



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF JULY, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 24296 OF 2024 (GM-DRT)

BETWEEN:

M/S PEEJAY INTERIORS PVT LTD
NO. 1567, HSR LAYOUT SECTOR -1,
NEAR DOMINOS PIZZA,
AGARA SILK BOARD MAIN ROAD,
BANGALORE – 560 034
KARNATAKA
(REP BY ITS DIRECTOR
SANTHOSH P.J.)
A COMPANY INCORPORATED UNDER
THE COMPANIES ACT, 1956

DIRECTOR SANTHOSH P.J.
IS REP. BY GPA HOLDER,
K.P.THOMAS,
AGED ABOUT 70 YEARS,
S/O POULO KALLAKARAN,
KALLAKARAN HOUSE,
NEAR KALADY POLICE STATION,
KALADY POST OFFICE, ERNAKULAM DISTRICT,
KERALA – 683 574

...PETITIONER

(BY SRI. A.V.AMARNATHAN, ADVOCATE)

AND:

THE FEDERAL BANK LIMITED
ASSET RECOVERY BRANCH
NO. 4, 2ND CROSS, CSI COMPOUND,
MISSION ROAD,
BANGALORE - 560 027.





(REP BY ITS AUTHORISED OFFICER)

PRESENT ADDRESS,
MSR, 2ND FLOOR, WEST PARK ROAD,
CHURCH STREET,
BENGALURU -560 001.

...RESPONDENT

(BY SRI B.S.JEEVAN KUMAR, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO SET ASIDE THE FINAL ORDER DATED: 30.08.2024 PASSED BY THE DEBTS RECOVERY TRIBUNAL-1, KARNATAKA AT BENGALURU IN SECURITISATION APPLICATION NO. 370 OF 2024 AS PER ANNEXURE-E WHICH IS IN VIOLATION OF THE ORDER PASSED BY THIS HONBLE COURT AS PER ANNEXURE-A IN WP NO.14913/2024 C/W WP NO.9500/2026 (GM-DRT), DATED: 02.07.2024.

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED ON 28.04.2026, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI



CAV ORDER

The present writ petition is filed seeking the following prayer:

"PRAYER

WHEREFORE, the Petitioner respectfully prays that this Hon'ble Court may be pleased issue Writ of certiorari or any other appropriate writ Certiorari

- a) Setting aside the final order dated 30.8.2024 passed by the Debts Recovery Tribunal-1, Karnataka At Bengaluru in Securitisation Application No.:370 of 2024 as per Annexure-E, which is in violation of the order passed by this Hon'ble court as per Annexure-A, in W.P.No:14913/24 C/w WP.9500/23 (GM-Drt) dated 05/7/2024***
- b) Direct the Debts Recovery Tribunal-1, Karnataka At Bengaluru to give an opportunity to the petitioner to argue the case in Securitisation Application No.:370 of 2024 on merits as per directions of the this Hon'ble court as per Annexure-A, in WP.No.14913/24 C/w WP.No.9500/23 (GM-DRT) dated 05.07.2024***
- c) Pass such other orders as this Hon'ble Court may deems fit in the facts and circumstances of the case, in the interest of equity and justice."***

2. The petitioner's case is that the respondent/bank had issued a notice under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as 'SARFAESI Act'), claiming a sum of Rs.95,85,759/- as on 31.10.2016, another sum of Rs.15,74,651/- as on 31.10.2016, and another sum of Rs.19,62,031/- against a car loan hypothecation as on



23.10.2016. The petitioner filed an application before the DRT-1, Bengaluru, under Section 17 of the SARFAESI Act on 26.05.2018. On 28.05.2018, DRT-1, Bengaluru, passed an interim order of stay, subject to deposit of a sum of Rs.30,00,000/-, and the said amount was paid. The application was dismissed on 16.02.2020 during the COVID-19 pandemic. Thereafter, the petitioner filed an application in M.A.No.8/2020 to recall the order, stating that due to the COVID-19 pandemic, the counsel could not appear before the Court. The petitioner also approached this Court seeking the correct statements of accounts for settlement of accounts and for one-time settlement. It is the case that the respondent bank authorities refused to provide the statement of accounts in writing. Having no other alternative, the petitioner filed WP.No.9500/2023.

3. It is stated that M.A.No.8/2020, seeking recall of the dismissal for default order, was heard, but shockingly, the DRT-1 passed an order on the Miscellaneous Application and S.A., dismissing both applications. The said dismissal order was challenged by the petitioner in WP.No.14913/2024. Both the writ petitions were heard by this Court, and set aside the final



order passed by the DRT-1, and directed the petitioner and respondent to appear before the DRT-1, Bengaluru, on 26.07.2024, without awaiting further notice from the DRT-1, Bengaluru.

4. It is stated that the petitioner appeared before the DRT on 26.07.2024, and the matter was adjourned to 30.07.2024. The petitioner filed an application on 30.07.2024 seeking directions to produce the statement of account. The said application was disposed of by directing the petitioner to approach the bank and file a representation seeking the statement of account, as mentioned in the application, within one week from that day. Accordingly, the petitioner submitted a representation to the respondent/Bank on 02.08.2024. It is stated that the petitioner received the statement of accounts in the first week of August. When the matter was listed before the DRT on 30.08.2024, the petitioner's counsel appeared to argue the matter. The presiding officer, DRT-1, Bengaluru, pronounced the impugned judgment, which had been prepared earlier. Aggrieved thereby, the petitioner is before this Court.



5. Learned counsel appearing for the petitioner submits that the petitioner is entitled to the statement of accounts, which was not provided to him. The bank official orally stated that the total due is Rs.2,39,00,000/-, as against the balance due of Rs.11,00,000/-. It is submitted that when the petitioner received the statement of accounts in the 1st week of August and obtained the opinion of an auditor, it was found that the accounts were not in accordance with the RBI guidelines. It is submitted that no opportunity was given to him to draw the attention of the DRT to the accounts which were not as per the RBI guidelines. It is submitted that the Court passed the order without giving an opportunity. The petitioner is seeking an opportunity before the DRT. Hence, the impugned order may be set aside, and without further delay, the matter may be proceeded with.

6. Learned counsel appearing for the respondent/Bank submits that, in fact, they have given the statement to the petitioner. The respondent/Bank has filed a memo stating that they have given the statement of accounts, and the Tribunal had granted liberty to the applicant to further argue the case, if



any, on any date convenient to him before 30.08.2024. The case was listed for orders on 30.08.2024. It is submitted that the petitioner had not mentioned the matter before the said date, the Tribunal passed the orders, and there is no illegality in the same. It is further submitted that, in the meanwhile, the Tribunal has allowed O.A.No.809/2018 by judgment dated 30.09.2025 and held that the defendants are jointly and severally liable to pay the applicant/bank a sum of Rs.1,16,20,965.07/- being the amount due under the Cash Credit Loan Account, and also held that defendants No.1, 2, 4, 6 and 7 are jointly, severally and personally liable to pay the applicant/bank a sum of Rs.23,35,165/- being the amount due under the Car Loan Account. It is submitted that the petitioner, on one pretext or the other, is dragging on the matter and coming before the Court by filing frivolous writ petitions, and the present writ petition is liable to be dismissed with exemplary costs.

7. Having heard the learned counsels on either side, perused the entire material on record. There is no dispute about the fact that the petitioner has sought the statement of



accounts. When the borrower is disputing the amounts and even otherwise, they are entitled for a copy of the statement of accounts. According to the petitioner, he has received the same in the 1st week of August and as per the order, it is observed that bank has filed a memo on 31.07.2024 stating that it has complied with the aforesaid direction and they have furnished the statement of accounts. The Court has permitted them to move the matter before 30.08.2024. It is the argument of the learned counsel for the petitioner that the counsel is ready to argue on 30.08.2024, but by that time the DRT was ready with a judgment. Hence, they were deprived of an opportunity. When the petitioner received the statement in the 1st week of August, and the Court had given them liberty to mention the matter with notice to the other side and argue it, no reason is forthcoming as to why the petitioner kept quiet till 30.08.2024. There are clear laches on the part of the borrower. This S.A. is filed in the year 2024, and the petitioner is enjoying the interim order. In the interest of justice and balancing the interests of both the parties, this Court deems it appropriate to set aside the order passed by the DRT and



remand the matter to the DRT. Hence, this Court has passed the following order:

ORDER

- i. The order dated 30.08.2024 passed in Securitisation Application No.370/2024 by the Debts Recovery Tribunal-1, Bengaluru, is ***set aside*** and the matter is ***remanded back*** to the Debts Recovery Tribunal for fresh consideration.
- ii. Without further notice, the parties shall appear before the DRT on 27.07.2026.
- iii. The arguments of the parties shall be completed within a period of one week from 27.07.2026 and the DRT is requested to pass appropriate orders by 05.08.2026.
- iv. Considering the latches on the part of the petitioner in mentioning the matter before the DRT which made the DRT to pass the impugned order, the petitioner shall pay costs of Rs.20,000/- to the respondent/Bank.



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- v. Accordingly, the writ petition is ***disposed of***.
- vi. All I.As. in this petition shall stand closed.

SD/-
(LALITHA KANNEGANTI)
JUDGE

MEG
List No.: 1 Sl No.: 1