NC: 2026:KHC:16897
WP No. 8071 of 2026

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 25TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 8071 OF 2026 (GM-DRT)

BETWEEN:

M/S SALFRA ENTERPRISES
NO.B-1-85, 3RD FLOOR,
SFS COLONY, YELAHANKA NEW TOWN,
BENGALURU-560 004,
REPRESENTED BY ITS
PROPRIETOR, ARFA KAUSAR,
W/O SALMAN,
AGED ABOUT 28 YEARS

...PETITIONER

(BY SRI. RAJU S., ADVOCATE)

AND:

BANK OF MAHARASHTRA
CITY MARKET, NO.13,
PAXAL TOWER, K.R.ROAD FORT,
BENGALURU - 560 002,
REPRESENTED BY ITS
AUTHORISED OFFICER

...RESPONDENT

(BY SMT. DIVYA PURANDAR, ADVOCATE)

THIS WP IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA, PRAYING TO QUASH THE IMPUGNED POSSESSION NOTICE DATED 24.02.2025 BEARING NO. AW12/SARFAESI/POSSESSION NOTICE/ 2024-25 ISSUED BY THE RESPONDENT BANK AS PER ANNEXURE-A AND IMPUGNED ORDER DATED 27.02.2026 PASSED IN SA NO. 145/2025 BY THE HONBLE DEBT RECOVERY TRIBUNAL AS PER ANNEXURE-E.

THIS PETITION, COMING ON FOR ORDERS, 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:

> ***"Wherefore, the petitioner most humbly prays that this Hon'ble Court be pleased to:***
>
> ***i) Issue a writ of certiorari or any other writ, order or direction, quashing the impugned Possession Notice dated 24.02.2025 bearing No.AW12/SARFAESI/Possession Notice/2024-25 issued by the Respondent-Bank as per Annexure-A and impugned order dated 27.02.2026 passed in S.A.No.145/2025 by the Hon'ble Debt Recovery Tribunal as per Annexure-E;***
>
> ***ii) Grant such other order(s) as this Hon'ble Court may deem fit in the facts and circumstances of the case, in the interest of justice and equity."***

2. The facts of the case are that the petitioner has approached the Bank for a loan facility of packing Credit Limit of Rs.1,10,00,000/- and post Shipment Credit Limit of Rs.1,40,00,000/- for the agricultural sector. As the petitioner was irregular in paying the loan amount, the account is

classified as NPA on 11.12.2024. Thereafter, the proceedings under the SARFAESI Act were initiated by the Bank and Possession Notice was issued on 24.02.2025. Then the petitioner has filed SA No.14/2025 before the DRT. An interim order was granted on 03.03.2025 subject to the petitioner paying 25% of the outstanding amount within two months in two instalments, totally amounting to Rs.47,66,414/-. The petitioner has paid the said amount to the respondent-Bank as ordered by the DRT. It is stated that sum of Rs.90,58,445.15 is due towards packing credit and sum of Rs.48,69,865/- is due towards the post shipment credit as on today. It is stated that the petitioner is ready and willing to repay the entire loan amount provided a reasonable time is given to the petitioner as the overseas customers are delaying payments to be made to the petitioner against the goods exported to them. It is stated that due to adverse market condition in the overseas business, the overseas customers are delaying the payments to the petitioner which in turn affects the repayment of the loans by the petitioner. It is stated that in spite of bringing all these facts to the notice of the DRT, has failed to consider the same and has passed an order dated 27.02.2026 upholding the possession notice issued by the Bank on technical grounds. It is the contention that none of the grounds raised by the petitioner were considered by the DRT. Hence, the petitioner is before this Court.

3. Though normally this Court is not entertaining writ petitions that are filed against the order passed by the DRT or any steps initiated by the Bank as the party has an effective alternative remedy before the DRT or before the DRAT. However, in cases where the parties are ready to pay the amount within a reasonable time by filing an undertaking affidavit, this Court is entertaining the writ petition. The whole purport and purpose of the SARFAESI Act is to recover the amounts due to the Banks and financial institutions in a speedy manner.

4. In this case, according to learned counsel appearing for the respondent, the outstanding amount is Rs.1,62,80,462/- as on 22.03.2026. The learned counsel for the petitioner has submitted before this Court that they are ready to pay the entire amount by 30.09.2026. The account is declared as NPA on 11.12.2024. Almost one and half year, the Bank could not

recover any amount except the amount which is paid by the petitioner as a condition imposed by the DRT. Petitioner has filed an undertaking affidavit before this Court stating that he is ready to clear the entire amount by 30.09.2026, learned counsel for the respondent-Bank has submitted that the bank is not interested for the said proposal. However, it is submitted that she will get specific instructions. Accordingly, the matter is adjourned to 25.03.2026. Today the learned counsel for the Bank submits that the petitioner was enjoying the interim order for a period of one year before DRT and now the proposal is not acceptable to the Bank. It is submitted that the present writ petition is not maintainable and the petitioner has to go before DRAT.

5. Having heard the learned counsels on either side, perused the material on record. The outstanding amount is running in to rupees one crore and odd. The Bank is fighting the litigation from the year 2024 and the account was declared as NPA in the year 2024. When the petitioner has come up before this Court by filing an undertaking affidavit that he will clear entire outstanding amount by 30.09.2026, in the considered opinion of this Court, this proposal is in the interest

of the Bank. This will put a quietus to the litigation and also the Bank would be getting the amounts within a period of six months. This Court is coming across cases where the cases are pending for years together either before this Court or before the Tribunals. In these facts and circumstances, granting six months' time as sought for by the petitioner for repaying the entire loan amount is in the interest of the Bank. At the same time, if the petitioner fails to hounour the undertaking affidavit, the Bank shall be compensated.

6. In that light of the above discussion, this Court is passing the following:

ORDER

i. Accordingly, the writ petition is ***disposed of*** directing the petitioner to pay 20% of the outstanding amount by 30.05.2026 and remaining amount by 30.09.2026.

ii. In case the petitioner fails to pay the first installment by 30.05.2026, the Bank is at liberty to proceed further and at the same time the petitioner shall pay costs of Rs.10,00,000/- and if the petitioner fails to pay the remaining amount, the

Bank is at liberty to proceed and petitioner has to pay Rs.10,00,000/- towards costs to the Bank.

iii. All pending I.As., in the writ petition shall stand closed.

SD/-
(LALITHA KANNEGANTI)
JUDGE

PKN
List No.: 1 Sl No.: 16