



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 23RD DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE S RACHAIAH

WRIT PETITION NO. 20452 OF 2019 (GM-DRT)

C/W

WRIT PETITION NO. 51907 OF 2019 (GM-DRT)

WRIT PETITION NO. 52290 OF 2019 (GM-DRT)

IN WP No. 20452/2019

BETWEEN:

1. K. SUNDER BABU (HUF)
AGED ABOUT 60 YEARS
S/O LATE A. KRISHNA REDDY,
NO.1, KRISHNA REDDY INDUSTRIAL AREA,
7TH MILE, HOSUR ROAD,
BANGALORE – 560 068.



...PETITIONER

(BY SRI. VIKRAM HUILGOL, SR. ADVOCATE FOR
SRI. YESHU BABA R MISHRA, ADVOCATE)

AND:

1. ING VYSYA BANK LTD (KOTAK MAHINDRA BANK)
[A COMPANY INCORPORATED UNDER THE
COMPANIES ACT, 1956]
THROUGH MANAGING DIRECTOR AND CEO,



HAVING THEIR REGISTERED OFFICE
AT ING VYSYA HOUSE, 22, MG ROAD,
BANGALORE – 560 001.

2. M/S PHOENIX ARC PRIVATE LIMITED
A COMPANY INCORPORATED UNDER THE
COMPANIES ACT, 1956, AND
REGISTERED AS A SECURITISATION AND
ASSET RECONSTRUCTION COMPANY UNDER THE
PROVISIONS OF SECTION 3 OF THE
SECURITIZATION AND RECONSTRUCTION OF
FINANCIAL ASSETS AND ENFORCEMENT OF
SECURITY INTEREST ACT, 2002
(SARFAESI ACT)
ACTING IN ITS CAPACITY AS
TRUSTEE OF PHOENIX
ARF SCHEME 9,
HAVING ITS REGISTERED OFFICE AT
7TH FLOOR, DANI CORPORATE PARK,
158, C.S.T. ROAD, KALINA,
SANTACRUZ (EAST)
MUMBAI – 400 098.
REPRESENTED BY ITS MANAGING DIRECTOR
3. SMT. S.R. SHOBHA
W/O SHRI.K SUNDER BAB,
NO.1,KRISHNA REDDY
INDUSTRIAL AREA,
7TH MILE HOSUR ROAD,
BANGALORE – 560 068.
4. SRI.N.A. BOJARAJ
FATHERS NAME NOT KNOWN
AGED MAJOR,
RESIDING AT NO.64,
3RD FLOOR, RAILWAY



NC: 2026:KHC:11103-DB
WP No. 20452 of 2019
C/W WP No. 51907 of 2019
WP No. 52290 of 2019

PARALLEL ROAD,
KUMARA PARK WEST,
BANGALORE – 560 002.

...RESPONDENTS

(BY SRI. P S RAJAGOPAL, SR. ADVOCATE FOR
SRI. B C AVINASH, ADVOCATE FOR R2;
R1 & R3 ARE SERVED AND UNREPRESENTED)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF
THE CONSTITUTION OF INDIA PRAYING TO QUASH THE SALE
CERTIFICATE DATED 7.11.2016 ISSUED BY THE R-2 IN
FAVOUR OF R-4 AS FOUND AT ANNEXURE-A AND ETC.,

IN WP NO. 51907/2019

BETWEEN:

1. MR. K SUNDER BABU (HUF)
AGED ABOUT 60 YEARS,
THROUGH KARTHA
MR. K. SUNDER BABU (HUF)
NO.55, KRISHNA REDDY INDUSTRIAL AREA,
7TH MILE,
HOSUR ROAD,
BANGALORE - 560 068.
SENIOR CITIZEN BENEFIT NOT CLAIMED
2. MR. K. SUNDER BABU
AGED 60 YEARS
NO.55, KRISHNA REDDY INDUSTRIAL AREA,
7TH MILE,
HOSUR ROAD,
BANGALORE - 560 068.
3. MRS. S. R. SHOBHA



AGED 51 YEARS
NO.55, KRISHNA REDDY INDUSTRIAL AREA,
7TH MILE,
HOSUR ROAD,
BANGALORE - 560 068.

...PETITIONERS

(BY SRI. VIKRAM HUILGOL, SR. ADVOCATE FOR
SRI. YESHU BABA R MISHRA, ADVOCATE)

AND:

1. M/S. PHOENIX ARC PVT. LTD.,
REPRESENTED BY ITS GENERAL MANAGER
5TH FLOOR, DANI CORPORATE PARK,
158, CST ROAD,
KALINA, SANTA CRUZ (E),
MUMBAI - 400 098.
2. ING VYSYA BANK LTD
REPRESENTED BY ITS MANAGER
(NOW KOTAK MAHINDRA BANK)
7 BKC, C27, G BLOCK,
BANDRA KURLA COMPLEX,
BANDRA (E), MUMBAI - 400 051.

...RESPONDENTS

(BY SRI. P S RAJAGOPAL, SR. ADVOCATE FOR
SRI. B C AVINASH, ADVOCATE FOR R1;
NOTICE TO R2 IS D/W)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227
OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE
ORDER DATED 26.09.2019 PASSED BY THE DEBT
RECOVERY APPELLATE TRIBUNAL CHENNAI IN RA
NO.47/2018 ANNEXURE-A AND ETC.,



IN WP NO. 52290/2019

BETWEEN:

1. M/S PHOENIX ARC PRIVATE LIMITED
A COMPANY INCORPORATED
UNDER THE COMPANIES ACT, 1956
AND REGISTERED AS A SECURITISATION
AND ASSET RECONSTRUCTION COMPANY
UNDER THE PROVISIONS OF
SECTION 3 OF THE SECURITISATION AND
RECONSTRUCTION OF FINANCIAL ASSETS AND
ENFORCEMENT OF SECURITY
INTEREST ACT, 2002
(SARFAESI ACT) ACTING IN ITS CAPACITY AS
TRUSTEE OF PHOENIX ARF SCHEME 11
HAVING ITS REGISTERED OFFICE AT
7TH FLOOR
DANI CORPORATE PARK,
158, C S T ROAD
KALINA, SANTACRUST(EAST)
MUMBAI – 400 098.
REPRESENTED BY ITS AUTHORISED
REPRESENTATIVE
MR. JIMIT TRIVEDI
...PETITIONER
(BY SRI. P S RAJAGOPAL, SR.ADVOCATE FOR
SRI. B C AVINASH, ADVOCATE)

AND:

1. SRI. K SUNDER BABU(HUF)
THROUGH KARTA MR. K. SUNDER BABU
R/A NO.55, KRISHNA REDDY INDUSTRIAL AREA
7TH MILE, HOSUR ROAD
BANGALORE – 560 068.



2. SRI. K SUNDER BABU
S/O LATE KRISHNA REDDY
AGED ABOUT 58 YEARS
R/A NO.55, KRISHNA REDDY INDUSTRIAL AREA
7TH MILE, HOSUR ROAD
BANGALORE – 560 068.
3. SMT. SHOBHA
W/O K. SUNDER BABU
AGED ABOUT 48 YEARS
R/A NO.55, KRISHNA REDDY INDUSTRIAL AREA
7TH MILE, HOSUR ROAD
BANGALORE – 560 068.
4. ING VYSYA BANK LIMITED
(NOW KOTAK MAHINDRA BANK)
7, BKS, C 27 G BLOCK
BANDRAKURLA COMPLEX
BANDRA(E) MUMBAI – 400 051.

...RESPONDENTS

(BY SRI. VIKRAM HUILGOL, SR.ADVOCATE FOR
SRI. YESHU BABA R MISHRA, ADVOCATE FOR R1-R3;
NOTICE TO R4 IS D/W)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227
OF THE CONSTITUTION OF INDIA PRAYING TO QUASH/SET
ASIDE THE PORTION OF THE IMPUGNED FINAL ORDER
DATED 26.09.2019 PASSED IN RA NO.47/2018 VIDE
ANNEXURE-R AND ETC.,

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

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MR. JUSTICE S RACHAIAH



NC: 2026:KHC:11103-DB
WP No. 20452 of 2019
C/W WP No. 51907 of 2019
WP No. 52290 of 2019

ORAL ORDER

(PER: HON'BLE MR. JUSTICE D K SINGH)

1. The controversy involved in these writ petitions i.e., W.P Nos.51907/2019 and 52290/2019 is in a narrow compass. The Debts Recovery Tribunal (for short 'DRT') vide the order 18.12.2017 has denied the interest to M/s. Phoenix Asset Reconstruction Company Private Limited (for short 'Company') for the period from the date of filing of the Original Application till disposal. This order has been modified by the Debts Recovery Appellate Tribunal (for short 'DRAT') and DRAT has restricted the denial of interest to the Company for the period 29.02.2016 to 04.04.2017 and the DRAT has also reduced the interest, instead of monthly rests to yearly rests the rate of interest from 18.75% to 16.25%.
2. Mr. Vikram Huilgol, learned counsel appearing for the petitioners in W.P Nos.20542/2019 and 51907/2019 submits that DRT wrongly interfered with the period for which the interest was denied. He also submits that, despite the opportunity granted to the Company, it could



not lead the evidence and therefore, the evidence was closed on 28.06.2016 and the opportunity for leading the evidence was again given on 05.04.2017. It is the question of around 6 months. However, the DRT has restricted the denial of interest from 29.02.2016 to 04.04.2017.

3. Mr. Vikram Huilgol, learned counsel for the petitioners submit that, if the order of DRT is maintained, interest would not be payable from 2011 onwards.
4. Having considered the submissions, we do not find any ground to deny the interest to the respondent from the date of filing of the Original Application by the Company. However, we find substance in the submission that the interest should not be paid for the period of delayed proceedings, as the respondent did not lead the evidence. Therefore, we restrict denial of interest only to the period from 29.02.2016 to 14.07.2017.
5. Mr. P.S. Rajgopal, learned Senior Counsel appearing for the petitioner in W.P No.52290/2019 submits that the



DRAT ought not to have reduced the interest from monthly rests to annual rests between the parties. He further submits that once the parties had agreed interest rate of 18.75%, there was no justification for the DRAT to reduce the same to 16.25%.

6. We have considered the submission, however, we do not wish to interfere with the reduction of the rate of interest which is well within the power of the DRAT to modify the rate of interest between the parties for the relevant period. We, therefore, close all the proceedings.
7. The writ petition in WP No.20452/2019 has been filed challenging the order of statutory pre-deposit. We find no reason to interfere with impugned order, therefore, it is dismissed.

Sd/-
(D K SINGH)
JUDGE

Sd/-
(S RACHAIAH)
JUDGE