



CNR: KAHC010423302022

NC: 2026:KHC:54005
WP No. 18566 of 2022

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 29TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 18566 OF 2022 (GM-DRT)

BETWEEN:

G. MAHIMAIAH
S/O T. GARUDAPPA
AGED ABOUT 71 YEARS,
R/AT NO.58, CT BED 7TH CROSS,
SRI KRISHNA ROAD, BSK II STAGE,
BENGALURU - 560 070.

...PETITIONER

(BY SRI.KIRAN M.M, ADVOCATE)

AND:

1. THE CHIEF MANAGER
STATE BANK OF MYSORE
NOW STATE BANK OF INDIA,
BENGALURU BRANCH,
C AND I DIVISION, AVENUE ROAD,
BENGALURU - 560 009.

2. THE MANAGER
THE AUTHORIZED OFFICER
ERSTWHILE STATE BANK MYSORE,
NOW STATE BANK OF INDIA,
BENGALURU BRANCH,
C AND I DIVISION, AVENUE ROAD,
BENGALURU - 560 009.

...RESPONDENTS

(BY SRI. T.P. MUTHANNA, ADVOCATE FOR R1 AND R2)

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THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO DIRECT THE R2 TO PAY INTEREST AT THE RATE OF 12 PERCENT PM RS.101.05.000 (ONE CRORE ONE LAKH AND FIVE THOUSAND ONLY) FOR 5 1/2 YEARS FROM 22.08.2006 TO 07.03.2011 WHICH COMES TO RS.65,68,250/- (RUPEES SIXTY FIVE LAKHS SIXTY EIGHT THOUSAND TWO HUNDRED FIFTY ONLY) FROM THE DATE OF ORDER OF THIS HONBLE COURT TILL REALIZATION.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:
CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The petitioner, an auction purchaser in an auction conducted by respondent No.2-Bank, has approached this Court seeking a writ of mandamus directing respondent No.2 to pay interest at the rate of 12% per annum on a sum of Rs.10,15,000/- for the period of five and a half years, i.e., from 22.08.2006 till 07.03.2011, on the premise that possession of the auctioned property was not delivered to the petitioner on the date on which the sale deed came to be registered in his favour.

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2. Heard learned counsel for the petitioner and learned counsel appearing for the respondent-Bank.

3. The short question that arises for consideration is whether, in the facts and circumstances of the case, the petitioner can claim interest for the period during which possession of the auctioned property was not delivered, notwithstanding the registration of the sale deed in his favour.

4. Before examining the entitlement of the petitioner to seek such a direction by way of a writ of mandamus, it would be apposite to advert to the findings recorded by the National Consumer Disputes Redressal Commission, which substantially cover the controversy involved in the present petition. Paragraph Nos.11 and 12 of the order passed by the National Commission read as under:

"11. In the present case, the auction proceedings were held in the year 2006 and the Registry of auctioned property in favour of the purchaser was also completed in the year 2006. The possession of the said property could not be given to the purchaser on account of one or other stay being effective during this period. Possession was however, given on 07.03.2011. In the complaint filed by

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the petitioner, the delay in possession has been shown as the main deficiency in service. The cause of action for this deficiency actually arose when the Registry was done but the possession was not delivered. After the possession was delivered on 07.03.2011, the deficiency was actually rectified. Hence even if the respondent wanted to proceed under the Consumer Protection Act 1986, he would have been still within his right to file the Consumer complaint from November 2006 to March 2011 when the possession was not delivered. The consumer complaint has been filed on 07.11.2013, though the consumer complaint is dated 05.04.2013 (written in the ink). Thus the consumer complaint was highly time barred.

12. From the advertisement in respect of the auction of the said property and also from the information provided to the participants of auction, it was very clear that auction was on "as is where is" basis and that the legal cases pending in respect of the said property were also brought to the notice of all the participants including the respondent. Based on this information every participant would have taken part keeping the risks in mind. It is also very clear that there were litigations pending in DRT/DART, Hon'ble High Court of Karnataka, by reason of which, possession of the said property could not be handed over. It was not the wilful default on the part of the petitioner. Ld. Counsel for the respondent has argued that action under section 14 of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 could have been taken earlier rather than the same being taken by the petitioner in the

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year 2010-2011. We are of the view that there is some fallacy in this argument. When the cases were pending in DRT/DART, Hon'ble High Court of Karnataka and most of the time stays were operative, it was not possible for the petitioner to take action under section 14 of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 because getting the property vacated through police force could not have been possible when the various cases were in operation."

5. The aforesaid findings of the National Commission assume considerable significance. It is not in dispute that the petitioner had earlier approached the District Consumer Forum seeking compensation and damages on the ground that there was deficiency in service on the part of the respondent-Bank in not delivering possession of the auctioned property notwithstanding registration of the sale deed in his favour.

6. The said proceedings, however, culminated in an order of the National Commission in favour of the respondent-Bank. The National Commission, while allowing the appeal preferred by the Bank and setting aside the order of the District Consumer Forum, specifically considered the circumstances in which possession could not be delivered to the petitioner. It

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was found that the auction was conducted on an "as is where is" basis and that the participants, including the petitioner, were put to notice of the pending litigation before the DRT/DART and this Court. The National Commission further recorded a categorical finding that, during the relevant period, interim orders were operating in the pending proceedings and, therefore, the Bank could not have secured possession of the property.

7. Thus, the finding recorded by the National Commission is not merely on the issue of limitation. The National Commission has also examined the substance of the petitioner's grievance and, on consideration of the circumstances prevailing at the relevant point of time, has found that the delay in delivery of possession could not be attributed to any wilful default or deficiency on the part of the respondent-Bank.

8. In the backdrop of the aforesaid finding, the prayer made in the present petition for issuance of a mandamus directing the respondent-Bank to pay interest at the rate of 12% per annum for the period from 22.08.2006 to 07.03.2011

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cannot be considered in isolation. The very basis on which the petitioner seeks interest is the alleged failure of the Bank to deliver possession immediately upon registration of the sale deed. That very grievance had already been the subject matter of proceedings before the consumer fora and the National Commission has ultimately held against the petitioner on the question of deficiency on the part of the Bank.

9. Once the National Commission has recorded a finding that the Bank was not at fault in not being able to deliver possession during the period when proceedings were pending and interim orders were operating, the petitioner cannot seek, by way of a writ of mandamus, substantially the same relief in the guise of a claim for interest. Such a direction would, in effect, amount to granting compensation for an alleged deficiency which has already been negated by the competent forum.

10. It is also material that the petitioner has not demonstrated the existence of any independent legal or contractual right under which the respondent-Bank is liable to pay interest at the rate of 12% per annum from the date of

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registration of the sale deed till the date on which possession was ultimately delivered. In the absence of such an enforceable legal right, a writ of mandamus cannot be issued merely on the ground that there was a time gap between registration of the sale deed and delivery of possession.

11. The petitioner, having already pursued the remedy before the consumer fora and having suffered an adverse finding before the National Commission on the very grievance founded upon the delayed delivery of possession, cannot seek to reopen the issue in the present writ proceedings by styling the claim as one for payment of interest. The respondent-Bank, having succeeded before the National Commission, cannot be held liable to pay interest for the period in question in the absence of any subsisting legal obligation to that effect.

12. For the aforesaid reasons, this Court is of the considered view that the petitioner has failed to establish any enforceable legal right warranting issuance of a writ of mandamus directing the respondent-Bank to pay interest at the rate of 12% per annum for the period from 22.08.2006 to 07.03.2011.

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Accordingly, the writ petition stands ***dismissed***.

No order as to costs.

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(SACHIN SHANKAR MAGADUM)
JUDGE

HDK
List No.: 1 Sl No.: 18