NC: 2026:KHC:11441
WP No. 27683 of 2024

HC-KAR

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. 27683 OF 2024 (GM-DRT)

BETWEEN:

H. CHANDRASHEKAR,
S/O. LATE K. HANUMAIAH,
AGED ABOUT 54 YEARS,
NO.341, 3RD MAIN, 1ST STAGE,
1ST PHASE, MANJUNATHNAGAR,
BENGALURU – 560 010.

...PETITIONER

(BY SRI. T. DADAKHALANDAR, ADVOCATE)

AND:

1. ASHOK NAGAR CO-OPERATIVE BANK LTD.,
NO.1380/B, 6TH CROSS, ASHOK NAGAR,
BSK 1ST STAGE, 2ND BLOCK,
BENGALURU - 560 050.
REP. BY ITS CHIEF EXECUTIVE OFFICER.

2. AUTHORIZED OFFICER
UNDER THE SECURITIZATION AND
RECONSTRUCTION OF FINANCIAL ASSETS

AND ENFORCEMENT OF SECURITY INTEREST,
ASHOKNAGAR, CO-OPERATIVE BANK,
NO.1380/B, 6TH CROSS, ASHOK NAGAR,
BSK 1ST STAGE, 2ND BLOCK,
BENGALURU – 560 050.

3. B.H. NAGAHANUMEGOWDA,
S/O. LATE HANUMAIAH,
AGED ABOUT 60 YEARS,
NO.36/19, 4TH CROSS,
16TH MAIN, 4TH BLOCK,
NANDINI LAYOUT,
BENGALURU – 560 022.

…RESPONDENTS

(BY SRI. RAMESHA M.S., ADVOCATE FOR R1)

THIS W.P. IS FILED UNDER ARTICLE 227 OF CONSTITUTION OF INDIA PRAYING TO QUASH THE COMMUNICATION LETTER BEARING NO.ACBL/124/2024-25 DTD. 20.09.2024 ISSUED BY THE R-2 VIDE ANNX-M AND ETC.

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 pray that this Hon'ble Authority be pleased to:-***
>
> ***i. Quash the communication letter bearing No.ACBL/124/2024-25 Dtd.20/09/2024 issued by the 2nd Respondent vide - Annexure M and***
>
> ***ii. Pass such other relief/s as this Hon'ble Authority deems fit under the facts and circumstances of the case, in the interest of justice and equity."***

2. It is the case of the petitioner that he had availed the overdraft loan facility on 21.12.2000. The petitioner is a guarantor to the overdraft loan granted to respondent No.3. As respondent No.3 has failed to pay the amount, the bank had initiated the proceedings under the SARFAESI Act. The bank had issued a notice dated 01.12.2018 that an amount of Rs.25,40,212/- is due. That was replied by the petitioner on 05.01.2019 expressing the intention that he is ready to pay an amount of Rs.3,00,000/-, but respondent No.1/bank had proceeded further by issuing a notice under Section 13(4) of the SARFAESI Act on 04.11.2020. Then, the petitioner

approached the Debt Recovery Tribunal. Initially, the stay was granted by an order dated 18.08.2023 on the condition that the petitioner shall pay a sum of 25% within one month in three installments. By virtue of that, he was constrained to pay an amount of Rs.7,00,000/- on 21.08.2023, 30.08.2023 and 15.09.2023. Thereby, the order of the DRT was fully complied. By virtue of the interim order, the auction sale of the property came to an end. Thereafter, respondent No.1/bank had approached the jurisdictional Magistrate and filed Crl.Misc.No.2502/2023 and an order was passed under Section 14 of the SARFAESI Act on 13.06.2022. The petitioner, by letter dated 08.04.2024 had expressed that he is ready to clear the entire amount. Then a legal notice was sent on 17.08.2023 to respondent No.1/bank to take action against the principal borrower and return the original documents pertaining to the petitioner. When respondent No.1/bank proceeded to conduct e-auction on 04.07.2024, the petitioner had raised a dispute before the Additional Registrar of Co-operative Societies and sought stay of the proposed e-auction. With the consent of respondent No.1/bank, the said e-auction was not proceeded. The petitioner paid an amount of Rs.10,00,000/- by way of a demand draft. It is the grievance of the petitioner that as per the OTS letter dated 26.08.2024, the petitioner has paid the entire amount and in spite of the same, respondent No.1/bank had proceeded with the auction and he has filed the instant writ petition.

3. Learned counsel appearing for respondent No.1/ bank submits that as proceedings are pending before the Additional Registrar of Co-operative Societies and pursuant to the directions issued therein, the petitioner submitted a request to respondent No.1/bank seeking one time settlement of the outstanding loan amount. Accordingly, in compliance with the said direction and without prejudice to its rights and conditions, respondent No.1/bank had issued a letter dated 26.08.2024 communicating the OTS amount of Rs.17,50,241/-. Being the amount due as on the relevant date, excluding the payments already made, the one time settlement proposal was not accepted by the petitioner. Then respondent No.1/bank proceeded to conduct the e-auction on 20.09.2024 and the highest bidder had paid the entire amount. It is submitted that the present writ petition is not maintainable and the petitioner

has an efficacious remedy under Section 17 of the SARFAESI Act.

4. Having heard the learned counsels on either side, perused the material on record. The prayer that is sought before this Court is to quash the communication letter dated 20.09.2024. By virtue of the said letter, the respondents have informed the petitioner that the auction had taken place. If this communication is set aside and how the petitioner would be placed in a better position, this Court is not able to understand. If the petitioner is aggrieved by the e-auction that is conducted by respondent No.1/bank, he would have questioned the same and he would have made the auction purchaser also a party to these proceedings. By quashing the communication dated 20.09.2024, no useful purpose would be served. That apart, the contention of the learned counsel for the petitioner is that he has already paid more than an amount of Rs.17,00,000/- and odd as that is offered as per the one time settlement. The letter that is issued by the bank is on 26.08.2024. According to him, he has paid an amount of Rs.10,00,000/- prior to that. Then as per one time settlement, amount has to be paid by

30.09.2024. Nothing is forthcoming to show that he has paid an amount of Rs.17,00,000/- and odd between 26.08.2024 and 30.09.2024. According to the petitioner, the respondents have not deducted the said amount. If that is the case, the petitioner ought to have communicated the same to respondent No.1/bank. When they have addressed a letter on 26.08.2024, the petitioner had kept quiet till 30.09.2024 and then has come up before this Court raising all these grounds. The writ petition cannot be entertained by this Court. Further, on 06.11.2024, a Co-ordinate Bench of this Court had directed the matter to be listed on 15.11.2024. Till then, respondent Nos.1 and 2 shall not issue sale certificate in favour of the auction purchaser. Then that interim order has been extended from time to time. The petitioner is not entitled for any relief from this Court and he cannot file a writ petition questioning a communication without even assailing any of the proceedings that are initiated by the bank under the SARFAESI Act. In that view of the matter, this Court is passing the following:

ORDER

i. Accordingly, the writ petition is ***disposed of*** giving liberty to the petitioner to avail appropriate remedy if any, in accordance with law.

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

SD/-
(LALITHA KANNEGANTI)
JUDGE

BN
List No.: 1 Sl No.: 3