IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 14952 OF 2025 (GM-DRT)

BETWEEN:

CANARA BANK
SPECIALIZED ARM BRANCH MANIPAL
SRD BUILDING, NEAR HEAD OFFICE ANNEXE,
MANIPAL, UDUPI-576104
REPRESENTED BY ITS CHIEF MANAGER
SRI C S V L NARASIMHA SARMA

…PETITIONER

(BY SRI. T.P..MUTHANNA, ADVOCATE)

AND:

1. STATE OF KARNATAKA
   REPRESENTED BY PRINCIPAL SECRETARY,
   REVENUE DEPARTMENT,
   ROOM NO.627, 6TH FLOOR, GATE-1,
   MS BUILDING, DR. B.R. AMBEDKAR VEEDHI,
   BENGALURU-560001.

2. ASSISTANT COMMISSIONER AND
   COMPETENT AUTHORITY
   FOR M/S.GOLD JEWELLERS
   DOOR NO.43/B,
   NANDIKESHWARA TOWERS/ENTERPRISES,
   NEAR PARIJATHA CIRCLE,
   KUNDAPURA-576201.

3. SUB REGISTRAR
   BRAHMAVARA S R O,
   UDUPI DISTRICT,
   KARNATAKA-576101.

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Location: HIGH COURT OF KARNATAKA

4. UNDERSECRETARY TO GOVERNMENT
REVENUE DEPARTMENT (SPECIAL CELL)
VIDHANA SOUDHA, BENGALURU-560 001.

5. SRI.GANESH SHETTY
S/O. LATE GOPAL SHETTY
AGED ABOUT 60 YEARS
PROP. HEGDE FARMS
SHREE LAKSHMI, HOUSE NO.391-II,
PURNIK ROAD, KOTESHWARA,
KUNDAPURA-576222.

6. SMT. BHAGYALAXMI SHETTY
W/O.GANESH SHETTY
AGED ABOUT 59 YEARS
SHREE LAKSHMI, HOUSE NO.391-11,
PURNIK ROAD, KOTESHWARA,
KUNDAPURA-576222.

7. MR. SANDEEP M SHETTY
C/O.MANDARA SHETTY
AGED ABOUT 42 YEARS
B-702 PRIDE ENCHANTA NO.320,
MYSORE ROAD, OPPOSITE BHEL,
BENGALURU SOUTH, BENGALURU-560026.

8. MR. RAJESH KOZHITHODIYIL
S/O. V.P.GOVINDAN KUTTY
AGED ABOUT 55 YEARS
NO.103, SUNDER MANOR,
NO.23 MAIN, KAVALBYRASANDRA,
NP FACTORY ROAD, BENGALURU NORTH,
RT NAGAR, BENGALURU-560032.

9. MR.JITENDRA KUMAR JENA
S/O.SUKANT KUMAR JENA
AGED ABOUT 39 YEARS
FLAT NO.407, HI-VISION SERENE,
HANS AVE ROAD, KHUSAIGUDA,

KAPRA, ECIL, MEDCHAL-MALKAJGIRI,
TELANGANA-500062.

10. MR.JITENDRA NAYAK
C/O. BIDYADHAR NAYAK
AGED ABOUT 53 YEARS
FLAT NO.301, 3RD FLOOR, SR ARCADE,
PLOT NO.14, 15, SURVEY NO.55,65,66,
SURYA NAGAR, MALKAJIGIRI,
NEAR MAISAMMA TEMPLE,
NEREDMET, MALKAJGIRI,
TELANGANA-500056.

…RESPONDENTS

(BY SRI. MANJUNATH K., HCGP FOR R1, R3 AND R4;
SRI. VEERESH BUDHIHAL, ADVOCATE FOR R2;
SRI. PRASANNA K SHETTY, ADVOCATE FOR R7 TO R10;
NOTICE TO R5 AND R6 ARE DISPENSED WITH
VIDE COURT ORDER DATED 23.09.2025)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO SET ASIDE THE ORDERS OF ATTACHMENT/SEIZURE DATED 05.09.2024 AND 25.09.2024 PASSED BY THE HON'BLE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE FOR KPIDFE CASES, BENGALURU UNDER THE PROVISIONS OF SUB-SECTION (2) OF SECTION (3) OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004 (KPIDFE) IN MISC. PETITION NOS. 130/2024 AND 133/2024 IN SO FAR THE SCHEDULE PROPERTY IS CONCERNED (ANNEXURE-D AND E) AND ETC.

THIS WRIT PETITION, COMING ON FOR PRELIMINARY HEARING IN 'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

ORAL ORDER

The present writ petition is filed seeking the following prayer:

> ***"PRAYER***
>
> ***WHEREFORE the Petitioner prays that this Hon'ble court may be pleased to:***
>
> ***a) Issue a writ in the nature of certiorari or any other appropriate writ or direction to set aside the orders of attachment/seizure dated 05.09.2024 & 25.09.2024 passed by the Hon'ble XCI Addl.City Civil & Sessions Judge for KPIDFE Cases, Bengaluru under the provisions of Sub-section (2) of Section (3) of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (KPIDFE) in Misc.Petition Nos.130/2024 & 133/2024 in so far the schedule property is concerned. (Annexure - D & E)***
>
> ***b) Issue a direction/mandamus to Respondent No.4 to release the Schedule Property mortgaged to the Petitioner as per Annexure-B to enable the Petitioner to sell the property to realize its dues.***
>
> ***c) Issue a writ in the nature of mandamus or any other appropriate writ or direction on the Respondent No.3 to register the sale certificate dated 20.02.2025 issued by the Petitioner in favour of Respondent Nos.7 to 10. (Annexure - C)***
>
> ***d) Grant any other order or direction as may deem fit in the circumstances of the case."***

2. Learned counsel appearing for the petitioner/Bank submits that the Special Court was not right in passing the order where the properties are attached much prior to the order passed by the Apex Court. He also relied on the judgment of the Bombay High Court in case of ***ASREC (India) Limited***

Vs. State of Maharashtra and Others[1]. Relying on this judgment, it is submitted that the order passed by the Special Court is contrary to law and the same needs to be set aside.

3. Learned counsel appearing for respondent No.2 submits that when an order is passed under Section 5(2) of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (hereinafter referred to as KPIDFE Act) a miscellaneous first appeal has to be filed before the High Court and a writ petition is not maintainable.

4. In response to that, learned counsel for the petitioner/Bank submits that they have a case on merits and the order has to be set aside.

5. Having heard the learned counsels on either side, perused the entire material on record. The petitioner is questioning an order passed by the Special Court under Section 5(2) of the KPIDFE Act. Even if there is an illegality or the petitioner has a good case on merits, still the petitioner cannot bypass the remedy that is available under Section 16 of the

[1] 2026 SCC OnLine Bom 2067

KPIDFE Act where the miscellaneous first appeal has to be filed before the High Court. In that view of the matter, this Court is passing the following order:

ORDER

i. Accordingly, the writ petition is ***disposed of*** giving liberty to the petitioner to avail the appropriate remedy as per Section 16 of the KPIDFE Act.

ii. The petitioner shall have the benefit of Section 14 of the Limitation Act.

iii. All I.As. in this petition shall stand closed.

Sd/-
(LALITHA KANNEGANTI)
JUDGE

MEG
List No.: 1 Sl No.: 62