



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 26TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 1811 OF 2026 (GM-RES)

BETWEEN:

1. SRI M S RAGHU
S/O M. SUBBARAJU,
AGED ABOUT 57 YEARS. R/AT NO.61, AG'S
LAYOUT. NEW BEL ROAD. BENGALURU-560
054.
2. SRI VASUDEVAREDDY.
S/O VENKATAREDDY,
AGED ABOUT 55 YEARS.
R/AT NO.1183, 14TH MAIN, 10TH CROSS,
JUDICIAL LAYOUT. GKVK POST, BENGALURU-
560 065.
3. SRI T.R. ANAND.
S/O T.M. RAMAKRISHNAPPA,
AGED ABOUT 45 YEARS. R/AT NO.1786, 7TH
MAIN, JUDICIAL LAYOUT. GKVK POST,
BENGALURU-560 065.

...PETITIONERS

(BY MS. RAGINI RAGHU., ADVOCATE FOR
SRI. S.RAJASHEKAR.,ADVOCATE)





AND:

1. STATE BANK OF INDIA
A SCHEDULED BANK
WITHIN THE MEANING OF BANKING
REGULATION ACT 1948,
STRESSED ASSETS RECOVERY BRANCH
(05173). NEAR OLD SHIVAJI THEATRE.
OPP TRUST WELL HOSPITAL,
J.C. ROAD, BENGALURU-560 002
REP. BY ITS ASSISTANT GENERAL MANAGER.
2. MRS. C. SOUBHAGYA
W/O LATE H.P. NARAYANA,
R/AT NO.71, GUTHALU ROAD,
ARAKESHWARA NAGARA,
MANDYA-571 401.

...RESPONDENTS

(BY SRI.S. VIGNESH S SHETTY., ADVOCATE FOR
R1; NOTICE TO R2 STANDS DEFERRED FOR
THE PRESENT)

THIS W P IS FILED UNDER ARTICLES 226 AND
227 OF THE CONSTITUTION OF INDIA PRAYING TO
A) ISSUE A WRIT OF CERTIORARI TO QUASH THE
REPLY DATED 17.12.2025 BEARING
NO.AGM/SARB/812/2025-26 ISSUED BY THE
RESPONDENT BANK. VIDE ANNEXURE-A;



B) ISSUE A WRIT OF MANDAMUS DIRECTING THE 1
RESPONDENT BANK TO CONSIDER THE
REPRESENTATION DATED 01.12.2025 SUBMITTED
BY THE PETITIONERS VIDE ANNEXURE-B.

THIS PETITION, COMING ON FOR
PRELIMINARY HEARING, THIS DAY, ORDER WAS
MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

The question that the petitioners present in this
petition is: *whether the sale price paid by them to the
first respondent as successful bidders in an auction
under the Security Interest [Enforcement] Rules, 2002
[for short the Rules] must be restituted with interest
and damages.* The petitioners have called in question
the first respondent's Communication dated
17.12.2025 [Annexure—A] calling upon them to
return the original Title Deeds and the details of the



Bank Accounts to facilitate restitution of Rs.50,20,000/- [*the sale price*].

2. The question as afore is presented in the backdrop of these undisputed facts.

[a] The petitioners have successfully participated in the auction held by the respondents under the Rules in the year 2011 for the sale of the property measuring 1 acre 30 guntas in Sy.No.10/3B, M C Road, Kalenahalli, Yeliyur, Mandya District [*the subject property*].

[b] The first respondent's authorized officer has also handed over the original Title Deeds and possession of the land. However, the petitioners have not been able to retain the title because the borrower [*the second respondent*] has successfully



challenged the auction under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest, 2002 [for short, 'the *SARFAESI Act*'] with the Debt Recovery Tribunal [*DRT*]. The DRT, by its order dated 28.06.2024, has set aside the *Sale Certificate* dated 07.02.2012 issued in favour of the petitioners.

[c] The DRT has not only set aside the Sale Certificate but has also called upon the first respondent to reverse all costs, charges, and expenses, and to ensure possession of the subject property is restored to the borrower.

[d] It is after the DRT's order dated 28.06.2024 the petitioners have filed a Representation dated 01.12.2025



asking for **[i]** the principal amount
[Rs.50,20,000/-], **[ii]** cost of
registration and litigation in a sum
of Rs.10,00,000/-, **[iii]** 20% of the
principal amount as solatium and
[iv] the interest at 18% per annum
from 16.02.2012.

3. The first respondent's impugned Communication dated 17.12.2025 [Annexure—A] is in the light of the afore. This Court must now record that the first respondent does not dispute its liability to restitute the principal amount, and with the petitioners accepting the DRT's order, they cannot refuse the liability to return the original Title Deeds and also the possession of the Subject property. The only subsisting controversy is over the petitioners' claim for the cost of Litigation/ Registration and Solatium/ Interest, which are, admittedly, not backed by any statutory provision.



4. Sri S. Rajashekar, the learned counsel for the petitioners, strenuously argues that this Court must direct the first respondent to pay the cost of Litigation/ Registration and Solatium/ Interest because the material circumstances are not in dispute. Sri Vignesh S Shetty, the learned counsel for the first respondent, submits that the petitioners are also parties to the proceedings with the DRT and they should have, if they can assert any right to receive the cost of Litigation/Registration and Solatium/ Interest, sought for reliefs in such proceedings or in continuing the proceedings permissible under the SARFAESI Act. The learned counsel emphasizes that if the petitioners have not pursued the afore, they are not entitled to claim any relief in the present proceedings.

5. This Court must direct the first respondent to return the principal amount which is undisputed while calling upon the petitioners to hand



over the original Title Deeds and the possession of the subject property to the first respondent. The dispute over other claims cannot be a reason for the petitioners to keep the original Title Deeds and possession, and for the first respondent to keep the principal amount. On the question of the cost of Litigation/ Registration and Solatium/ Interest at 18% per annum, this Court must observe that the cost of Litigation/ Registration will be *reimbursement*, and the others will be damages for the injuries suffered, if any.

6. This Court, in the present proceedings, is not persuaded to examine the question of damages, and for that, the petitioners must work out their remedy in a properly instituted civil suit. The first respondent must pay the principal amount with interest that is reasonable because it has had the benefit of the usufruct in all these years. The DRT has not set aside the Sale Certificate because the



petitioners were at fault. This persuades this Court to opine that the first respondent must pay the Cost of Registration, including the stamp duty and fee. In the light of the afore, the following:

ORDER

The petition stands disposed of with directions as under:

- [a] The petitioners shall file a Representation with the first respondent, within two [2] weeks from the date of receipt of a certified copy of this order, placing on record in writing their willingness to handover the original Title Deeds and redeliver possession of the Subject property.
- [b] If the petitioners file such representation, the first respondent shall ensure that the principal amount [Rs.50,20,000/-] is returned along with interest at 6% per annum and



Cost of Registration, including the stamp duty and fee, simultaneously with the petitioners handing over original Title Deeds and acknowledging that the possession is handed over.

[c] The petitioners are reserved with liberty, subject to all just exceptions, to file a suit for claim for damages observing that all questions on this aspect are left open for consideration.

Sd/-
(B M SHYAM PRASAD)
JUDGE

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