***IN THE HIGH COURT OF JUDICATURE AT HYDERABAD**
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH

THE HON'BLE SRI JUSTICE V. RAMASUBRAMANIAN

AND

THE HON'BLE MS.JUSTICE J. UMA DEVI

+ WRIT PETITION No.41478 OF 2018

% Date:16.11.2018

Between:

State Bank of India, Stressed Assets Management
Branch-II, Kachiguda, Hyderabad.

… Petitioner

v.

$ M/s. Meena Jewellers Exclusive Pvt. Ltd.,
Rep. by its Director, R/o.Hyderabad and others.

.. Respondents

! For Petitioner : Mr.Ambadipudi Satyanarayana

^ For Respondents : None

< Gist :

> Head Note :

? Cases Referred : Nil

C/15

HON'BLE SRI JUSTICE V. RAMASUBRAMANIAN
AND
THE HON'BLE MS.JUSTICE J. UMA DEVI

WRIT PETITION No.41478 OF 2018

ORDER: ***(Per V. Ramasubramanian, J)***

Aggrieved by the dismissal of an application under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short "Securitization Act"), the Bank has come up with the above writ petition.

2. Heard Mr. Ambadipudi Satyanarayana, learned counsel for the petitioner.

3. The order passed by the Chief Metropolitan Magistrate, Nampally, Hyderabad, which is impugned in this writ petition, appears to be quite strange. Virtually, the learned Chief Metropolitan Magistrate has gone into the merits of the claim that the Bank has over the secured assets and the borrowers. The order reads more like an order passed by the Debts Recovery Tribunal than an order passed under Section 14 of the Securitisation Act.

4. The scope of the investigation to be made on an application under Section 14 of the Securitisation Act is extremely circumscribed. Even after the amendment, the only requirement for the Chief Metropolitan Magistrate is to satisfy himself about the contents of the affidavit. He is not required to satisfy himself about the liability of the borrowers, the entitlement of the bank to proceed under the Securitisation Act etc. Forgetting these fundamental principles, the learned Chief Metropolitan Magistrate has gone into a roving enquiry. Therefore, the order requires to be set aside.

5. But, the remedy in this case for the Bank may be worse than the disease, if the impugned order is to be set aside and the matter remanded back. The liability of the respondents is stated to be more than Rs.200 crores. Therefore, the learned counsel for the petitioner Bank sought permission to file a fresh application.

6. The dismissal of an application under Section 14 of the Securitisation Act is not a bar for the Bank to file a fresh application. When such a fresh application is made, the Chief Metropolitan Magistrate should keep in mind his limited role under Section 14 of the Securitisation Act and perform the duty assigned to him keeping in mind the public interest involved.

7. Therefore, the Writ Petition is disposed of leaving it open to the petitioner to file a fresh application under Section 14 of the Securitisation Act, so that the same can be disposed of by the Chief Metropolitan Magistrate, without reference to the observations made in the impugned order and keeping in mind the very limited role that he is obliged to play.

As a sequel thereto, miscellaneous petitions, if any pending, shall stand dismissed. No order as to costs.

V. RAMASUBRAMANIAN, J

J. UMA DEVI, J

November 16, 2018

Note:

Registry to forward a copy of this order to the
Chief Metropolitan Magistrate, Nampally, Hyderabad,
for his personal attention.

B/O. KTL