HC-KAR

NC: 2026:KHC:60586-DB
WA No. 1119 of 2026

CNR: KAHC010251222026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF OCTOBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO. 1119 OF 2026 (GM-KSFC)

BETWEEN:

1. SRI C. VENKATESHALU
   S/O LATE VENKATAPPA
   AGE ABOUT 82 YEARS
   RETIRED DEPUTY CHIEF ENGINEER RAILWAYS
   RESIDING AT NO. 5A, 3RD CROSS
   4TH MAIN, HRBR LAYOUT
   3RD BLOCK, KALYAN NAGAR
   BANGALORE – 560 043

…APPELLANT

(BY SMT. S. SUSHEELA, SENIOR ADVOCATE A/W
SRI SWAMY N.B.N., ADVOCATE)

Digitally signed by AMBIKA H B
Location: High Court of Karnataka

AND:

1. KARNATAKA STATE FINANCIAL CORPORATION
   ESTABLISHED UNDER THE STATE FINANCIAL
   CORPORATION ACT, 1951
   HEAD OFFICE: KSFC BHAVAN
   NO.1/1, THIMMAIAH ROAD
   BANGALORE – 560 052
   BY ITS MANAGING DIRECTOR

2. SRI GANESH KODANDARAM
   FATHER'S NAME NOT KNOWN TO APELLANT
   MAJOR BY AGE
   NO.729, 4TH MAIN ROAD, 1ST BLOCK

GEETHANJALI LAYOUT
HAL 3RD STAGE
BANGALORE – 560 075

…RESPONDENTS

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO CALL FOR THE RECORDS IN W.P. No.23099/2023 AND SET ASIDE THE ORDER PASSED ON 21.02.2026 IN W.P. No.23099/2023 BY THE LEARNED SINGLE JUDGE & ALLOW THE RELEIFS CLAIMED IN W.P. No.23099/2023 AND ETC.

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 MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

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

1. The appellant has filed the present appeal impugning an order dated 21.02.2026 passed by the learned Single Judge in Writ Petition No.23099/2023 (GM-KSFC). The appellant had filed the said petition, *inter alia,* praying that directions be issued to respondent No.1 [**KSFC**] to forthwith handover vacant possession of house No.729 situated at 4th Main Road, 1st Block, Geethanjali Layout, HAL, 3rd Stage, Bengaluru - 560 075 [**subject property**]

free from encumbrances and attachments. The appellant also sought a declaration to the effect that the sale deed dated 30.08.2013 executed by KSFC in favour of respondent No.2 be declared as void. Additionally, the appellant sought damages quantified at ₹26,37,30,000/- (Rupees Twenty Six Crore Thirty Seven Lakh and Thirty Thousand only) for what he described as illegal acts committed by KSFC.

2. The appellant is aggrieved by KSFC enforcing its security interest in the subject property.

3. The appellant availed a loan of ₹25 lakh from KSFC on 17.03.1997 for his borewell business. He mortgaged certain movable assets for securing the said loan.

4. Smt. Susheela, learned Senior Counsel appearing for the appellant submits that the appellant had not mortgaged the subject property to secure the said loan but, had done so in the capacity of a guarantor to secure repayment obligations under another transaction where the appellant was not a borrower.

5. The appellant defaulted in his repayment obligations and on 15.10.1998, KSFC issued a demand notice for the outstanding amount. On 13.01.1999, KSFC issued a statutory notice calling upon the appellant to pay a sum of Rs.29,89,163/- with interest at 20% from 10.12.1998. Thereafter, on 15.03.2002, KSFC sold the assets that were hypothecated to secure the loan of ₹25 lakh.

6. On 23.02.2006, KSFC filed a petition under Section 31(1) of the State Financial Act, 1951 (Civil Misc. No.2/2006 in the Court of District and Sessions Judge, Chamarajnagar) *inter alia* seeking recovery of a sum of ₹96,86,566.66 with interest.

7. The learned District Court dismissed the said petition by an order dated 15.11.2011 on the ground that the claim was barred by time. KSFC appealed the order dated 15.11.2011 before this Court (MFA No.221/2012). However, this court dismissed the said appeal by an order dated 04.02.2014 and confirmed the order passed by the learned District Court in Civil Misc. Petition No.2/2006.

8. KSFC preferred a civil appeal (Civil Appeal No.10825/2016) before the Supreme Court impugning the order dated 04.02.2014 passed by this court in MFA No.221/2012. The Supreme Court dismissed the said appeal by an order dated 11.11.2016. However, the court permitted KSFC to file a review petition in this court. Availing the said liberty, KSFC filed a review petition (Review Petition No.140/2017) seeking review of the order dated 04.02.2014 passed by this Court in MFA No.221/2012. However, this Court found no merit in the same and dismissed the review petition by an order dated 24.08.2023. KSFC filed Special Leave Petition (SLP) Nos. 925-926/2024, *inter alia,* challenging the order dated 24.08.2023 passed by this Court dismissing the KSFC's review petition (Review Petition No. 140/2017). The Supreme Court dismissed the said petition on 18.12.2024.

9. While KSFC was pursuing its petition (Civil Misc. Petition No.2/2006) before the Civil Court, it issued a notice dated 08.07.2009 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [**SARFAESI Act**]. This is followed by a notice

dated 19.11.2009 issued under Section 13(4) of the SARFAESI Act to take possession of the subject property.

10. The appellant filed a petition (S.A No.46/2011) under Section 17 of the SARFAESI Act impugning the sale notice dated 04.11.2011. The said petition (S.A No. 46/2011) was partly allowed by an order dated 22.08.2012. The sale notice dated 04.01.2011 was set aside. However, the relief of possession of the subject property was rejected. The said order indicates that the appellant's wife had also preferred an appeal under Section 17 of the SARFAESI Act before the DRT being S.A No.235/2010 which was dismissed by an order dated 08.12.2010. The appellant was also the respondent in the said petition.

11. The appellant filed a writ petition, being W.P No.9335/2013 impugning the order dated 22.08.2012 passed by the learned DRT. However, this court declined to entertain the said appeal with liberty to the appellant to avail of its appellate remedy.

12. KSFC sold the subject property to respondent No.2 under a sale deed dated 30.08.2013, which the appellant had impugned in the writ petition (W.P. No.23099/2023).

13. The appellant preferred an appeal (Appeal No.544/2013) before the Debts Recovery Appellate Tribunal [**DRAT**], against the order dated 22.08.2012 passed by the DRT. However, the said appeal was dismissed on 07.07.2017 on the ground of non-prosecution. The appellant filed an application seeking restoration of its appeal (Appeal No.544/2013) before the DRAT. That too was dismissed by an order dated 02.01.2018 on the ground of delay. The appellant filed a writ petition, being W.P No.26271/2018, challenging the order dated 02.01.2018 passed by the learned DRAT whereby the appellant's application for restoration of its appeal was rejected. This Court passed an order dated 26.09.2019 allowing the said petition. This court set aside the order dated 02.01.2018 passed by the learned DRAT and remanded the matter for consideration afresh subject to the appellant depositing a sum of ₹50 lakh before the learned DRAT within a period of one month from the said date. This Court also

clarified that if the appellant failed to deposit the said amount within a period of thirty days, it would not be entitled to the benefit of the said order.

14. Concededly, the appellant failed to deposit the sum of ₹50 lakh in compliance of the condition for restoration of his appeal. Thus, the order passed by the learned DRAT rejecting the appellant's appeal No.544/2013 became final. It also follows that the order dated 22.08.2012 passed by the learned DRT declining the appellant's prayer for handing over possession of the subject property also attained finality.

15. The appellant filed a writ appeal (W.A No.3980/2019) impugning the order dated 26.09.2019 passed by the Division Bench of this Court in W.P No.26271/2018. The said appeal was dismissed as not maintainable. Notwithstanding that DRT's order dated 22.08.2012 had attained finality, the appellant once again filed a writ petition which was dismissed by the impugned order.

16. The learned Single Judge had rightly held that since the appellant's challenge to the proceedings under SARFAESI Act had attained finality, the relief as sought for could not be granted.

17. The said petition which is filed almost after more than a decade is also liable to be rejected on the ground of delay.

18. Smt.Susheela, learned Senior Counsel appearing for the appellant, submitted that the appellant's cause to file a writ petition arose only after the recovery proceedings instituted by KSFC became final, with the Supreme Court dismissing the SLP on 18.12.2024. We find no merit in this contention. The appellant's cause of action to challenge KSFC's action to take over possession of the subject property arose on 19.10.2011 when the appellant was admittedly dispossessed of the subject property. The cause of action to challenge the sale deed dated 30.08.2018 also arose on the said date; that is on 30.08.2018.

19. It is material to note that the learned District Court had rejected KSFC's Civil Misc. Petition No.2/2006 on 23.02.2006, which was prior to the appellant being dispossessed of the subject

property. KSFC's pursuit of its appellate remedies would not defer the cause of action, for which the appellant seeks redressal by filing the writ petition.

20. In any view of the matter since the appellant's challenge to KSFC's action for enforcement of the security interest under SARFAESI Act had failed and the orders passed by the learned DRT and DRAT had become final, the relief as sought for by the appellant could not be granted. The learned Single Judge had rightly rejected the same.

21. The appeal is accordingly dismissed.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

AHB
List No.: 1 Sl No.: 6