



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 14528 OF 2019 (GM-DRT)

BETWEEN:

1. SRI SHIVARAM M HEBBAR
S/O MAHABALESHWAR HEBBAR
AGED 61 YEARS
RESIDING AT NO.91,
POST ARBAIL, TALUK YELLAPUR
UTTARA KANNADA 581337
NOTE: SENIOR CITIZEN BENEFICIARY
NOT CLAIMED BY THE PETITIONER

...PETITIONER

(BY SRI. KESHAVA BHAT A., ADVOCATE)

AND:

1. STATE BANK OF INDIA
ASSETS MANAGEMENT GROUP
BANGALORE BRANCH
II FLOOR OFFICE COMPLEX BUILDING
LHO CAMPUS, 65, ST.MARKS ROAD
BANGALORE-560001
REPRESENTED BY ITS DEPUTY GENERAL MANAGER
2. MR HARESH DOSHI,
G3 BRIGADE RATNA
42, RANGA RAO ROAD,
BASAVANAGUDI
BANGALORE-560004

...RESPONDENTS





(BY SRI. M.R SHASHIDHAR, ADVOCATE FOR R1
SRI H S PRASHANTH., ADVOCATE FOR R2)

THIS W.P. IS FILED PRAYING TO-SET ASIDE THE COMMUNICATION SENT BY THE BANK DATED 18.01.2019 VIDE ANNEX-D. DIRECT THE RESPONDENT TO REFUND THE SECURITY DEPOSIT OF RS.55 LAKHS WITH ACCRUED INTEREST TO THE PETITIONER FORTHWITH.

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 prays that this Hon'ble Court may be pleased to;

(i) Issue a writ of certiorari or any other appropriate writ, order or direction setting aside the communication sent by the Bank dated 18.01.2019 in No.DGM/SAMB/CLO-3/RUP/1017 vide Annexure-D;

(ii) Issue consequential writ of mandamus directing the Respondent to refund the security



deposit of Rs.55 lakhs with accrued interest to the Petitioner forthwith;

(iii) Grant such other and further reliefs that this Hon'ble Court deems fit in the circumstances of this case, in the interest of justice and equity".

2. It is the case of the petitioner that he is one of the two directors of the company which has mortgaged the movable property for the loan availed by the company. When the loan was not repaid, the respondents have initiated the proceedings under the SARFAESI Act and the auction was scheduled on 24.08.2016 and an amount of Rs.16 crores was recovered. The bank had called upon the directors of the company to shift the movable assets which were lying in the auction premises. Petitioner being the director has approached the bank to take delivery of the movables and the bank has insisted for a security deposit of Rs.55,00,000/- which was furnished by the petitioner i.e. one of the director. The petitioner thereafter has approached the bank to release the deposited amount of Rs.55,00,000/- but the respondent-bank insisted on releasing the funds once a resolution is passed by the company on security. It is the grievance of the petitioner that when he has deposited an amount of Rs.55,00,000/- now a resolution is not



required. Further, the other director is no more a director of the company. As such, no such resolution is required. Hence, he has filed the present writ petition seeking to quash the communication issued by the bank. It is also submitted that the respondent-Bank has to pay the interest.

3. Learned counsel appearing for the respondent-Bank submits that the bank is ready to give the money provided the directors come forward or a resolution is passed and without that they cannot release the amount. It is submitted that right from 2016 the petitioner has not taken any action and after 3 years he has filed this petition. Now he cannot insist for the interest to be paid by the bank.

4. Learned counsel appearing for the second respondent submits that he is continued to be the director and as per the profit/loss ratio he is entitled for 55% and the petitioner is entitled to 45% of the security deposit. In response to that, learned counsel for the petitioner submits that he has given this amount of Rs.55,00,000/- of security deposit in the year 2016 and the second respondent is not entitled for any share.



5. Having heard the learned counsel on either side, perused the material on record. According to the petitioner, the second respondent has ceased to be a director. However, he does not dispute the fact that as on the day the movables were taken by the petitioner, he was the director. According to the respondent, even till now he continues to be a director. Be that as it may, considering the fact that as on the date when the movables were taken by the petitioner, the respondent No.2 was the director and that property belongs to the company, in that case both of them are entitled for share. According to the second respondent, the second respondent is entitled for 55% of the share and the petitioner is entitled for 45%. Considering the fact that in the year 2016 the petitioner has given the security deposit of Rs.55,00,000/-, this Court is of the considered opinion that the ends of justice would be met if the amount is equally distributed between the petitioner and the respondent No.2. In that view of the matter, this Court is passing the following:



ORDER

- i. Accordingly, the writ petition is ***disposed of*** directing the first respondent-Bank to release the security deposit along with the accrued interest equally between the petitioner and the second respondent within a period of two weeks from the date of receipt of the copy of this order.
- ii. All pending I.As in this writ petition stands closed.

**SD/-
(LALITHA KANNEGANTI)
JUDGE**