to sell / transfer / assign his rights in respect of the subject schedule property No.1 and taking into consideration the finding recorded by both the original authorities in Execution Petition No.2/2022-23 (Annexure-B) and the Appellate Authority - respondent



No.1 in Appeal No.2/2025 (Annexure-A) has not discussed the rights of the parties in the light of Clause 21 of the Lease Deed. Though several grounds have been urged by the learned counsel appearing for the parties, however, there needs to be a finding by the respondent - authorities as to the rights of the parties for attornment of the lease in the light of Clause 21 of the Lease Deed.

15. Therefore, without going to the merits of the case, I am of the view that, it is a fit case to remand the matter to respondent No.2 to re-consider the dispute afresh as to observation made above and to decide the rights of the parties in the light of Clause 21 of the Lease Deed. While doing so, the respondent No.2 - authority shall consider the relevant provisions under the Act and the rights and liabilities of the parties to the Lease Deed as per the Transfer of



Property Act, 1882 in consonance with Article 300-A of the Constitution of India.

16. In the result, I pass the following:

ORDER

(i) Writ Petition is ***allowed***.

(ii) Order dated 09.03.2026 (Annexure-A) in Appeal No.2/2025 on the file of respondent No.1 and the Order dated 29.12.2022 in Ex.P. No.2/2022-23 (Annexure-B) on the file of respondent No.2 are hereby set aside and the matter is remitted to the respondent No.2 to reconsider the issue afresh after affording opportunity of hearing to the parties and to decide the rights of the parties by looking into Clause 21 of the Lease Deed including other grounds that may be urged by the parties.



(iii) Respondent No.2 is directed to complete the entire proceedings within a period of four months from the date of receipt of certified copy of this order.

(iv) Since the parties are represented through their counsel, the parties are directed to appear before respondent No.2 on 28.04.2026 at 11 a.m., without waiting for further notice in this regard.

**SD/-
(E.S.INDIRESH)
JUDGE**

SB
List No.: 1 Sl No.: 70