



CNR: KAHC010427012021

NC: 2026:KHC:42091
WP No. 20603 of 2021

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE VIJAYKUMAR A. PATIL

WRIT PETITION NO. 20603 OF 2021 (GM-CPC)

BETWEEN:

KARNATAKA STATE FINANCIAL CORPORATION,
(ESTABLISHED UNDER THE STATE
FINANCIAL CORPORATION ACT 1951)
OFFICE AT NO.1/1, "KSFC BHAVAN",
THIMMAIAH ROAD
NEAR CONTONEMENT RAILWAY STATION,
BANGALORE - 560 002
BY IT'S ASSISTANT GENERAL MANAGER.

...PETITIONER

(BY SRI. VINAYA KUMAR G.S, ADVOCATE)

AND:



1. M/S. DHANALAKSHMI GRANITES AND MOSAICS
A REGISTERED PARTNERSHIP FIRM
HAVING ITS OFFICE AT 'NANDAGOKULA'
INDIRANAGAR, DODDAMALLAKERE
VEVINAHALLY POST, GOWRIBIDNUR - 92,
REPRESENTED BY IT'S MANGING PARTNER
K.S. NAGENDRA PRASAD.
2. K.S. NAGENDR PRASDA
S/O K.G. SUNDERRAJA SHETTY
MAJOR, NO.144, 2ND MAIN,
THYAGARAJANAGAR
BUILDING CONTRACTOR



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WITH QUARRIES
BANGALORE - 28.

3. DALEGOWDA
S/O PATEL NARASIMHA GOWDA
(EXECUTION PETITION AGAINST RESPONDENT
NO.3 HAS BEEN DISMISSED ON 15/11/2016)
4. H. VENKATESH
S/O HANUMAIAH
DOOR NO. 36, 2ND BLOCK,
3RD FLOOR, K.S. COLONY
THYAGARAJANAGAR
BANGALORE - 28.
5. THE JANATHA CO-OPERATIVE BANK LTD.,
NO.156, 8TH MAIN ROAD,
17TH CROSS, MALLESHWARAM WEST
BENGALURU - 55.

...RESPONDENTS

(BY SRI. B.D. KRISHNEGOWDA, ADVOCATE FOR R4;
R1 - SERVED;
VIDE ORDER DATED 24.11.2025, NOTICE TO R2 IS HELD
SUFFICIENT;
R5 SERVED ON IA. 1/2025 IN RESPECT OF R3 EX-
PETITION IS DISMISSED AS PER CAUSE TITLE)

THIS W.P. IS FILED UNDER ARTICLE 227 OF THE
CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER
DTD. 19.08.2019 PASSED BY THE XX ADDL C.C. AND S.J,
BENGALURU IN EXECUTION PETITION NO.2226/2006 ON I.A.
NO.4 WHICH IS PRODUCED AND MARKED AS ANNEX-A AND
ETC.,



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

CORAM: HON'BLE MR. JUSTICE VIJAYKUMAR A. PATIL

ORAL ORDER

This writ petition is filed challenging the order dated 19.08.2019 passed on I.A.No.4 in Ex.P.No.2226/2006 by the XX Additional City Civil and Sessions Judge, Bengaluru (hereinafter referred to as the 'Executing Court' for short).

2. Sri Vinaya Kumar G.S, learned counsel appearing for the petitioner submits that the petitioner is the decree-holder in the Execution Petition No.2226/2006. In the said execution proceedings, respondent No.2/judgment debtor No.2 filed an application in I.A.No.4 under Section 151 of the Code of Civil Procedure (for short 'CPC') seeking dismissal of the execution petition on the ground that the proceedings are not maintainable in view of Section 31(1) of The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (for short 'RDDBFI Act,



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1993'). He further submits that the Executing Court, without appreciating the law in its proper perspective, allowed the said application and directed the office to transfer the decree along with other records to the jurisdictional Debt Recovery Tribunal.

3. It is further submitted that the Executing Court has failed to consider the effect of Section 46B of the State Financial Corporations Act, 1951 (for short 'SFC Act, 1951'), as well as Section 34 of the RDDBFI Act, 1993. In support of his contention, learned counsel places reliance on the decision of this Court in the case of **KARNATAKA STATE FINANCIAL CORPORATION VS. SUN CANNING (P.) LTD. AND OTHERS¹** and seeks to allow the writ petition.

4. There is no representation on behalf of the respondents/judgment debtors.

¹ 1997(3) Kar LJ 61



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5. I have heard the arguments of the learned counsel for the petitioner and meticulously perused the material available on record.

6. The petitioner/Karnataka State Financial Corporation, Bengaluru (for short, 'Corporation'), had filed Miscellaneous Petition No.45/2001 against the respondents herein. In the said proceedings, the petitioner/Corporation has obtained an award and thereafter initiated execution proceedings in Ex.P.No.2226/2006 seeking to execute the award dated 05.12.2002.

7. In the said execution proceedings, respondent No.2/judgment debtor No.2 filed an application in I.A.No.4 under Section 151 of the CPC seeking prayer to dismiss the execution petition as not maintainable since the Civil Court has no jurisdiction to decide said case. The said application was opposed by the petitioner/deGREE holder.

8. The Executing Court, under the impugned order dated 19.08.2019, allowed I.A.No.4 filed by judgment



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debtor No.2 and directed the office to transfer the decree along with other records to the jurisdictional Debt Recovery Tribunal.

9. The Executing Court accepted the contention of respondent No.2 that the decretal amount being a "debt" as envisaged under Section 2(g) of the RDDBFI Act, 1993 and for such debt, the exclusive jurisdiction is to the tribunals constituted thereunder the RDDBFI Act.

10. It is to be noticed that the petitioner/deeree-holder has specifically contended that the filing of the proceedings under the provisions of the SFC Act, 1951 is maintainable in view of the decision of this Court in the case of **KARNATAKA STATE FINANCIAL CORPORATION** referred to supra.

11. Section 46B of the SFC Act, 1951, reads as under:

"46B. Effect of Act on other laws.- The provisions of this Act and of any rule or orders made thereunder shall have effect notwithstanding anything inconsistent



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therewith contained in any other law for the time being in force or in the memorandum or articles of association of an industrial concern or in any other instrument having effect by virtue of any law other than this Act, but save as aforesaid, the provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being applicable to an industrial concern."

12. The aforesaid Section makes it clear that the provisions of the SFC Act, 1951 are in addition to, and not in derogation of, any other law for the time being in force applicable to the industrial concern.

13. It would also be useful to refer Section 34 of the RDDBFI Act, 1993 which reads as under:

Section 34: Act to have overriding effect.

34. (1) Save as provided under sub-section (2), the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act.

(2) The provisions of this Act or the rules made thereunder shall be in addition to, and not in derogation of, the Industrial Finance Corporation Act, 1948 (15 of 1948), the State Financial Corporations Act, 1951 (63 of 1951), the Unit Trust of India Act, 1963 (52 of 1963), the Industrial Reconstruction Bank of India Act, 1984 (62 of 1984), the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) and the Small



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Industries Development Bank of India Act, 1989 (39 of 1989).

14. The said section makes it clear that the provisions of the Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act. However, sub-section (2) of Section 34 contemplates that the provisions of the RDDBFI Act and the rules made therein shall be in addition to and not in derogation of the Acts referred therein including the SFC Act. The aforesaid provisions of the law has been considered by this Court in the case of the **KARNATAKA STATE FINANCE CORPORATION**, referred to supra, and paragraph Nos.5 to 9 are extracted below:

"5. Section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, provides that where a bank or a financial institution has to recover any debt from any person, it may make an application to the Tribunal within the local limits of whose jurisdiction.

"(a) the defendant, or each of the defendants where there are more than one, at the time of making the



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application, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of making the application, actually and voluntarily resides or carries on business, or personally works for gain."

6. Section 17(1) of the said Act provides that:

"A Tribunal shall exercise, on and from the appointed day, the jurisdiction, powers and authority to entertain and decide applications from the banks and financial institutions for recovery of debts due to such banks and financial institutions."

7. Sri K. Gopal Hegde, learned counsel for the petitioner, has pointed out that the language used in section 19(1) of the Act makes it abundantly clear that the Tribunal gets jurisdiction under section 17 of the Act only when an application is made under section 19 of the said Act and not otherwise. Moreover, though the provisions of section 34 of this Act have over-riding effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force, the saving clause provided under section 34(2) gives an option to the Corporation mentioned therein to file applications either before the learned District Judge or before the Debt Recovery Tribunal.

8. To appreciate this contention, the provisions of section 34 itself are extracted here which reads as follows:

"(1) Save as provided in sub-section (2), the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act."

Sub-section (2) reads:

"(2) The provisions of this Act or the rules made thereunder shall be in addition to, and not in derogation of the Industrial Finance Corporation Act, 1948 (15 of 1948), the State Financial Corporations Act, 1951 (63 of 1951), the Unit Trust of India Act, 1963 (52 of 1963), the Industrial Reconstruction Bank of India Act, 1984 (62



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of 1984), and the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986)."

9. *This saving clause provided under section 34(2) makes it clear that a provision is made in the Debt Recovery Act in addition to the provisions provided in the five Acts mentioned therein. Therefore, the jurisdiction vested in the authorities named in the special statute, viz., the Industrial Finance Corporation Act, 1948, the State Financial Corporations Act, 1951, the Unit Trust of India Act, 1963, the Industrial Reconstruction Bank of India Act, 1984, and the Sick Industrial Companies (Special Provisions) Act, 1985, can be invoked notwithstanding the jurisdiction vested in the Debt Recovery Tribunal under section 19 of the Act,"*

15. Considering the enunciation of law laid down by this Court, I am of the view that the Executing Court has committed a grave error in closing the execution proceedings before it and ordering to transfer the decree to Debt Recovery Tribunal.

16. For the aforementioned reasons, I proceed to pass the following:

ORDER

- i) The writ petition is ***allowed***.
- ii) The impugned order dated 19.08.2019 passed on I.A.No.4 in Execution Case



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No.2226/2006 by the XX Additional City Civil and Sessions Judge, Bengaluru is hereby set aside.

- iii) Consequently, I.A.No.4 filed by judgment debtor No.2 under Section 151 of the CPC stands rejected.
- iv) The Executing Court shall proceed with Execution Case No.2226/2006 in accordance with law.
- v) The petitioner is permitted to file necessary application to implead Janata Co-operative Bank, Malleshwaram, Bengaluru, as a party to the execution proceedings.

Sd/-
(VIJAYKUMAR A. PATIL)
JUDGE

SHS
List No.: 1 Sl No.: 6