

**HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD
(Special Original Jurisdiction)**

**TUESDAY, THE TWENTY SECOND DAY OF FEBRUARY
TWO THOUSAND AND TWENTY TWO**

PRESENT

**THE HON'BLE SRI JUSTICE UJJAL BHUYAN
AND
THE HON,BLE SRI JUSTICE A.VENKATESHWARA REDDY**

WRIT PETITION NO: 9528 OF 2022

Between:

M/s.Krishnaarjuna Parboiled Rice Mill Pvt. Ltd., Rep. by its Director G.Venu Gopal,
S/o.Late Narsaiah, Aged 51 years, R/o. Khammam.

...PETITIONER

AND

Andhra Pradesh State Financial Corporation, Represented by its Authorized Officer,
Khammam Branch, Khammam District.

...RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to pass an order or orders more particularly one in the nature of Writ of Mandamus or any other appropriate writ order or direction, declaring the proceedings initiated by the respondent corporation pursuant to the Sale Notice dt.19/01/2022, fixing the date of auction on 22/02/2022 in respect of application schedule properties, as illegal, arbitrary, unjust, violation of principles of natural justice and also violation of provisions of SARFAESI Act and Rules, 2002 and even during pendency of S.A.No.78/2019 on the file of Debt Recovery Tribunal-1, Hyderabad and consequently set aside the Sale Notice dt.19/01/2022.

IA NO: 1 OF 2022

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay all further proceedings of the respondent bank pursuant to the Sale Notice

dt.19/01/2022 fixing the date of auction on 22/02/2022 issued under the provisions of SARFAESI Act in respect of secured properties.

Counsel for the Petitioner : SRI. SRIDHAR REDDY TALASANI

Counsel for the Respondent : NONE APPEARED

The Court made the following : ORDER

THE HON'BLE SRI JUSTICE UJJAL BHUYAN

AND

THE HON'BLE SRI JUSTICE A.VENKATESHWARA
REDDY

WRIT PETITION NO.9528 OF 2022

ORDER: (Per the Hon'ble Sri Justice Ujjal Bhuyan)

Heard Mr. T. Sridhar Reddy, learned counsel for the petitioner.

2. This petition challenges sale notice dated 19.01.2022 issued by the respondent for sale of the schedule property on 22.02.2022.

3. The sale notice shows that outstanding loan amount of the petitioner, to be repaid to the respondent, has been quantified at Rs.23,81,43,335.60 as on 31.12.2021. For default in repayment of the loan by the petitioner, respondent has initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (briefly referred to hereinafter as the "SARFAESI Act").

Against such action taken by the respondent, petitioner

has filed securitisation application under Section 17 of the SARFAESI Act before the Debts Recovery Tribunal-I, Hyderabad (Tribunal), which has been numbered as S.A.No.78 of 2019, and is stated to be pending. When respondent issued sale notice, petitioner had filed an interlocutory application before the Tribunal, being I.A.No.837 of 2019. On 06.03.2019, Tribunal granted stay of further proceedings including issue of sale certificate pursuant to auction held on 01.03.2019, subject to the condition that petitioner should deposit 10% of the outstanding dues within two weeks. Petitioner sought for extension of time before the Tribunal for such deposit but the same was rejected by order dated 06.03.2019.

4. At this stage, petitioner had approached this Court by filing W.P.No.6110 of 2019 challenging the conditional order as well as order of rejection of the prayer for extension of time. This Court, by order dated 26.03.2019, did not find any infirmity with the

conditional order of stay but granted eight weeks further time to the petitioner to comply with the conditional order dated 06.03.2019. On a query by the Court, learned counsel for the petitioner submits that, notwithstanding the extension of time, petitioner did not comply with the conditional order by making the deposit of 10% of the outstanding dues but, subsequently, petitioner deposited Rs.20.00 lakhs on 17.01.2022 and 18.01.2022.

5. Unfortunately, the conditional order dated 06.03.2019 has not been placed on record by the petitioner for which we could not peruse the same. However, as the petitioner had failed to comply with the conditional order, as extended by this Court, by making the deposit of 10% within the extended period as well, no fault can be found with the respondent in issuing the impugned notice dated 19.01.2022. In any event, such notice and consequential sale would be subject to outcome of S.A.No.78 of 2019, which is pending before

the Tribunal. That being the position, we see no good reason to entertain this Writ Petition.

6. Writ Petition is dismissed.

7. There shall be no order as to costs. Miscellaneous applications, if any, pending, shall stand closed.

SD/- MOHD.SANAULLAH ANSARI
ASSISTANT REGISTRAR

//TRUE COPY//


SECTION OFFICER

To,

1. One CC to SRI. SRIDHAR REDDY TALASANI, Advocate [OPUC]
2. Two CD Copies.
3. One Spare Copy.

JS 

SW

HIGH COURT

DATED: 22/02/2022

ORDER

WP.No. 9528 of 2022



DISMISSED OF THE WRIT PETITION
WITHOUT COSTS

ASM
16/3/2022