IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 1ST DAY OF OCTOBER, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MR. JUSTICE VENKATESH NAIK T

MISCELLANEOUS FIRST APPEAL NO.6350 OF 2024 (KPIDFA)

C/W

MISCELLANEOUS FIRST APPEAL NO. 5394 OF 2023 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 5404 OF 2023 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6336 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6348 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6404 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6405 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6406 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6547 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6736 OF 2024 (KPIDFA)

MISCELLANEOUS FIRST APPEAL NO. 6740 OF 2024 (KPIDFA)

Digitally signed by PAVITHRA N
Location: High Court of Karnataka

IN MFA No. 6350/2024

BETWEEN:

MR. SHOUKATH ALI
S/O MR. ABDUL LATHEEF
AGED ABOUT 37 YEARS
NO.270, AYOTHI DAS NAGAR
P AND T COLONY, D J HALLI
BENGALURU - 560045

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADVOCATE)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED
   3RD FLOOR, MINI, V. V. TOWER PODIUM BLOCK,
   DR. AMBEDKAR VEEDHI
   BENGALURU - 560001
   REPRESENTED BY ITS COMPETENT AUTHORITY
   DR. ASHOK D. R.
   JOINT SECRTARY
   AGED ABOUT 41 YEARS

2. M/S AMBIDENT MARKETING PRIVATE LIMITED
   REGD. OFFICE AT NO.9 A KHB MAIN ROAD
   KANAKANAGARA R T NAGAR POST
   BENGALURU - 560032
   REPRESENTED BY ITS MANAGING DIRECTOR
   MR. SYED FAREED AHAMED
   S/O D. S. JALALUDDIN
   AGED 59 YEARS
   R/AT NO.374
   KUSALNAGARA
   OPP. HANIFIYA MASJID
   VENKATESHAPURAM
   BENGALURU - 560045

…RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
V.C.O. DATED 04.07.2025, NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DATED 04.10.2023 PASSED IN MISC.NO.1116/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND

SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT-2004.

IN MFA NO. 5394/2023

BETWEEN:

MR. SHUKOOR RASHEED RUMMAN
SON OF LATE MR. ABDUL RASHEED
AGED ABOUT 45 YEARS
R/AT "RASHEED MANZIL"
NO.6 AND 7 INFANTRY ROAD CROSS
SHIVAJINAGAR
BENGALURU-560 001

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETANT AUTHORITY
   FOR M/S. AMBIDANT MARKETING PRIVATE LIMITED
   3RD FLOOR, MINI, V. V. TOWER
   PODIUM BLOCK
   DR. AMBEDKAR VEEDHI
   BENGALURU-560001
   REP. BY ITS COMPETENT AUTHORITY
   DR. ASHOK D. R.
   JOINT SECRETARY
   AGED ABOUT 41 YEARS

2. M/S. AMBIDANT MARKETING PRIVATE LIMITED

REGD. OFFICE AT NO.9 A
KHB MAIN ROAD
KANAKANAGARA
R T NAGAR POST
BENGALURU-560032
(REGISTERED VIDE NO.CIN U74999KA2016PTC9812
BY ROC, KORAMANGALA
BENGALURU.

REPRESNTED BY ITS MANAGING DIRECTOR
MR. SYED FAREED AHMED
SON OF D. S. JALALUDDIN
AGED ABOUT 59 YEARS
RESIDDING AT NO. 374, KUSHAL NAGARA
OPPOSITE HANIFIYA MASJID
VENKATESHAPURAM
BENGALURU-560045

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
V.C.O. DTD:20.07.2026, NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS FINANCIAL STATEMENT ACT, AGAINST THE ORDER DT.30.06.2023 PASSED IN MISC. NO.1355/2022 ON THE FILE OF THE XCI (91ST) ADDITIONAL CITY CIVIL AND SESSIONS JUDGE AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU, (CCH-92), ALLOWING THE PETITION FILED U/S.5(2) OF THE KPIDFE ACT, 2004.

IN MFA NO. 5404/2023

BETWEEN:

MR. ALLA BAKASH
SON OF MR. KASIM
AGED ABOUT 49 YEARS
NO.33, M. K. HOUSE, II CROSS

4TH MAIN ROAD
RAHMATH NAGAR
BANGALORE-560032.

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETANT AUTHORITY
FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED,
3RD FLOOR, MINI, V V TOWER,
PODIUM BLOCK,
DR. AMBEDKAR VEEDHI,
BENGALURU-560001,
REP. BY ITS COMPETENT AUTHORITY,
DR. ASHOK D. R.,
JOINT SECRETARY,
AGED ABOUT 41 YEARS.

2. M/S. AMBIDANT MARKETING PRIVATE LIMITED
REGD. OFFICE AT NO.9 A
KHB MAIN ROAD,
KANAKANAGARA,
R. T. NAGAR POST,
BENGALURU-560032,
(REGISTERED VIDE NO.CIN U74999KA2016PTC96612
BY ROC, KORAMANGALA, BENGALURU.

REPRESNTED BY ITS MANAGING DIRECTOR
MR. SYED FAREED AHMED,
SON OF D. S. JALALUDDIN
AGED ABOUT 59 YEARS,
RESIDDING AT NO.374, KUSHAL NAGARA,
OPPOSITE HANIFIYA MASJID,
VENKATESHAPURAM, BENGALURU-560045.

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, AGAINST THE ORDER DT.30.06.2023 PASSED IN MISC.NO.1359/2022 ON THE FILE OF THE XCI 92ND ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU, (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT,2004.

IN MFA NO. 6336/2024

BETWEEN:

MR SHAMSHEER ALI
S/O. MR. ABDUL LATHEEF
AGED ABOUT 39 YEARS
RESIDING AT NO. 270
AYOTHIDAS NAGAR
P AND T COLONY, D. J. HALLI
BENGALURU-560 045

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED
   3RD FLOOR, MINI, V.V. TOWER PODIUM BLOCK
   DR. AMBEDKAR VEEDHI
   BENGALURU-560 001,
   REPRESENTED BY ITS COMPETENT AUTHORITY,
   DR. ASHOK D. R.
   JOINT SECRETARY,
   AGED ABOUT 41 YEARS.

2. M/S. AMBIDENT MARKETING PRIVATE LIMITED
   REGD. OFFICE AT NO. 9A,
   KHB MAIN ROAD,
   KANAKANAGARA R.T. NAGAR POST,

BENGALURU-560 032,
REPRESENTED BY ITS MANAGING DIRECTOR,
MR. SYED FAREED AHAMED,
S/O. D. S. JALALUDDIN,
AGED ABOUT 59 YEARS,
PRESENTLY AT KANPUR CITY DISTRICT JAIL
ADDRESS: THE JAIL SUPERINTENDENT,
KANPUR CITY DISTRICT JAIL,
KANPUR CITY,
UTTAR PRADESH.

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DT.04.10.2023 PASSED IN MISC.NO.1547/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU, (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT,2004.

IN MFA NO.6348/2024

BETWEEN:

MR. MOHAMMED NASIR HUSSAIN
S/O MR. ABDUL RAWOOF
AGED ABOUT 53 YEARS
NO. 130, 5TH CROSS, 5TH A MAIN
RAHMATHNAGAR
R T NAGAR POST, BENGALURU 560 032

REPRESENTED BY HIS GPA HOLDER
MR. MOHAMMED GHOUSE
S/O MR. ABDUL RAWOOF
AGED ABOUT 63 YEARS

NO.48, KENCHAPPA GARDEN, CHAMUNDINAGAR
R T NAGAR POST
BENGALURU - 560 032

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDANT MARKETING PRIVATE LIMITED,
   3RD FLOOR, MINI, V.V. TOWER PODIUM BLOCK,
   DR. AMBEDKAR VEEDHI,
   BENGALURU-560 001,
   REPRESENTED BY ITS COMPETENT AUTHORITY,
   DR. ASHOK D. R.
   JOINT SECRETARY,
   AGED ABOUT 41 YEARS.

2. M/S AMBIDANT MARKETING PRIVATE LIMITED
   REGD. OFFICE AT NO.9 A KHB MAIN ROAD,
   KANAKANAGARA RT NAGAR POST,
   BENGALURU - 560 032.
   REPRESENTED BY ITS MANAGING DRIECTOR.
   MR. SYED FAREED AHAMED,
   S/O D. S. JALALUDDIN,
   AGED 59 YEARS,
   PRESENTLY IN KANPUR CITY DISTRICT JAIL,
   ADDRESS AT: THE JAIL SUPERINTENDENT,
   KANPUR CITY DISTRICT JAIL, KANPUR CITY,
   UTTAR PRADESH.

3. M/S. SANCHAYA LAND AND ESTATE PVT. LTD.
   HAVING ITS REGISTERED OFFICE AT,
   NO. 479,
   PID 98-45-479
   SITUATED AT HMT LAYOUT,
   R T NAGAR,
   BENGALURU - 560032.
   REPRESENTED BY ITS DIRECTOR,

SRI RAVIPATI TARAKA RAGHUNATH.

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DT. 21.11.2023 PASSED IN MISC.NO.1546/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE AND SPECIAL JUDGE FOR KPIDFE, CASES, BENGALURU (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT, 2004.

IN MFA NO. 6404/2024

BETWEEN:

SMT. HABIBA BEGUM
W/O SHABEER AHAMED,
AGED ABOUT 46 YEARS,
NO.10, B STREET, COLES ROAD,
FRAZER TOWN, BENGALURU - 560 005.

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED,
   3RD FLOOR, MINI V V TOWER PODIUM BLOCK,
   DR. AMBEDKAR VEEDHI,
   BENGALURU 560 001.
   REPRESENTED BY ITS COMPETENT AUTHORITY,
   DR. ASHOK D. R., JOINT SECRETARY
   AGED ABOUT 41 YEARS

2. M/S AMBIDENT MARKETING PRIVATE LIMITED
   REGD. OFFICE: AT NO.9 A KHB MAIN ROAD,

KANKANAGARA RT NAGAR POST,
BENGALURU - 560 032.
(REGISTERED VIDE NO.
CIN U74999KA2016PTC9812 BY ROC,
KORAMANGALA, BENGALURU,
REPRESENTED BY ITS MANAGING DIRECTOR,
MR. SYED FAREED AHAMED,
S/O D. S. JALALUDDIN,
AGED 59 YEARS,
R/AT NO.374, KUSALNAGARA,
OPP. HANIFIYA MASJID,
VENKATESHAPURAM,
BENGALURU - 560 045.

3. M/S. SANCHAYA LAND AND ESTATE PVT. LTD.
HAVING ITS REGISTERED OFFICE AT,
NO. 479, PID 98-45-479,
SITUATED AT HMT LAYOUT, RT NAGAR
BENGALURU - 560032.
REPRESENTED BY ITS DIRECTOR,
SRI RAVIPATI TARAKA RAGHUNATH

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, AGAINST THE ORDER DT. 25.10.2023 PASSED IN MISC.NO.1614/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT, 2004.

IN MFA NO. 6405/2024

BETWEEN:

MRS. AYESHA RUQSANA
W/O. MR. SHAMSHEER ALI,
AGED ABOUT 37 YEARS,
RESIDING AT NO. 08,
BILALNAGAR COMPLEX,
P AND T COLONY, HBST SCHOOL CAMPUS,
BENGALURU-560 045.

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETENT AUTHORITY
FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED,
3RD FLOOR, MINI V. V. TOWER PODIUM BLOCK,
DR. AMBEDKAR VEEDHI, BENGALURU - 560001.
REPRESENTED BY ITS COMPETENT AUTHORITY
DR. ASHOK D. R., JOINT SECRETARY,
AGED ABOUT 41 YEARS

2. M/S. AMBIDENT MARKETING PRIVATE LIMITED
REGD. OFFICE: AT NO.9 A KHB MAIN ROAD,
KANAKANAGARA R T NAGAR POST,
BENGALURU - 560032
REPRESENTED BY ITS MANAGING DIRECTOR,
MR. SYED FAREED AHAMED
S/O D. S. JALALUDDIN
AGED 59 YEARS
RESIDING AT NO.374,
KUSHALNAGARA,
OPPOSITE TO HANIFIYA MASJID,
VENKATESHAPURAM,
BANGALORE-560 045.

...RESPONDENTS

(BY SRI. VEERESH R., BUDIHAL, ADV. FOR R1;

NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DATED 04.10.2023 PASSED IN MISC.NO.1451/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT, 2004.

IN MFA NO.6406/2024

BETWEEN:

MS. PARVEEN TAJ
D/O MR. ABDUL LATHEEF,
AGED ABOUT 45 YEARS,
NO.42, MUNESHWARA NAGAR MAIN ROAD,
DJ HALLI, BENGALURU-560 045

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED,
   3RD FLOOR, MINI, V V TOWER PODIUM BLOCK,
   DR. AMBEDKAR VEEDHI, BENGALURU - 560 001.
   REPRESENTED BY ITS COMPETENT AUTHORITY
   DR. ASHOK D. R., JOINT SECRETARY,
   AGED ABOUT 41 YEARS

2. M/S. AMBIDANT MARKETING PRIVATE LIMITED
   REGD. OFFICE: AT NO.9 A KHB MAIN ROAD,
   KANAKANAGARA, R T NAGAR POST,
   BENGALURU - 560032
   REPRESENTED BY ITS MANAGING DIRECTOR,
   MR. SYED FAREED AHAMED

S/O D. S. JALALUDDIN
AGED 59 YEARS
PRESENTLY AT KANPUR CITY DISTRICT JAIL
ADDRESS: THE JAIL SUPERINTENDENT
KANPUR CITY DISTRICT JAIL
KANPUR CITY, UTTAR PRADESH

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DT.04.10.2023 PASSED IN MISC.NO.1600/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU, (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT,2004.

IN MFA NO. 6547/2024

BETWEEN:

MR SHAMSHER AHMED
S/O MR. MIYANGI ABDUL HAMEED,
AGED ABOUT 52 YEARS,
NO.50/66, 1ST FLOOR, 3RD CROSS,
BISMILLA NAGAR, BENGALURU-560 029

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADVOCATE)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED,
   3RD FLOOR, MINI, V. V. TOWER PODIUM BLOCK,
   DR. AMBEDKAR VEEDHI,
   BENGALURU-560 001
   REPRESENTED BY ITS COMPETENT AUTHORITY

DR. ASHOK D.R.
JOINT SECRETARY
AGED ABOUT 41 YEARS

2. M/S. AMBIDENT MARKETING PRIVATE LIMITED
REGD. OFFICE: AT NO. 9 A KHB MAIN ROAD,
KANAKANAGARA RT NAGAR POST,
BENGALURU-560 032.
REPRESENTED BY ITS MANAGING DIRECTOR
MR. SYED FAREED AHAMED,
S/O D.S. JALALUDDIN
AGED 59 YEARS
R/AT NO.374, KUSALNAGARA,
OPP. HANIFIYA MASJID
VENKATESHAPURAM,
BENAGLURU 560 045.

3. M/S SANCHAYA LAND AND ESTATE PVT LTD
HAVING ITS REGISTERED OFFICE AT
NO.479, PID 98-45-479
SITUATED AT HMT LAYOU,
RT NAGAR, BENGALURU 560032,
REPRESENTED BY ITS DIRECTOR
SRI. RAVIPATI TARAKA RAGHUNATH

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DESPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DATED 25.10.2023 PASSED IN MISC.NO.1160/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT,2004.

IN MFA NO. 6736/2024

BETWEEN:

MRS. ZAREENA
W/O MR. SYED KABIR AHAMED,
AGED ABOUT 48 YEARS,
ADI KABIR ASHRAM MAIN ROAD,
R.T. NAGAR, BENGALURU-560 032.

...APPELLANT

(BY SRI. VASUDEVAN H. N., ADV.)

AND:

1. THE COMPETENT AUTHORITY
   FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED.,
   3RD FLOOR, MINI, V. V. TOWER PODIUM BLOCK,
   DR. AMBEDKAR VEEDHI,
   BENGALURU-560 001
   REPRESENTED BY ITS COMPETENT AUTHORITY
   DR. ASHOK D.R.
   JOINT SECRETARY
   AGED ABOUT 41 YEARS

2. M/S. AMBIDANT MARKETING PRIVATE LIMITED
   REGD. OFFICE: AT NO. 9 A KHB MAIN ROAD,
   KANAKANAGARA RT NAGAR POST,
   BENGALURU-560 032
   REPRESENTED BY ITS MANAGING DIRECTOR
   MR. SYED FAREED AHAMED,
   S/O D.S. JALALUDDIN,
   AGED 59 YEARS
   PRESENTLY AT KANPUR CITY DISTRICT JAIL
   ADDRESS: THE JAIL SUPERINTENDENT KANPUR CITY
   DISTRICT JAIL, KANPUR CITY, UTTARPRADESH.

3. M/S SANCHAYA LAND AND ESTATE PRIVATE LTD.,
   REPRESENTED BY ITS DIRECTOR,
   SRI. RAVIPATI TARAKA RAGHUNATH,

OFFICE AT: NO.479,PID NO.98-45-479,
HMT LAYOUT, R.T. NAGAR, BENGALURU-560032

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DISPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DT.25.10.2023 PASSED IN MISC.NO.48/2023 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE AND SPL. JUDGE FOR KPIDFE CASES, BENGALURU, (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT, 2004 WITH COSTS.

IN MFA NO. 6740/2024

BETWEEN:

1. MR. TANWEER AHMED M.
   S/O MR. MUNEER AHAMED,
   AGED ABOUT 33 YEARS,
   R/AT VENKATAGIRIKOTE,
   WARD NO.1, CHINTAMAI
   CHIKABALLAPURA DISTRICT-563125.

2. MR. AZGAR SAIFI. M
   S/O MR. KASIPALLI MUNEER AHAMED,
   AGED ABOUT 38 YEARS,
   R/AT VENKATAGIRIKOTE,
   WARD NO.1, CHINTAMAI,
   CHIKABALLAPURA DISTRICT -563 125.

...APPELLANTS

(BY SRI. VASUDEVAN H. N., ADVOCATE)

AND:

1. THE COMPETENT AUTHORITY

FOR M/S. AMBIDENT MARKETING PRIVATE LIMITED.,
3RD FLOOR, MINI, V. V. TOWER PODIUM BLOCK,
DR. AMBEDKAR VEEDHI, BENGALURU-560 001
REPRESENTED BY ITS COMPETENT AUTHORITY
DR. ASHOK D.R., JOINT SECRETARY
AGED ABOUT 41 YEARS

2. M/S. AMBIDANT MARKETING PRIVATE LIMITED
REGD. OFFICE AT NO. 9 A KHB MAIN ROAD,
KANAKANAGARA RT NAGAR POST,
BENGALURU-560032
REPRESENTED BY ITS MANAGING DIRECTOR,
MR. SYED FAREED AHAMED
S/O D. S. JALALUDDIN
AGED 59 YEARS
R/AT NO.374, KUSALNAGARA
OPP. HANIFIYA MASJID
VENKATESHAPURAM, BENGALURU - 560045

...RESPONDENTS

(BY SRI. VEERESH R. BUDIHAL, ADV. FOR R1;
NOTICE TO R2 IS DESPENSED WITH)

THIS MFA IS FILED U/S.16 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENTS ACT, 2004, AGAINST THE ORDER DATED 04.10.2023 PASSED IN MISC.NO.1448/2022 ON THE FILE OF THE XCI ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AND SPECIAL JUDGE FOR KPIDFE CASES, BENGALURU, (CCH-92), ALLOWING THE PETITIONS FILED U/S.5(2) OF THE KPIDFE ACT,2004.

THESE MISCELLANEOUS FIRST APPEALS HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 03.08.2026 AND COMING ON FOR PRONOUNCEMENT OF JUDGMENT THIS DAY, **ANU SIVARAMAN J.,** PRONOUNCED THE FOLLOWING:

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

CAV JUDGMENT

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

These appeals are filed challenging the Orders dated 25.10.2023, 04.10.2023, 21.11.2023 and 30.06.2023 passed by the Special Court in a batch of miscellaneous applications filed under Section 5(2) of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 ("KPIDFE Act" for short). Since the questions arising in these matters are similar and since the financial establishment involved is the same, these appeals have been listed and heard together and a common judgment is being pronounced.

2. We have heard Shri. Vasudevan H.N. learned counsel appearing for the appellants in the all the appeals and Shri. Veeresh Budihal learned counsel appearing for respondent No.1 in all the appeals.

3. The brief facts of the case are as follows:-

Respondent No.2 - M/s. Ambidant Marketing Private Limited was engaged in collecting deposits from the public under various investment schemes, under which it promised returns/profits and repayment of the principal amount after the stipulated period. Acting on these representations, the appellants and their family members deposited substantial sums with respondent No.2 through cash and RTGS transfers. The appellants contend that, despite the deposits made by them and/or their family members, the amounts due to them were not repaid in accordance with the terms of the respective schemes and substantial amounts remained outstanding.

Thereafter, the appellants approached respondent No.2 seeking return of the amount. The appellants' common case is that, when they sought repayment of their deposits, respondent No.2 expressed its inability to repay the amounts in cash or through bank transfers and proposed settlement of the outstanding dues by conveying rights in properties in the project developed by M/s. Sanchaya Land and Estate Private Limited, in which respondent No.2 and/or

its sister concern had made investments. Pursuant to this arrangement, Agreements of Sale and Sale Deeds covering the properties in B and C Schedules were executed by M/s. Sanchaya Land and Estate Private Limited in favour of the appellants towards adjustment of the amounts due to them, with the appellants contending that they were genuine depositors and not benamidars of respondent No.2.

Meanwhile, owing to the complaints filed by various investors and depositors, the Investigation Officers (C.I.D.) issued a report to the Government on 31.12.2018. Acting upon the said report, the Government issued notification dated 31.01.2019 under Section 3(2) of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004, ('KPIDFE Act' for short), provisionally attaching the properties standing in the name of respondent No.2 as well as the personal properties of persons associated with it. The B and C Schedule Properties, including the flat purchased by the appellants, were brought within the purview of the attachment.

Thereafter, in the year 2022, respondent No.1-Competent Authority under the KPIDFE Act, filed the impugned Miscellaneous Petitions before the Special Court (CCH-92), Bengaluru, under Section 5(2) of the KPIDFE Act, seeking to make the interim attachment absolute in respect of the B and C Schedule Properties. The appellants entered appearance and contested the petitions, contending that they were genuine depositors of respondent No.2 and that the respective properties had been acquired in their names pursuant to settlement/adjustment of the amounts due to them, and therefore that they were not Benamidars holding the properties on behalf of respondent No.2.

By the impugned Orders, the Special Court allowed the petition and made the attachment absolute. The Special Court held that the sale consideration for the schedule properties had flown from respondent No.2 and that since the purchase money was paid by respondent No.2 to purchase the properties in the names of the appellants, the purchase was *prima facie* for the benefit of respondent No.2, unless the appellants proved otherwise and accordingly held

them to be Benamidars. Aggrieved by the said Orders, the appellants have preferred the present Miscellaneous First Appeals under Section 16 of the KPIDFE Act, 2004, along with applications seeking condonation of delay in preferring the appeals.

4. The learned counsel appearing for the appellants contends that the onus of proving that the appellant was a Benamidar of respondent No.2 lay squarely on respondent No.1. It is contended that respondent No.1 has neither adduced evidence nor produced a single document to discharge that burden. On the contrary, the appellants have place on record bank details and account statements marked as exhibits before the Special Court, which establish that the transactions were bona fide investments made with respondent No.2. The Special Court's finding of benami, in the face of undisputed account statements and no contrary material, is unjustifiable.

5. It is further contended that in pursuance of the settlement arrived at between the appellants and respondent No.2, respondent No.2 instructed its sister

concern to issue a "no objection" to the developer, M/s. Sanchaya Land and Estate Private Limited, for execution of the Sale Deeds in favour of the appellants in respect of the B and C Schedule Properties. The Schedule Properties were therefore, acquired by the appellants in their own right in adjustment of their dues, and not as a Benamidar as alleged.

6. It is further contended that the appellants had deposited substantial sums with respondent No.2 through bank transfers and cash on different dates, and thereafter agreed to settle the dues by execution of the Sale Deeds in full and final settlement. The execution of the Sale Deed itself evidences the settlement, and the Special Court's observation that no separate settlement record was produced is therefore misplaced. The additional documents produced by the appellants further establish that the appellants are depositors and not benamidars of respondent No.2.

7. The learned counsel appearing for the respondent - Competent Authority contends that the appellants were

merely Benami holders/agreement holders of the B and C Schedule Properties on behalf of respondent No.2, and that the properties had been purchased in their names with the intention of saving them from the legal consequences faced by respondent No.2. It was contended that no amount had been paid by the appellants towards the purchase of the properties**,** and that the sale consideration had been paid by respondent No.2 itself, through M/s. Ambidant Construction Private Limited.

8. It was further contended that respondent No.2 had itself entered into an arrangement with M/s. Sanchaya Land and Estate Private Limited for purchase of the flats and had paid substantial advance consideration of approximately Rs.33.59 crores. According to the Competent Authority, respondent No.2 intended to acquire the flats as part of its business but when it encountered legal difficulties, the properties were subsequently purchased/agreed to be purchased in the names of the appellants and other persons, using the money paid by respondent No.2. It was further contended that while the subsequent agreements were

formally entered into in the names of the appellants, the real transaction was between respondent No.2 and M/s Sanchaya.

9. It is further contended that there was no material establishing that the amounts allegedly deposited by the appellants or their family members had been adjusted towards the sale consideration, or that respondent No.2 had agreed to transfer the immovable properties in lieu of such deposits. Even assuming that the appellants were depositors, it was contended that their entitlement would be to the return of the deposited amounts with applicable profits, and not to the properties themselves. It is further contended that the appellants had failed to establish that they had independently paid the purchase consideration or possessed the financial capacity to acquire the properties. The bank statements and other documents relied upon by them did not establish that the amounts represented deposits with respondent No.2, particularly in the absence of deposit receipts or other documents evidencing the alleged deposits and settlement. On this basis, it is contended that

the properties were liable to remain attached under Section 3(2) of the KPIDFE Act as properties acquired out of the funds collected by respondent No.2 and held in the names of the appellants.

10. We have considered the contentions advanced and we have also perused the records of the matter. A consolidated table showing the details of the Sale Deeds/ Agreements and the amounts paid are indicated below:-

Sl. No.	**MFA**	**Appellant**	**Date of Sale Deed/ Agreement for Sale ("Agreement")**	**Sale Consideration paid by M/s Ambidant Construction**	**Sale Consideration paid by the Appellant**
1	MFA 6350/2024	Shoukath Ali	Sale Deed dated 09.11.2018	Rs. 42,77,412/-	Rs. 5,00,000/-
2	MFA 6404/2024	Habiba Begum	Agreement dated 17.07.2018	Rs. 35,00,000/-	Rs. 2,00,000/-
3	MFA 6547/2024	Shamsher Ahmed	Agreement dated 17.07.2018	Rs. 33,00,000/-	Rs. 2,00,000/-
4	MFA 6348/2024	Mohammed Nasir Hussain	Agreement dated 18.08.2018	Rs. 34,84,900/-	Rs. 3,00,000/-
5	MFA 6336/2024	Shamsheer Ali	Sale Deed dated 09.11.2018	Rs. 34,39,000/-	Rs. 3,00,000/-
6	MFA 6736/2024	Zareena @ Zareena Iffath	Agreement dated 09.08.2018	Rs. 34,43,844/-	Rs. 3,00,000/-

7	MFA 6406/2024	Parveen Taj.	Sale Deed dated 09.11.2018	Rs. 34,75,000/-	Rs. 3,00,000/-
8	MFA 6405/2024	Ayesha Ruqsana	Sale Deed dated 09.11.2018	Rs. 45,34,221/-	Rs. 5,00,000/-
9	MFA 5404/2023	Alla Baksh	Sale Deed dated 16.11.2018	Rs. 43,45,523/-	Rs. 1,00,000/- (05.07.2018) + Rs. 1,00,000/- (29.08.2018)
10	MFA 5394/2023	Shukoor Rasheed Rumman	Sale Deed dated 16.11.2018	Rs. 32,15,948/-	Rs. 5,00,000/-
11	MFA 6740/2024	Tanweer Ahmed	Sale Deed dated 14.11.2018	Rs. 24,00,000/-	Rs. 1,00,000/-

We notice that the complaints with regard to the non-return of deposits by the Financial Establishment concerned, were raised in the year 2018. It is clear that the Notification under Section 3(2) of the KPIDFE Act was issued by the Government on 31.01.2019. The Sale Deeds and the Sale Agreements which are relied on by the appellants are those entered into in November 2018 or thereafter. The averment in the Sale Deeds would clearly mention that the M/s Ambidant Construction Private Limited, a sister concern of the Financial Establishment which was the party which had entered into the Agreements For Sale on earlier dates in the year 2018, had nominated the purchasers to purchase the

property along with balance undivided right, title, interest and ownership and to acquire absolute share, right, title and interest in the apartments concerned.

11. It is stated that the vendor, that is, M/s Sanchaya Land and Estate Private Limited has accepted the nomination of M/s Ambidant Construction Private Limited and offered to sell the property to the purchasers. The Sale Deeds also specifically state that the purchase price has been paid by M/s. Ambidant Construction Private Limited on dates in March 2018 and the said amount already paid by the Financial Establishment is appropriated as earnest money on the instructions of the Financial Establishment. Further, only relatively small amount is paid by cheque by the purchaser. This is true in the case of the Sale Agreements as well.

12. Section 3(2) of the KPIDFE Act reads as follows:-

> ***"3. Attachment of properties on default of return of deposits.*** *—*
>
> *(1) x x x x x*
>
> *(2) Notwithstanding anything contained in any other law for the time being in force,—*

(i) where, upon complaint received from any depositors or otherwise, the Government is satisfied that any Financial Establishment has failed—

(a) to return the deposit after maturity or on demand by depositor: or

(b) to pay interest or other assured benefit: or

(c) to provide the service against such deposit; or:

(ii) Where the Government has reason to believe that any Financial Establishment is acting in and detrimental to the interest of the depositors with an intention to defraud them; or

(iii) Where the Government is satisfied that such Financial Establishment is not likely to return the deposits or make payment of interest or other benefits assured or to provide the services against which the deposit is received, the Government may, in order to protect the interests of the depositors of such Financial Establishments, after recording reasons in writing, issue an order by publishing it in the official gazette, attaching the money or property believed to have been acquired by such financial establishment either in its own name or in the name of any other person from and out of the deposits collected by the financial establishments, and where it transpires that such money or other property is not available for attachment or not sufficient for the repayment of the deposits, such other property of the said financial establishments, or the personal assets of the promoters, partners, directors, managers or members

or any other person of the said Financial Establishments."

13. It is therefore clear, that properties of the Financial Establishment or those properties purchased by the Financial Establishment in its own name or in the name of any other person is liable to attachment under Section 3(2) of the KPIDFE Act. In the instant case, the properties in question are the ones which are admittedly purchased by the Financial Establishment in the name of the appellants herein. The contention that a small amount of money has been paid by the appellants towards the purchase price at the time of registration would not make any difference to the situation since it is an admitted recital in the registered Sale Deeds that maximum share of the sale consideration has been paid by the Financial Establishment. The recital in the Sale Deed dated 09.11.2018 in respect of MFA No.6350/2024 reads as follows:-

"That in pursuance of the aforesaid agreement and in consideration of the payment of the sale price of Rs.47,77,412/-(Rupees Forty Seven Lakh Seventy Seven Thousand Four Hundred and Twelve Only) to the FIRST PARTY in the following manner

a) Rs.42,77,412/-(Rupees Forty Two Lakh Seventy Seven Thousand Four Hundred and Twelve Only) was paid by M/s Ambidant Construction Pvt. Ltd. Vide NEFT Ref No. INFBR52018020700300819 dated 07.02.2018 the same is appropriated as earnest money on the instructions of M/s. Ambidant Construction Pvt. Ltd.

b) A sum of Rs.5,00,000/- (Rupees Five Lakh Only) was paid vide Cheque bearing No.000009 dated 05.07.2018 drawn on HDFC Bank

x x x x x"

The recital in other Sale Deeds and Agreements are also similar.

14. It is therefore clear that the purchase of the property is by the Financial Establishment for and on behalf of the appellants herein. Even if all the contentions of the appellants raised in these appeals are accepted, the resultant position would be that the appellants had been assigned the apartments which the Financial Establishment had entered into Agreements for Sale for itself, in consideration for their deposits in the Financial Establishments. This action of the Financial Establishment is not permissible at a time when the Financial Establishment is facing difficulties and is unable to return the deposits

made by the public at large. Even in case the entire contentions raised by the appellants are accepted in toto, it would be a situation where persons who have invested amounts in the Financial Establishment are allowed to take back their investments at a time when the Financial Establishment is unable to pay off the other depositors who are identically situated. Sections 2(2) and (3) of the KPIDFE Act read as follows:-

> ***"(2) "Deposit"*** *includes and shall be deemed always to have included any receipt of money or acceptance of any valuable commodity by any Financial Establishment to be returned after a specified period or otherwise, either in cash or in kind or in the form of a specified service with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include,—*
>
> *(i) amount raised by way of share capital or by way of debenture, bond or any other instrument covered under the guidelines given and regulations made, by the Security Board of India, established under the Securities and Exchange Board of India Act, 1992 (Central Act 15 of 1992);*
>
> *(ii) amounts contributed as capital by partners of a firm;*
>
> *(iii) amounts received from a scheduled bank or a co-operative bank or any other banking company as defined in clause (c) of Section 5 of the Banking Regulation Act, 1949 (Central Act 10 of 1949);*
>
> *(iv) any amount received from,—*
> *(a) the Industrial Development Bank of India;*
> *(b) a State Financial Corporation;*
> *(c) any financial institution specified in or under Section 4-A of the Companies Act, 1956 (Central Act 1 of 1956); or*

(d) any other institution that may be specified by the Government in this behalf;

(v) amounts received in the ordinary course of business by way of,-
(a) security deposit;
(b) dealership deposit;
(c) earnest money;
(d) advanced against order for goods or services;

(vi) any amount received from an individual or a firm or an association of individuals, registered under any enactment relating to money lending which is for the time being in force in the State; and

(vii) any amount received by way of subscriptions in respect of a Chit.

Explanation I.— "Chit" has the meaning as assigned to it in clause (b) of Section 2 of the Chit Funds Act, 1982 (Central Act 40 of 1982);

Explanation II.— Any credit given by a seller to a buyer on the sale of any property (whether movable or immovable) shall not be deemed to be deposit for the purposes of this clause.

(3) ***'Depositor'*** *means a person who has made deposits with Financial Establishment; "*

15. In view of the fact that the provisions of the KPIDFE Act provide that properties purchased by the Financial Establishment and even by its Directors and other persons connected to it are liable to be attached and sold to satisfy the claims of the depositors, we are of the opinion that the contention raised in this appeal that the properties belonging to the appellants and have been purchased before

the Notification under Section 3(2) of the KPIDFE Act will not make any difference to the situation.

16. In the circumstances, the contention that the sale of the apartments was made in favour of the appellants to meet the financial liabilities of the Financial Establishment, also cannot be accepted and cannot be permitted in view of the stringent provisions of the KPIDFE Act. The appellants would only be depositors in the Financial Establishment, who are entitled only to the same treatment as other depositors who have deposited hard earned money in the Financial Establishment. They can under no circumstances be permitted to take a march over other depositors by being assigned properties which the Financial Establishment had intended to buy out of its own funds.

17. In the above view of the matter, the batch of appeals filed by the respective appellants fail and accordingly, stand ***dismissed.***

All pending Interlocutory Applications shall stand *disposed of* in all the matters.

Sd/-
(ANU SIVARAMAN)
JUDGE

Sd/-
(VENKATESH NAIK T)
JUDGE

PN*