



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MR. JUSTICE VENKATESH NAIK T

MISCELLANEOUS FIRST APPEAL NO. 7449 OF 2025 (KPIDFA)

BETWEEN:

M/s. SATYADEVA BUILDERS
A REGISTERED PARTNERSHIP FIRM
REGISTERED OFFICE AT NO.50/2
BYRASANDRA MAIN ROAD
BYRASANDRA
NEW THIPPASANDRA POST
BANGALORE - 560 075
REPRESENTED BY ITS PARTNER
SRI L.SURENDRANATH REDDY

...APPELLANT

(BY SRI. KADIRA RAMI REDDY, ADVOCATE)

AND:

COMPETENT AUTHORITY
FOR M/s. DREAMZ INFRA INDIA PVT LTD
BENGALURU
OFFICE OF THE REGIONAL COMMISSIONER
BENGALURU DIVISION
BMTC BUILDING



2ND FLOOR
K H ROAD
SHANTHINAGAR
BENGALURU - 560 027

...RESPONDENT

(BY SRI. VEERESH R. BUDIHAL, ADVOCATE)

THIS MFA IS FILED UNDER SECTION 16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DATED 28.08.2025 PASSED IN MISC.NO.925/2025 ON THE FILE OF XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU (CCH-92), DISMISSING THE PETITION FILED U/S.12 OF THE KPIDFE ACT.

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

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN
and
HON'BLE MR. JUSTICE VENKATESH NAIK T



ORAL JUDGMENT

(PER: HON'BLE MRS. JUSTICE ANU SIVARAMAN)

This appeal is filed challenging the Order dated 28.08.2025 passed by the XCI Additional City Civil and Sessions Judge, Bengaluru (CCH-92) ('Special Court' for short) in Misc.No.925/2025. The Order was passed on an application preferred by the appellant under Section 12 of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 ('KPIDFE Act' for short) seeking release of certain Schedule Properties.

2. We have heard Shri. Kadira Rami Reddy, learned counsel appearing for the appellant and Shri. Veeresh R Budihal, learned counsel appearing for the respondent.

3. The learned counsel appearing for the appellant submits that, the appellant is a registered partnership firm functioning in the name and style of 'M/s.Satyadeva Builders', real estate business. The composite schedule



property was attached vide Notification dated 20.06.2019. The said property originally belonged to Shri. Devraj Pande, who acquired it under a registered Sale Deed dated 14.12.2005. The land was subsequently sold to M/s. Sambhav Homes and Infrastructure Private Limited under a registered Sale Deed dated 15.04.2011, which was later, rectified through a registered Rectification Deed. It was further submitted that M/s. Sambhav Homes and Infrastructure Private Limited entered into a registered Joint Development Agreement (JDA) and executed a registered General Power of Attorney in favour of the appellant on 27.06.2019, followed by Rectification Deeds and a Supplemental Agreement dated 08.10.2020. Under the said arrangements, the schedule composite property fell to the share of the appellant, who thereby acquired proprietary rights over the same. The appellant preferred the petition before the Special Court to release the schedule properties.



4. The Special Court held that the JDA dated 27.06.2019 was executed seven days after the Government issued the provisional attachment order dated 20.06.2019. As the property stood attached on the date of execution, M/s. Sambhav Homes had no authority to create any rights in respect of the property. Consequently, the JDA was held to be *non-est* and void, conferring no rights upon the petitioner. The supplemental JDA dated 08.10.2020, having been executed during the subsistence of the attachment order, was also held to be void and ineffective. It was also noted that neither M/s. Sambhav Homes had challenged the attachment order nor had Shri. Kodandaramareddy disputed his ownership of the property. Since the claim of the petitioner was entirely on void and *non-est* documents, the petition was dismissed.

5. The learned counsel appearing for the appellant contends that the appellant had no knowledge of the attachment order. Neither M/s. Sambhav Homes nor the previous owners of the schedule composite property had



any transaction or agreement with M/s. Dreamz Infra India Private Limited, which is evident by the Sale Deed records and Encumbrance Certificates pertaining to the preceding twenty years. It is further contended that the Special Court failed to consider the material documents evidencing the right of the appellant in the schedule composite property including the Supplemental Agreement, JDA, Rectification Deeds and the GPA. The Special Court erred in dismissing the petition without properly appreciating that the appellant was a stranger to the FIR and charge sheet filed against M/s. Dreamz Infra India Private Limited and had no nexus whatsoever with the alleged fraudulent activities.

6. It is also contended that the attachment was effected without proper verification of the title documents and in violation of the principles of natural justice. The Supplemental Agreement, GPA and JDA, though executed subsequent to the attachment order, reflected the pre-



existing equitable proprietary interest in the property, which was not considered by the Special Court.

7. The learned counsel appearing for the respondent - Competent Authority contended that any person aggrieved by the attachment may seek relief only in proceedings initiated under Section 5(2) of the KPIDFE Act. It is further contended that owing to the stay order operating in Writ Appeal No.1343/2021, all proceedings concerning the Financial Establishment remain stalled and in view of the stay order, the schedule composite properties cannot be released unless the proceedings for making the attachment are adjudicated.

8. We have considered the contentions advanced. Section 3(2) of the KPIDFE Act provides for issuance of an order by publishing in the Official Gazette, attaching the money or property believed to have been acquired by the Financial Establishment in its own name, or in the name of any other person from and out of deposits collected by the



Financial Establishment. Where such property is not sufficient for repayment of the deposits, such other property of the Financial Establishment or the personal assets of promoters, partners, or other persons related to the establishment can also be attached. It is clear that what is contemplated under Section 3(2) of the KPIDFE Act is only an order of interim attachment of money or property which is "believed to have been acquired" by the Financial Establishment or the personal assets of its Directors etc. The said provisional attachment can be made absolute only after following the procedure under Section 5 of the KPIDFE Act. It is only when an application is filed under Section 5(2) of the KPIDFE Act to make the attachment absolute that the contention of the appellant that the property concerned was not the property of the Financial Establishment or anyone connected with it can be considered.

9. The contention raised by the appellant that he was not aware of the Notification under Section 3(2) of the



KPIDFE Act cannot be accepted, in view of the fact that the Special Court has clearly recorded that the Notification had been duly published in newspapers and that the attachment had also been conspicuously posted in the premises of the property. Such publication and affixing, is clearly constructive notice of the fact that the attachment has been ordered under Section 3(2) of the KPIDFE Act. No material has been produced to show that there was any right available to him to contend that the attachment made shall not be made absolute.

10. We notice that Section 12 of the KPIDFE Act provides only for adjudication by the Special Court on receipt of an application under Section 5 of the KPIDFE Act. There is no provision in the Act which contemplates adjudication as regards the temporary attachment made under Section 3(2) of the KPIDFE Act.

11. In the above view of the matter, we are of the opinion that the appellant has not made out any case for



an interference with the order of the Special Court. The appeal fails and the same is accordingly ***dismissed.***

All contentions are left open to be decided in the appropriate proceedings.

All pending interlocutory applications shall stand *disposed of.*

**Sd/-
(ANU SIVARAMAN)
JUDGE**

**Sd/-
(VENKATESH NAIK T)
JUDGE**

cp*
List No.: 3 Sl No.: 5