



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO. 4591 OF 2025

Bank Of Maharashtra Through Its Authorized Officer Nadir B Prasad

VERSUS

The Administrator City Industrial Development Corporation

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- Mr. Aditya Sikchi, Advocate h/f. Mr. V. R. Patil, Advocate for the Petitioner
- Mr. R. K. Kasat, Advocate for Respondent No. 2

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CORAM : MANISH PITALE AND
Y. G. KHOBRAGADE, JJ.

DATE : 06.08.2025

PER COURT :

1. Heard Mr. Sikchi, learned counsel appearing for the petitioner.
2. Respondent No. 1 – City Industrial Development Corporation (CIDCO) has been served; however, it has chosen not to appear before this Court. Respondent No. 2 – the auction purchaser was added subsequently and was served, and is represented by counsel. The auction purchaser is supporting the prayers made in the present petition.
3. The petitioner – Bank is aggrieved by the communication dated 12.12.2024 issued by respondent No. 1 – CIDCO to the effect that the request for transfer of a plot, which is subject matter of the present

proceedings, to respondent No. 2 – the Auction Purchaser has been rejected on the ground that the petitioner – Bank did not take prior consent of respondent No. 1 – CIDCO before placing the said plot for auction under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, '**SARFAESI Act**'). The respondent No. 1 – CIDCO has taken the stand that in absence of such prior consent, the transfer of plot cannot be granted, despite the fact that respondent No. 2 - the auction purchaser has paid the entire amount during the course of the auction.

4. In the present case, the petitioner – Bank was required to undertake recourse to the provisions of SARFAESI Act in the light of the fact that the borrower in respect of the plot in question had defaulted and that amounts were to be recovered. Respondent No. 2 was the successful Auction Purchaser and after the said proceedings under SARFAESI Act attained finality, on 09.10.2024, the petitioner – bank sent communication to respondent No. 1 – CIDCO seeking transfer of the plot in favour of respondent No. 2 – the auction purchaser. There was a specific undertaking given that as per the terms and conditions of respondent No. 1 – CIDCO, the auction purchaser would be depositing transfer charges, expenses towards registration.

5. It appears that respondent No. 1 – CIDCO is relying upon mortgage certificate dated 02.12.2019, whereby permission was given for mortgaging the plot in question to the petitioner – Bank. Clause 3(c) stipulates that in case of default in repayment of loan, the subject tenement, was not to be disposed of without consent of respondent No. 1 – CIDCO.

6. As noted hereinabove, respondent No. 1 – CIDCO is not appearing before this Court despite service of notice. We find that in the facts and circumstances of the present case, when the petitioner – Bank was constrained to put subject plot to auction to recover its legitimate dues and the proceedings under the SARFAESI Act reached finality with respondent No. 2 – the Auction Purchaser depositing the amount purchasing the said plot, merely because prior sanction of respondent No. 1 – CIDCO was not taken, it cannot be a ground to issue the impugned communication dated 12.12.2024. At worst it can be said to be a curable irregularity which the petitioner – Bank along with respondent No. 2 – the auction purchaser is ready to cure in terms of the request made as per the communication dated 09.10.2024. So long as respondent No. 2 – the auction purchaser is ready to deposit the transfer charges and the registration charges, there ought not to be any reason for respondent No. 1 – CIDCO to

refuse to carry out the transfer of plot in favour of respondent No. 2 – the auction purchaser.

7. We find that the stand taken by respondent No. 1 – CIDCO to be unreasonable and unjustified and therefore, the impugned communication deserves to be set aside.

8. In view of the above, the writ petition is **allowed** in terms of prayer clauses 'A' and 'B'.

9. Pending applications, if any, also stand disposed of.

(Y. G. KHOBRADE, J.)

(MANISH PITALE, J.)