

HIGH COURT FOR THE STATE OF TELANGANA
THE HON'BLE THE CHIEF JUSTICE RAGHVENDRA SINGH CHAUHAN
AND
THE HON'BLE SRI JUSTICE A. ABHISHEK REDDY

WRIT PETITION No.22056 of 2019

Date: 16.10.2019

BETWEEN

M/s. Ramlaxman Parboiled Rice Private Limited
and others.

... PETITIONERS

AND

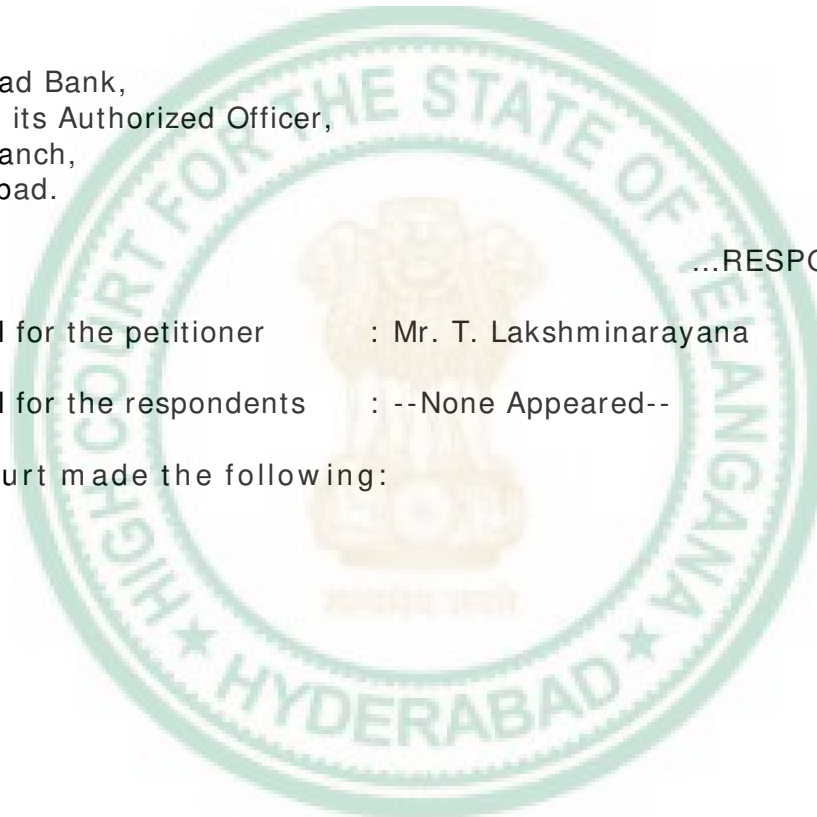
Allahabad Bank,
Rep. by its Authorized Officer,
SAM Branch,
Hyderabad.

...RESPONDENT

Counsel for the petitioner : Mr. T. Lakshminarayana

Counsel for the respondents : --None Appeared--

The Court made the following:



ORDER: { Per the Hon'ble the Chief Justice Sri Justice Raghvendra Singh Chauhan}

The petitioners have challenged the legality of the sale notice dated 19.09.2019 issued by the respondent-bank.

2. Briefly the facts of the case are that the respondent-bank had sanctioned a cash credit limit of Rs.9 crores in favour of the petitioner No.1, which is a private limited company. According to petitioner No.1, they have been regularly paying installments as per the terms and conditions between the bank and the petitioner No.1. However, on 25.10.2018, the Officers of the respondent-bank visited the unit. They discovered that there is a variation in the stock and the book dates. Hence, on 08.04.2019, the respondent-bank issued a show cause notice to the petitioner No.1. The petitioner No.1 submitted a detailed explanation to the bank. Notwithstanding the explanation given by the petitioner No.1, the respondent-bank issued a sale notice on 17.04.2019, published in an English Daily Newspaper, namely, Hans India Limited, on 18.04.2019, proposing to conduct an e-auction on 24.05.2019 in respect of the agricultural lands belonging to the petitioner No.4.

3. Since the petitioners were aggrieved by the said notice, they immediately filed an appeal before the Debts Recovery Tribunal, namely, SA.No.176 of 2019. Before the learned Tribunal, they pleaded that the proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, ('SARFAESI Act' for short) were not maintainable as the respondent-bank has not issued any demand notice under Section 13(1) of the SARFAESI Act. Moreover, since the petitioners' properties are agricultural lands, the same is exempted under Section 31(i) of the SARFAESI Act. Therefore, they sought the relief that the further

proceedings pursuant to the sale notice dated 17.04.2019 should be stayed.

4. By order dated 22.05.2019, the learned Tribunal permitted the respondent-bank to proceed with the auction but not to register the sale certificate in favour of the successful bidder, provided that the petitioner deposited Rs.3 crores in two installments. But notwithstanding the order dated 22.05.2019, on 19.09.2019, the respondent-bank has issued another sale notice. Hence, this petition before this Court.

Since the petitioners have an alternate remedy of challenging the sale notice dated 19.09.2019, before the learned Tribunal, this Court is of the opinion that the Writ jurisdiction should not be invoked by this Court. The petitioners are at liberty to challenge the said sale notice before the learned Tribunal. Hence, the writ petition stands disposed of.

As a sequel, miscellaneous petitions, pending if any, shall stand dismissed. There shall be no order as to costs.

RAGHVENDRA SINGH CHAUHAN, CJ

A. ABHISHEK REDDY, J