



**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 8<sup>TH</sup> DAY OF APRIL, 2026**

**BEFORE**

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**THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM**

**WRIT PETITION NO. 5049 OF 2026 (GM-RES)**

**BETWEEN:**

SMT. VANITHA S,  
D/O SURYANARAYANA AITHAL  
AGED ABOUT 44 YEARS  
R/AT NO. 103, 1ST FLOOR,  
YUGAL PARADISE,  
HESARAGATTA, VIDYARANYAPURA,  
BENGALURU DISTRICT-560 097

...PETITIONER

(BY SRI. DALWAI VENKATESH., ADVOCATE)

**AND:**

THE SPECIAL OFFICER AND COMPETENT AUTHORITY  
FOR IMA AND OTHER KPID CASES,  
OFFICE AT 3<sup>RD</sup> FLOOR,  
MINI VV TOWER, PODIUM BLOCK,  
DR. AMBEDKAR VEEDHI,  
BENGALURU-560001

REPRESENTED BY ITS COMPETENT AUTHORITY  
SRI. AMLAN ADITYA BISWAS,  
AGED ABOUT 56 YEARS,  
COMPETENT AUTHORITY AND SPECIAL OFFICER  
FOR, SIRI VAIBHAVA SOUHARDA PATTINA SAHAKARI  
NIYAMITA

...RESPONDENT

(V/O DATED 17.02.2026, VEERESH R BUDIHAL (VK NOT FILED))





THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A. ISSUE A WRIT OF MANDAMUS DIRECTING THE LEARNED XCI ADDI. CITY CIVIL AND SESSIONS AND SPECIAL JUDGE FOR KPIDFE CASES AT BENGALURU (CCH-92), IN MISC. NO. 1467/2025 TO TAKE THE PETITIONER'S APPLICATION UNDER ORDER VII RULE 11 CPC ON FILE PRODUCED AT ANNEXURE-C AND DISPOSE OF ON MERITS IN ACCORDANCE WITH LAW, B. GRANT SUCH OTHER RELIEFS AS THIS HON'BLE COURT DEEMS FIT IN THE INTERESTS OF JUSTICE.

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

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

**ORAL ORDER**

The captioned writ petition is filed calling in question the order passed by the Special Court constituted under the provisions of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (for short, "KPIDFE Act"), whereby the application filed by the petitioner under Order VII Rule 11 of the Code of Civil Procedure, 1908 (for short, "CPC") came to be rejected as not maintainable.



2. The respondent initiated proceedings under Section 13 of the KPIDFE Act seeking attachment of properties allegedly belonging to the petitioner.

3. Upon service of notice, the petitioner entered appearance and filed objections. Simultaneously, the petitioner filed an application under Order VII Rule 11 CPC seeking rejection of the petition on the ground that the same does not disclose any cause of action and is not maintainable.

4. The Special Court, by the impugned order, rejected the said application holding that an application under Order VII Rule 11 CPC is not maintainable in proceedings under Section 13 of the KPIDFE Act.

5. The petitioner contends the KPIDFE Act does not expressly exclude applicability of CPC. He further submits that Section 12(5) of the KPIDFE Act mandates following summary procedure akin to Order XXXVII CPC and therefore by virtue of Section 4 CPC, general



procedural provisions including Order VII Rule 11 would apply and that Proceedings under Section 13 of the KPIDFE Act are civil in nature. He therefore vehemently submits that the impugned order is non-speaking.

6. Reliance is placed on ***Jammu and Kashmir Bank Ltd. v. Digvijay Cement<sup>1</sup>***, wherein it is held that provisions of CPC apply to summary suits unless specifically excluded.

7. Heard learned counsel for the petitioner and learned counsel appearing for the respondent. Perused the records. On meticulous examination, the following point arises for consideration:

*"Whether an application under Order VII Rule 11 CPC is maintainable in proceedings before the Special Court under Section 13 of the KPIDFE Act?"*

8. The KPIDFE Act is a special legislation enacted to protect the interests of depositors, provide for speedy

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<sup>1</sup> RFA (OS) No.46 of 2006



attachment and realization of properties of defaulting financial establishments and ensure expeditious recovery and distribution. The KPIDFE Act provides a self-contained mechanism, beginning from ad-interim attachment under Section 3 of the KPIDFE Act, confirmation through Special Court under Section 12 of the KPIDFE Act, adjudication of claims and objections, final orders regarding attachment. The entire scheme is time-bound and recovery-oriented, unlike ordinary civil litigation.

9. Proceedings before the Special Court are not in the nature of a "suit" instituted by a plaintiff. Instead they are statutory proceedings triggered by State action. The Court exercises special jurisdiction. The process is investigative and summary, not adversarial in the traditional civil sense. Therefore, the foundational requirement for invoking Order VII Rule 11 CPC, i.e., existence of a plaintiff, is absent.



10. Section 12(5) of the KPIDFE Act provides that the Special Court shall follow the summary procedure as contemplated under Order 37 CPC and exercise powers of a civil court. This provision is qualified by the expression - "subject to the provisions of this Act". Thus, the applicability of CPC is limited, conditional, and subordinate to the scheme of the Act.

11. Order 37 CPC deals with summary suits, primarily intended for speedy disposal of commercial claims. Order XXXVII Rule 7 CPC, states, save as provided by this order, procedure shall be same as ordinary suits. However, even within Order XXXVII, the procedure is structured and limited. The defendant's rights are curtailed and leave to defend is conditional. Importantly, Order XXXVII applies only where a suit is instituted and a plaint exists.

12. Order VII Rule 11 CPC provides for rejection of a plaint under specified grounds. In the present statutory



framework, proceedings are not initiated by a plaint. There is no "suit" in a strict sense. The Special Court is not exercising ordinary civil jurisdiction. Therefore, the very jurisdictional foundation for invoking Order VII Rule 11 is absent.

13. It is a settled principle that where a special Statute prescribes a particular procedure, general procedural law applies only to the extent it is not inconsistent. In the present case, the KPIDFE Act contemplates investigation of objections, not rejection at threshold. The Court is required to examine claims on merits. The process is intended to secure depositor interests expeditiously.

14. Permitting Order VII Rule 11 CPC, applications would introduce preliminary adjudication delays, defeat the time-bound scheme and frustrate the object of the legislation. In the backdrop of the statutory scheme and the underlying object of the KPIDFE Act, the contention



advanced by the petitioner seeking invocation of the provisions of Order VII Rule 11 CPC requires careful and contextual examination.

15. The KPIDFE Act is designed to secure immediate protective measures in respect of the properties of defaulting financial establishments so as to safeguard the interests of depositors. If applications invoking Order VII Rule 11 CPC are entertained at the threshold of such proceedings, the inevitable consequence would be to derail and delay the process of attachment and preservation of assets, introduce preliminary adjudicatory stages not contemplated by the statute and frustrate the legislative mandate of expeditious and time-bound adjudication.

16. The scheme of the KPIDFE Act, particularly under Section 12, makes it abundantly clear that the Special Court is required to investigate objections raised by interested parties and adjudicate upon them on merits.



Such adjudication necessarily involves examination of claims and counter-claims, appreciation of evidence and determination of rights and interests in the attached properties.

17. The legislative intent, therefore, is to ensure that objections are substantively adjudicated, rather than being non-suited at the threshold on technical pleas relating to maintainability.

18. The reference to summary procedure under Order XXXVII CPC, 1908 in Section 12(5) of KPIDFE Act is purpose-specific and limited in its import. The legislative intent behind such incorporation is to provide a streamlined and expedited procedure and avoid the delays inherent in ordinary civil trials. It is not intended to result in wholesale importation of all provisions of CPC into proceedings under the KPIDFE Act.

19. If the contention of the petitioner is accepted, it would lead to a situation where proceedings under the



KPIDFE Act could be terminated at the threshold by resorting to technical objections, thereby stalling the process of investigation, delaying recovery proceedings and undermining the efficacy of the statutory mechanism. Such an interpretation would run contrary to both the scheme and the object of the enactment.

20. It is a settled principle of statutory interpretation that a beneficial legislation must receive a construction that advances its object rather than defeats it. The KPIDFE Act, being a welfare legislation intended to protect a vulnerable class of depositors, must be interpreted in a manner that facilitates speedy recovery and distribution, ensures effective adjudication of claims and avoids procedural impediments inconsistent with its design.

21. The proceedings before the Special Court are thus required to be substance-oriented and result-driven, with emphasis on protection of depositor interests, rather



than being encumbered by procedural technicalities drawn from the general law of civil procedure. Viewed from this perspective, the invocation of Order VII Rule 11 CPC in proceedings under the KPIDFE Act is clearly misconceived and incompatible with the statutory framework, and the Special Court is fully justified in declining to entertain such an application.

22. The reliance on ***Jammu and Kashmir Bank Ltd.*** (supra) is misplaced. In the said case, proceedings arose from a civil suit under Order XXXVII CPC, a plaint was present and the Court was exercising ordinary civil jurisdiction. Though the petitioner contends that the order is non-speaking, a perusal of the impugned order indicates that the Special Court has recorded a finding regarding non-maintainability, the conclusion flows from the statutory scheme. Merely because the order is concise does not render it illegal when the conclusion is legally sustainable.



23. Therefore, this Court is of the considered view that the proceedings under Section 13 of the KPIDFE Act are not suits, Order VII Rule 11 CPC applies only to plaints in civil suits, Section 12(5) incorporates only a limited procedural framework and importing Order VII Rule 11 CPC would be inconsistent with the scheme and object of the KPIDFE Act.

24. For the foregoing reasons, this Court proceeds to pass the following:

ORDER

- (i) The writ petition stands ***dismissed***;
- (ii) All contentions on merits are left open to be adjudicated by the Special Court in accordance with law.

Sd/-  
**(SACHIN SHANKAR MAGADUM)**  
**JUDGE**

CA / List No.: 1 Sl No.: 100