



HC-KAR

NC: 2026:KHC:18853
WP No. 12986 of 2025
C/W WP No. 9061 of 2025

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 7TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 12986 OF 2025 (GM-DRT)

C/W

WRIT PETITION NO. 9061 OF 2025 (GM-DRT)

IN WP No. 12986/2025

BETWEEN:

1. SRI. PAUL DEEPAK JOSEPH
S/O C JOSEPH
AGED ABOUT 42 YEARS
2. SMT.YASHASWINI B
W/O PAUL DEEPAK JOSEPH
AGED ABOUT 40 YEARS

BOTH ARE R/AT NO 595,
PAULS NILAYA, NEHARU ROAD,
KULLAPPA CIRCLE, 8TH CROSS,
KAMMANAHALLI,
BENGALURU- 560084

...PETITIONERS

(BY SRI. NITISH, ADVOCATE FOR
SRI. K V NARASIMHAN., ADVOCATE)

AND:

1. THE BENGALURU CITY
CO OPERATIVE BANK LTD.,





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ADMINISTRATIVE OFFICE AT,
NO 03, PAMPAMAHAKAVI ROAD,
CHAMARAJAPET BENGALURU- 560018
REPRESENTED BY ITS GENERAL MANAGER

2. THOMAS PRABHU J
S/O LATE R JOSEPH
AGED ABOUT 45 YEARS,
R/AT 630, 5TH MAIN,
KEB ROAD, 1ST CROSS,
KULLAPPA CIRCLE,
ST THOMAS TOWN POST,
KAMMANAHALLI,
BENGALURU- 560084

...RESPONDENTS

(BY SRI. K.V.LOKESH, ADVOCATE FOR R1;
V/O DTD 2.5.2025)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH IMPUGNED AT ANNEX-D DTD. 16.11.2024 PASSED BY THE LEARNED IX ADDITIONAL CHIEF METROPOLITAN MAGISTRATE AT BENGALURU IN CRL. MISC 50603/2024., AND ETC.

IN WP NO. 9061/2025

BETWEEN:

1. SRI. PAUL DEEPAK JOSEPH
S/O C. JOSEPH,
AGED ABOUT 42 YEARS
2. SMT. YASHASWINI. B,
W/O PAUL DEEPAK JOSEPH,
AGED ABOUT 40 YEARS



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BOTH ARE R/AT NO.595, PAULS NILAYA,
NEHARU ROAD, KULLAPPA CIRCLE,
8TH CROSS, KAMMANAHALLI,
BENGALURU- 560084,

...PETITIONERS

(BY SRI. NITISH, ADVOCATE FOR
SRI. K V NARASIMHAN., ADVOCATE)

AND:

THE BENGALURU CITY
CO OPERATIVE BANK LTD.,
ADMINISTRATIVE OFFICE AT,
NO.3, PAMPA MAHAKAVI ROAD,
CHAMARAJAPET, BENGALURU- 560018,
REPRESENTED BY ITS
GENERAL MANAGER,

...RESPONDENT

(BY SRI. K.V.LOKESH, ADVOCATE FOR C/R)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF
THE CONSTITUTION OF INDIA PRAYING TO-DIRECT,
QUASHING IMPUGNED SALE NOTICE AT ANNEX-C DTD
20.02.2025 BEARING NO. BCCB/AO/SARFAESIA/101/2024-
25 ISSUED BY THE RESPONDENT BANK., AND ETC.

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

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI



COMMON ORAL ORDER

W.P. No.9061/2025 is filed seeking the following prayers:

"A. Issue a writ in the nature of certiorari or any other writ or direction, quashing Impugned Sale notice at Annexure C dated 20.02.2025 Bearing No.BCCB/AO/SARFAESIA/101/2024-25 issued by the Respondent Bank

B. Issue a writ in the nature of Mandamus or any other writ or direction, directing the respondent Bank to hand over the possession of the SCHEDULE PROPERTY to the petitioners, forthwith.

C. Grant such other and further reliefs as this Hon'ble Court deems fit in the circumstances of the case and in the interests of equity and justice."

2. W.P.No.12986/2025 is filed seeking the following prayers:

A. Issue a writ in the nature of certiorari or any other writ or direction, quashing Impugned at Annexure D dated 16.11.2024 passed by the learned IX Additional Chief Metropolitan Magistrate at Bengaluru in Cri Misc 50603/2024.



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B. Issue a writ in the nature of Mandamus or any other writ or direction, directing the respondent Bank to hand over the possession of the SCHEDULE PROPERTY to the petitioners within a time frame.

C. Grant such other and further reliefs as this Hon'ble Court deems fit in the circumstances of the case and in the interests of equity and justice.

3. The facts of the case are that the petitioners purchased the property from the borrower, who had mortgaged the same in favour of the respondent bank and obtained a loan. After the account has become Non-Performing Asset (for short 'NPA'), the petitioners purchased the property. When the respondent bank issued the sale notice dated 20.02.2025, the petitioners approached this Court. A Coordinate Bench of this Court, by order dated 25.03.2025, granted an interim stay of the said notice, subject to the petitioners depositing 20% of the amount due to the bank within six weeks from the date of the order. Thereafter, W.P. No. 12986/2025 was filed challenging the order dated 16.11.2024 in CrI. Misc.No50603/2024 passed by the learned Magistrate under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of



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Security Interest Act, 2002 (for short 'SARFAESI Act'). When the bank has issued the sale notice dated 20.02.2025, the petitioner has approached this court. A Co-ordinate Bench of this court had passed an order on 25.03.2025 granting interim stay on the sale notice, subject to the petitioners depositing 20% of the amount in due to the bank within 6 weeks from the date of order. Thereafter, WP No.12986/2025 is filed questioning the order passed by the learned Magistrate under Section 14 of the SARFAESI Act dated 16.11.2024.

4. The learned counsel appearing for the petitioners submits that the petitioners have paid the amounts due to the bank and the loan account has been regularised. It is contended that the respondent bank ought to have handed over the possession of the property to the petitioners. It is further submitted that, during the pendency of the writ petition, the respondent bank ought not to have delivered possession of the property to a third party, who is stated to be a tenant of the borrower. The petitioners contend that they have no connection with the said tenant. It is submitted that, when the matter was pending before this Court, the respondent bank, without bringing the same to the notice of the Court, ought not



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to have handed over possession to somebody else, particularly when the petitioners had already cleared the loan amount.

5. Learned counsel for the petitioners further submits that the petitioners were not aware of the fact that the property which is mortgaged in favour of the bank and they are the bona fide purchasers of the property. Having accepted the amount from the petitioners, the respondent bank ought not to have delivered the possession of the property to somebody else and the same ought to have been delivered to the petitioners. On 15.04.2025, the petitioners filed an interlocutory application seeking a direction to deliver possession of the property to them. However, the respondent delivered possession to the third party on 02.05.2025. It is submitted that the petitioners are in possession of the property based on a valid sale deed and therefore, possession ought not to have been given to somebody else. The action of the respondent is liable to be set aside, and possession of the property is required to be delivered to the petitioners.

6. The learned counsel appearing for the respondent bank submits that the petitioners purchased the property after



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the loan account has become NPA. It is contended that the title deeds are mortgaged with the bank and the bank continues to have the charge over the property. It is further submitted that the bank is not concerned with the transaction between the petitioners and the borrower. After the account was regularised, possession of the property was handed over to the person in occupation ie., the tenant. It is also submitted that the amount was transferred to the loan account by way of RTGS and therefore, the question of the bank having accepted the amount specifically from the petitioners does not arise. The learned counsel for the respondent bank contends that if any amount is transferred to the loan account by any person, the bank is not concerned with the source of such payment. It is admitted that there is no relation between the petitioners and the respondent bank. Accordingly, it is submitted that the petitioners cannot seek a direction for deliver possession of the property in their favour.

7. Having heard the learned counsels on either side, perused the material on record.



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8. The undisputed facts of the case are that the petitioners' vendor is the borrower. The property in question had been mortgaged to the respondent bank and the loan account had been declared as a NPA at the time when the petitioners purchased the property. Though the petitioners contend that they are bona fide purchasers, when a property is subject to a registered mortgage, the encumbrance certificate would disclose such mortgage. In such circumstances, the petitioners cannot be termed as a bona fide purchasers, as they have purchased the property without verifying the encumbrance certificate. It is not in dispute that the loan amount has been paid and the account has been regularised. Upon regularisation of the account, the bank has given back the possession to the person who was in occupation of the property.

9. The contention of the petitioners that possession ought to be delivered to them has no legs to stand on, as there is no relationship between the petitioners and the respondent bank. The bank is unconnected with any transactions that have taken place between the borrower and the petitioners. If the



petitioners have any claim against his vender, he has to avail the appropriate remedy. The bank cannot be directed to deliver possession to the petitioners, as the property was mortgaged by the borrower. Hence, in the considered opinion of this Court, the writ petitions filed before this Court cannot be entertained, and the petitioners cannot claim any right against the respondent bank. If at all the petitioners have any right, it is only to proceed against their vendor.

10. In that view of the matter, this Court is passing the following:

ORDER

- i. Accordingly, the writ petitions are ***disposed of***, giving liberty to the petitioners to avail the appropriate remedy against the vendor.
- ii. Pending IAs., if any, shall stand closed.

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

SMC/List No.: 1 SI No.: 21