

The Hon'ble Sri Justice C.V.Nagarjuna Reddy
and

The Hon'ble Sri Justice G.Shyam Prasad

-
Writ Petition No.25178 of 2016

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Date: 28.07.2016

Between:

Dandu Krishnam Raju and 2 others

..Petitioners

and

Union of India

Ministry of Finance

Sastry Bhavan

New Delhi

Rep. by its Secretary and 3 others

..Respondents

Counsel for the Petitioners:

**Mr.B.S.Shivaji
for Mr.V.S.Raju**

Counsel for respondent No.1:

Mr.B.Narayana Reddy,

Asst.Solicitor

General

Counsel for respondent No.2:

Mr.A.Krishnam Raju

The Court made the following:

Order: (Per the Hon'ble Sri Justice C.V.Nagarjuna Reddy)

This Writ Petition is filed for the following

substantive relief:

“to issue a Writ, Order or Direction more particularly one in the nature of Writ of Mandamus declaring the e-auction notice dated 26.5.2016 issued by the 2nd Respondent Bank in selling the assets of the 4th Respondent Company along with Factory Building and machinery situated in plot No. 25, Jawaharlal Nehru Pharma City an extent of Ac.2.36 in Survey No.3P, 4P, 5P, 6P and 8P of e Bonagani village, Paravada Mandal, Visakhapatnam Dt, under the provisions of Section 13(4) of SAFACEI Act, for far less than market value without considering the better offer made by the Petitioners as illegal, arbitrary, violative of the principles of natural justice, violative Art.14, 19 (g), and 300A of the Constitution of India and contrary to the provisions of SARFAESI Act, and set aside the same and consequently direct the 2nd Respondent to accept the offer made by the petitioners.”

At the hearing, Mr.A.Krishnam Raju, learned Counsel for respondent No.2, submitted that in pursuance of the impugned sale notice, dated 26-05-2016, his client has held auction on 11-07-2016; that the offer made by the highest bidder was accepted; and that the Sale Certificate was issued in his favour on 26-07-2016.

The above submissions of the learned

Counsel for respondent No.2 have not been disputed by Mr.B.S.Shivaji, learned Counsel representing Mr.V.S.Raju, learned Counsel for the petitioners.

In the light of the above facts, we are of the opinion that the appropriate remedy for the petitioners is only to move the Debt Recovery Tribunal under Section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, in view of the law laid down by the Supreme Court in **United Bank of India vs. Satyawati Tondon and Others**^[1].

Therefore, the Writ Petition is dismissed with liberty to the petitioners to avail the afore-mentioned remedy.

As a sequel to dismissal of the Writ Petition, WPMP.No.31075 of 2016, filed by the petitioners for interim relief, is disposed of as infructuous.

(C.V.Nagarjuna Reddy, J)

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(G.Shyam Prasad, J)

Dt: 28th July, 2016
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[\[1\]](#) (2010) 8 Supreme Court Cases 110