THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY
AND
THE HON'BLE SRI JUSTICE T.VINOD KUMAR

W.P.NO.27831 OF 2019

O R D E R (Per the Hon'ble Sri Justice A.Rajasheker Reddy)

The respondent No.2 – company is the borrower of term loan from the 1st respondent – Bank, which is the secured creditor. The petitioners herein are the guarantors. As the 2nd respondent – company defaulted in payment of loan installments, its loan account was declared as NPA, and recovery proceedings were initiated under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the SARFAESI Act'). The 2nd respondent and the petitioners were issued with demand notice dated 07.10.2014 under Section 13(2) of the SARFAESI Act, and thereafter, as the amount remained unpaid, possession notice dated 11.02.2015 under Section13(4) was issued. However, the petitioners have disputed the issuance of possession notice, and they also stated that procedure prescribed under sub-rules 1 and 2 of Rule 8 of the Security Interest (Enforcement) Rules, 2002 (for short 'the Rules of 2002') was not followed by the Bank. The same is denied by the 1st respondent – Bank in the counter affidavit. However, this aspect will be considered during the course of judgment. During the course of said recovery proceedings, the 1st respondent – Bank issued sale notice dated 30.10.2019 under Rule 8(6) of the Rules of 2002, and the same was published in Andhra Jyothi and Indian Express

newspapers, for auction of the properties on 12.12.2019. Challenging the sale notice dated 30.10.2019, the petitioners, who are the guarantors, filed the present writ petition.

In the affidavit filed in support of the writ petition, the petitioners sought to dispute the disbursement of loan amount as per the terms and conditions of the loan agreement, and their case is that as the loan was not disbursed proportionately as per the terms and conditions of the loan agreement, and as the repayment of loan installment was demanded even before disbursement of the entire loan amount, it caused financial crunch, and resulted in declaring the loan account of the 2nd respondent – company as NPA, and initiation of the proceedings under the provisions of the SARFAESI Act. As the averments in this regard are in the realm of disputed questions of fact, they are not being reproduced from the writ affidavit. The further case of the petitioners is that no possession notice under Section 13(4) was issued, and the procedure prescribed under sub-rules 1 and 2 of Rule 8 of the Rules of 2002 was not followed. Their main grievance is that they were not served with sale notice under Rule 8(6) of the Rules of 2002, and the period of thirty days under the said provision is not given to them to exercise the right of redemption under Section 13(8) of the SARFAESI Act, and there is also no separate gap of 30 days between the sale notice, and the publication of sale notice, as envisaged under Rule 9(1) of the Rules of

2002, and hence the sale notice is illegal and arbitrary, and contrary to the law laid down by Apex Court in ***MATHEW VARGHESE v. M.AMRITHA***[1], and, therefore, the same is liable to be set aside.

This court on 16.12.2019, while ordering notice before admission, passed the following interim order:

> "Heard counsel for the petitioners and Sri M.Srikanth Reddy, counsel for 1st respondent.
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> It is the contention of the petitioners that there is no service of notice under Section 8(6) {*Sic* Rule 8(6)} on the petitioners, who are guarantors, and the 30 days time fixed there under was not given to them to clear the loan before the sale. *Prima facie* this appears to be correct.
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> Therefore, the respondent shall not confirm the sale in favour of the highest bidder pursuant to the sale conducted on 12.12.2019 and shall not dispossess the petitioners from the subject property until further orders."

The 1st respondent – Bank filed counter affidavit and additional counter affidavit seeking to vacate the interim order, disputing the averments made by the petitioners with regard to disbursement of amount under the loan agreement, and also the service of sale notice under Rule 8(6) of the Rules of 2002. It is stated that since there is alternative remedy of filing securitization application under Section 17 of the SARFAESI Act, the present writ petition is not maintainable.

Adverting to the allegations of the petitioners with regard to not issuing possession notice, it is stated that 1st petitioner is the Director of the 2nd respondent – Company, and the said company is represented by its Managing Director. After classifying the loan account of the

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[1] (2014)5 SCC 610

2nd respondent – company as NPA, demand notice dated 07.10.2014 was issued under Section 13(2) of the SARFAESI Act, 2002, calling upon the borrower to pay the outstanding debt of Rs.23,36,90,191.52 ps., as on 24.07.2014, and the same was served on the petitioners, and also on the 2nd respondent – company, but the amount was not paid within the stipulated period of 60 days.

The Authorized Officer of the Bank issued possession notice dated 11.02.2015 under the provisions of the SARFAESI Act in respect of the secured assets at Kirshna District, Guntur District, Hyderabad District, Rangareddy District and Mahabubnagar District, stipulating three different dates for taking symbolic possession of the secured assets *viz*., 11.02.2015 for taking symbolic possession of the secured assets at Krishna and Guntur; 12.02.2015 in respect of the properties at Hyderabad and Rangareddy Districts; and 13.02.2015 for taking symbolic possession of the secured assets at Mahabubnagar. The symbolic possession notices were affixed on the secured assets on 11.02.2015, 12.02.2015 and 13.02.2015 respectively, and the possession notices were published in Indian Express and Andhra Jyothi newspapers dated 15.02.2015.

That the 2nd respondent challenged the possession notice dated 11.02.2015 in respect of the properties situated at Guntur and Kirshna District by filing S.A.No.61 of 2015 on the file of Debts Recovery Tribunal at Visakhapatnam, and obtained interim conditional stay, but has not

complied with the condition imposed by the Tribunal. The 2nd respondent also filed S.A.No.147 of 2015 on the file of Debts Recovery Tribunal at Hyderabad against the possession notice dated 11.02.2015 in respect of the secured assets situated at Hyderbad, Rangareddy and Mahabubnagar Districts, and obtained conditional interim order, but the said order was also not complied with. The S.A.No.61 of 2015 on the file of Debts Recovery Tribunal at Visakhapatnam was transferred to Debts Recovery Tribunal – II Hyderabad, and renumbered as S.A.No.1392 of 2017 and S.A.No.147 of 2015 on the of Debts Recovery Tribunal, Hyderabad, was renumbered as S.A.No.930 of 2017, on the file of Debts Recovery Tribunal – II, Hyderabad. 2nd respondent also challenged the possession notice dated 11.02.2015 before this court in W.P.No.145 of 2016, but subsequently the same was withdrawn on 14.06.2017, with liberty to pursue statutory remedies. However, the above stated securitization applications were dismissed on 26.07.2018. The 2nd respondent again filed S.A.No.262 on the file of Debts Recovery Tribunal at Visakhapatnam, challenging the proceedings initiated by the Bank under Section 14 of the SARFAESI Act, 2002, and obtained conditional interim stay on 15.07.2019, but failed to comply with the said condition, and the said application is pending disposal.

That prior to publication of the sale notice dated 30.10.2019, the respondent No.1 – Bank issued notice dated 03.03.2015 under Rule 8(6) of

the Rules of 2002 to the petitioners, and to the 2nd respondent – company / borrower, through registered post, and the said notices were served. Further, the respondent – Bank also issued notice dated 06.08.2019 under Rule 8(6) of the said Rules to the petitioners and the 2nd respondent through registered post. But the said notices were returned un-served with endorsements 'unclaimed', 'intimation served', 'door lock' etc. Therefore, the case of the 1st respondent – Bank, is that they followed the due procedure under Rules 8(6) of the Rules of 2002, before publication of sale notice dated 30.10.2019.

In the counter affidavit it is also stated that as the 2nd respondent and its guarantors failed to repay the outstanding loan amount, the Bank was constrained to file O.A.No.1767 of 2017 on the file of Debts Recovery Tribunal – II at Hyderabad ,for recovery of a sum of Rs.23,36,90,191.52 ps. together with interest and costs, and it was allowed with future interest and costs, on 16.07.2018, but as the said amount was not paid, bank continued the recovery proceedings under the provisions of the SARFAESI Act.

With these averments, 1st respondent – Bank seeks to dismiss the writ petition.

The auction purchasers were impleaded as respondents 3 to 5 and they also filed counter affidavits seeking to vacate the interim stay granted by this court.

No reply affidavit is filed by the petitioners denying the assertions made in the counter affidavit and additional counter affidavit filed by the 1st respondent – Bank.

Heard Sri T.Vijay Kumar, learned counsel for the petitioners, Sri M. Narender Reddy, learned Senior Counsel appearing for Sri M.Srikanth Reddy, learned Standing Counsel for the 1st respondent – Bank, and Sri T.Venkataramana and Sri Serinivas Chitturu, learned counsel for implead respondents / auction purchasers.

The first allegation of the petitioners is that possession notice under Section 13(4) of the SARFAESI Act was not issued and the procedure prescribed under sub-rules 1 and 2 of Rule 8 was not followed by the Bank. This allegation is denied by the 1st respondent – Bank in the counter affidavit and in the additional counter affidavit, wherein, it is categorically stated that they issued possession notice dated 11.02.2015 under Section 13(4) of the SARFAESI Act, the said notices were also affixed on the secured assets, and the notices with regard to taking of symbolic possession of secured assets was also published in Indian Express and Andhra Jyothi newspapers dated 15.02.2015. Further, in the counter

affidavits it is stated that the 2nd respondent represented by its Managing Director, who is the 13th petitioner herein, challenged the said notice by filing securitizations applications and also writ petition before this court. These averments made in the counter affidavit and additional counter affidavit, have not been denied by the petitioners by filing any reply affidavit. Hence, the allegation in this regard is without any basis.

Further, the main grievance of the petitioners is that they were not served with sale notice under Rule 8(6)of the Rules of 2002, and that they were also not given 30 days period envisaged under the said provision, for clearing the dues, and there is also no separate gap of 30 days between the sale notice and the publication of sale notice as envisaged under Rule 9(1) of the Rules of 2002.

To consider the above contention of the petitioners, it is necessary to consider Rule 8(6) and Rule 9(1) of the Rules of 2002, and also Section 13(8) of the SARFAESI Act, and the said provisions, to the extent relevant, are extracted as under, for ready reference:

The Security Interest (Enforcement) Rules, 2002

8. Sale of immovable secured assets:

. . .

(6)The authorized officer shall served to the borrower a notice of thirty days for sale of the immovable secured assets, under sub-rule (5); provided that if the sale of such secured asset is being effected by either inviting tenders from the public or by holding public auction, the secured creditor shall cause a public notice in two leading newspapers one in vernacular language having sufficient circulation in the locality by setting out the terms of sale, which shall include,--

. . . .

9. Time of sale, issue of sale certificate and delivery of possession etc.-

(1) No sale of immovable property under these rules shall take place before the expiry of thirty days from the date on which the public notice of sale is published in newspapers as referred to in the proviso to sub-rule (6) or notice of sale has been served to the borrower.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002:

13. Enforcement of security interest:

. . .

(8). Where the amount of dues of the secured creditor together with all costs, charges and expenses incurred by him is tendered to the secured creditor at any time before the date of publication of notice for public auction or inviting quotations or tender from public or private treaty for transfer by way of lease, assignment or sale of the secured assets, --

(i) the secured assets shall not be transferred by way of lease assigned or sale by the secured creditor;

(ii) in case, any step has been taken by the secured creditor for transfer by way of lease or assignment or sale of the assets before tendering of such amount under this sub-section, no further step shall be taken by such secured creditor for transfer by way of lease or assignment or sale of such secured assets;

From the above provisions under Rule 8(6) it is clear that the authorized officer of the Bank shall serve on the borrower a notice of thirty days for sale of immovable property, and that if the sale of such secured assets is by way of public auction, the Bank / secured creditor, shall cause publication of such notice in two leading newspapers, one in vernacular, language having sufficient circulation in the locality by setting the out the terms of sale, mentioned in the said provision; and under sub-rule (1) of Rule 9, such sale of immovable of property under these Rules shall not take place before the expiry of thirty days from the date on which the public notice of sale is published in newspapers as referred to in the proviso to sub-rule (6), or notice of sale has been served to the borrower.

Further, under sub-section (8) of Section 13 of SARFAESI Act, if the amounts due to the secured creditor together with all costs, charges and expenses incurred by him is paid by the borrower before the date of publication of notice for public auction, the secured asset shall not be sold or transferred by the modes mentioned in the said provision.

The Apex Court in ***J.RAJIV SUBRAMANIYAN vs. PANDIYAS***[2], while referring to its decision in MATHEW VARGHESE vs. M.AMRITHA KUMAR (1supra), observed as under:

> "13. This court in Mathew v. Vanghese case further observed that the provision contained in Section 13(8) of the SARFAESI Act, 2002 is specifically for the protection of the borrowers inasmuch as, ownership of the secured assets is a constitution right vested in the borrowers and the protected under Article 300-A of the Constitution of India. Therefore, the secured creditor as a trustee of the secured asset cannot deal with the same in any manner it likes and such an asset can be disposed of only in the manner prescribed in the SARFAESI Act, 2002. Therefore, the creditor should ensure that the borrower was clearly put on notice of the date and time by which either the sale or transfer will be effected in order to provide the required opportunity to the borrower to take all possible steps for retrieving his property. Such a notice is also necessary to ensure that the process of sale will ensure that the secured assets will be sold to provide maximum benefit to the borrowers. The notice is also necessary to ensure that the secured creditor or anyone on itself behalf is not allowed to exploit the situation by virtue of proceedings initiated under the SARFAESI Act, 2002.

Further a Division Bench of the erstwhile High Court of Judicature for the State of Telangana and the State of Andhra Pradesh in the decision reported in ***SRI SAI ANNADATHA POLYMERS v. CANARA BANK MADANAPALLE***[3], held as under:

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[2] (2014)5 SCC 651
[3] 2018(5) ALD 180 (DB)

> 11. However, the amended provisions of Section 13(8) of the SARFAESI Act bring in a radical change, inmuch as the right of the borrower to redeem the secured asset stands extinguished thereunder on the very date of publication of the notice for public action under Rule 9(1) of the Rules of 2002. In fact, the right of redemption available to the borrower under the present statutory regime stands drastically curtailed and would be available only till the date of publication of the notice under Rule 9(1) of the Rules of 2002 and not till completion of the 'sale or transfer' of the secured asset in favaour of the auction purchaser. However, it is significant to note that Rule 8(6) of the Rules of 2002 still continues to remain the same and thereunder, the authorized officer of the secured creditor must necessarily serve upon the borrower a notice of thirty days for sale of the immovable secured asset taking recourse to one of the options available under Rule 8(5) thereof.
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> . . .
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> 13. . . . To sum up, post-amended scenario inevitably requires a clear thirty day notice period being maintained between issuance of the sale notice under Rule 8(6) of the Rules of 2002 and the publication of the sale notice under Rule 9(1) thereof, as the right of redemption available to the borrower in terms of Rule 8(6) of the Rules of 2002, as pointed out in *Mathew Varghese's* case (supra) stands extinguished upon publication of sale notice under Rule 9(1).

Thus from the above judgments it is clear that under Rule 8(6) of the Rules of 2002, the petitioners are entitled for a thirty day notice period enabling them to clear the loan and to redeem the property as envisaged under Section 13(8) of the SARFAESI Act, and that if they fail to repay the amount within the stipulated period, after expiry of said period of 30 days, the secured creditor is entitled to issue publication of sale notice under Rule 9(1), and that on publication of such notice, the right of the borrower to redeem the property stands extinguished.

In the present case, the allegation of the petitioners is that they were not served with sale notice as envisaged under Rule 8(6) of the Rules of 2002 giving 30 days notice period to clear the loan and to redeem the property before sale. This allegation is denied by the respondent No.1 –

Bank. In the additional counter affidavit, it is categorically stated that the prior to publication of sale notice dated 30.10.2019, the respondent – Bank issued sale notice dated 03.03.2015 under Rule 8(6), to the petitioners and the 2nd respondent – company, through registered post, and the same were served. It is further stated that the Bank also issued sale notices dated 06.08.2019 under Rule 8(6) through registered post, but the same were returned un-served with endorsements 'unclaimed', 'intimation served' 'door lock' etc. The copies of the returned postal covers with the above stated endorsements, are filed along with the additional counter affidavit.

As per the above averments made in the counter affidavits, it is to be seen that the prior notices dated 03.03.2015 sent by the Bank, were served on the petitioners, but the subsequent notice dated 06.08.2019 were returned un-served with postal endorsements 'unclaimed', 'intimation served', 'door locked' etc.

The Apex Court in ***K.BHASKARAN vs. SANKARAN VAIDHYAN BALAN***[4] while considering the 'service of notice' before filing petition under Section 138 of Negotiable Instruments Act, 1881,held as under:

> It is well settled that a notice refused to be accepted by the addressee can be presumed to have been served on him, [vide Harcharan Singh v. Smt. Shivrani and Ors., [1981] 2 SCC 535, and Jagdish Singh v. Natthu Singh, [1992] 1 SCC 647.] Here the notice is returned as unclaimed and not as refused. Will there be any significant different between the two so far as the presumption of service is concerned? In this connection a reference to Section 27 of the General Clauses Act will be useful. The Section reads thus :

[4] 1999 Supp (3) SCR 271

> "27. Meaning of service by post. - Where any central Act or Regulation made after the commencement of this Act authorizes or requires any document to be served by post, whether the expression `serve' or either of the expressions `give' or `send' or any other expression is used, then, unless a different intention appears, the service shall be deemed to be effected by properly addressing, pre-paying and posting by registered post, a letter containing the document, and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post"
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> No doubt Section 138 of the Act does not require that the notice should be given only by `post'. Nonetheless the principle incorporated in Section 27 (quoted above) can profitably be imported in a case where the sender has despatched the notice by post with the correct address written on it. Then it can be deemed to have been served on the sendee unless he proves that it was not really served and that he was not responsible for such non-service. Any other interpretation can lead to a very tenuous position as the drawer of the cheque who is liable to pay the amount would resort to the strategy of subterfuge by successfully avoiding the notice.
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> Thus, when a notice is returned by the sendee as unclaimed such date would be the commencing date in reckoning the period of 15 days contemplated in clause (c) to the proviso of Section 138 of the Act. Of course such reckoning would be without prejudice to the right of the drawer of the cheque to show that he had no knowledge that the notice was brought to his address. In the present case the accused did not even attempt to discharge the burden to rebut the aforesaid presumption.

In the present case, the learned Standing Counsel for the respondent – Bank submits that demand notice under Section 13(2) of the SARFAESI Act and the earlier sale notice dated 3.3.2015 were sent to the addresses mentioned in the loan agreement, and they were served, but the subsequent notices dated 06.08.2019 issued under Rule 8(6) of the Rules of 2002, to the same addresses, were returned un-served with postal endorsements ‘unclaimed’ ‘door locked’ etc., and hence it amounts to service.

As per the judgment of the Apex Court referred to above(2 supra), since the respondent – Bank sent notices to the correct addresses of the petitioners as mentioned in the loan agreement, it has to be presumed to have been served, unless the petitioners proves that they were not really

served and that they were not responsible for such non-service. But in the present, the petitioners have not even chosen to file any reply affidavit disputing the claim of the respondent – Bank with regard to service of notice. Hence, it has to be presumed that notices dated 06.08.2019 issued under Rule 8(6) of the Rules of 2002, have been served on the petitioners.

The Apex court in ***T.N.PARAMESWARAN UNNI vs. G.KANNAN AND ANOTHER***[5] held that *"15. This Court in a catena of cases has held that when a notice is sent by registered post and is returned with postal endorsement "refused" or "not available in the house" or "house locked" or "shop closed" or "addressee not in station", due service has to be presumed."* In view of the above facts and circumstances and the law laid down by Apex Court, it has to be presumed that the sale notice dated 06.08.2019 issued by the Bank under Rule 8(6) of the Rules of 2002, is served on the petitioners. Further the impugned sale notice is dated 30.10.2019, and the same was published in Andhra Jyothi and Indian Express newspapers for auction of the secured assets on 12.12.2019. This shows that there is clear compliance with Rules 8(6) of the Rules of 2002.

Further, it is to be seen that the 2nd respondent – company, which is the borrower, is represented by its Managing Director Mr. Kolla Koteshwar Rao, r/o flat No.102, Sai Srinivasam Apartments, Srinivas Nagar (West) S.R.

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[5] (2017)5 SCC 737

Nagar, Hyderabad. The said Kolla Koteshwar Rao s/o K.Narsimha Rao, is the 13th petitioner. Further, in the additional counter affidavit it is stated that the 1st petitioner is the Director of the 2nd respondent – company. The 2nd respondent – company represented by its Managing Director Sri Kolla Koteshwar Rao, filed securitization applications referred to above, and in the counter affidavit and in the additional counter affidavit by the respondent – Bank, it is categorically stated that the 2nd respondent also obtained conditional interim orders in the said securitizations applications, but failed to comply with the same. Further, the O.A.No.1767 of 2017 filed by the Bank on the file of Debts Recovery Tribunal – II, Hyderabad was allowed on 16.07.2018, but as the amount remained unpaid, the bank continued the recovery proceedings initiated under the provisions of the SARFAESI Act. These facts have been conveniently omitted in the averments made in the affidavit filed in support of the writ petition, and the petitioners have camouflaged the grievance by merely stating that they were not served with sale notice under Rule 8(6) of the Rules of 2002 and that they were not provided with 30 days time fixed under the said provision to clear the loan and to redeem the property, to give an impression to this court, the action of the respondent –bank being in violation of principles of natural justice. Thus there is clear suppression of material facts with regard to filing of securitization applications.

The Apex Court in ***K.D.SHARMA v. SAIL***[6], while dealing with power and duty of the writ court held that where petitioner makes false statement or conceals material facts or misleads the court, the court may dismiss the writ petition at the threshold without considering the merits of the claim and that the court would be failing in its duty if it does not reject the petition on the said ground. The Apex Court further held that petitioner in such a case is also required to be dealt with for contempt of court for abusing the process of court. The relevant portion of the judgment is as under:

> 34. The jurisdiction of the Supreme Court under Article 32 and of the High Court under Article 226 of the Constitution is extraordinary, equitable and discretionary. Prerogative writs mentioned therein are issued for doing substantial justice. It is, therefore, of utmost necessity that the petitioner approaching the writ court must come with the clean hands, put forward all the facts before the court without concealing or suppressing anything and seek an appropriate relief. If there is no candid disclosure of relevant and material facts or the petitioner is guilty of misleading the court, his petition may be dismissed at the threshold without considering the merits of the claim.
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> . . .
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> 36. A prerogative remedy is not a matter of course. While exercising extraordinary power a writ court would certainly bear in mind the conduct of the party who invokes the jurisdiction of the court. If the applicant makes a false statement or suppresses material fact or attempts to mislead the court, the court may dismiss the action on that ground alone and may refuse to enter into the merits of the case by stating, *"We will not listen to your application because of what you have done."* The rule has been evolved in the larger public interest to deter unscrupulous litigants from abusing the process of court by deceiving it.
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> . . .
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> 38. The above principles have been accepted in our legal system also. As per settled law, the party who invokes the extraordinary jurisdiction of this Court under Article 32 or of a High Court under Article 226 of the Constitution is supposed to be truthful, frank and open. He must disclose all material facts without any reservation even if they are against him. He cannot be allowed to play "hide and seek" or to "pick and choose" the facts he likes to disclose and to suppress (keep back) or not to disclose (conceal) other facts. The very basis of the writ jurisdiction rests in disclosure of true and complete (correct) facts. If material facts are suppressed or distorted, the very functioning of writ courts and exercise would become impossible. The petitioner must disclose all the facts having a bearing on the relief sought without any qualification. This is because "the court knows law but not facts".

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[6] (2008)12 SCC 481

> 39. If the primary object as highlighted in *Kensington Income Tax Commrs.* {(1917)1 KB 486 : 86 LJKB 257 : 116 LT 136 (CA)} is kept in mind, an applicant who does not come with candid facts and "clean breast" cannot hold a writ of the court with "soiled hands". Suppression or concealment of material facts is not an advocacy. It is a jugglery, manipulation, manoeuvring or misrepresentation, which has no place in equitable and prerogative jurisdiction. If the applicant does not disclose all the material facts fairly and truly but states them in a distorted manner and misleads the court, the court has inherent power in order to protect itself and to prevent the abuse of its process to discharge the rule nisi and refuse to proceed further with the examination of the case on merits. If the court does not reject the petition on that ground, the court would be failing in its duty. In fact, such an applicant requires to be dealt with for contempt of court for abusing the process of the court."

Having regard to the facts and circumstances of the case, it is clear that the grounds urged by the petitioners that they were not served with sale notice under Rule 8(6), and 30 day notice period fixed there under was not given to them to clear the loan, and to redeem the property, is found to be not correct, and the Bank has followed the due procedure as envisaged under the provisions of SARFAESI Act, and the Rules of 2002, and further, the petitioners have suppressed the material facts with regard to filing of securitization applications before the Debts Recovery Tribunal, and the facts and circumstances manifestly disclose that they are resorting to dilatory and subterfuge tactics, to see that the recovery proceedings initiated by the Bank, are defeated. This cannot be appreciated. For suppression of material facts, as per the law laid down by Apex Court in the above judgment, the writ petition is liable to be dismissed with exemplary costs.

Accordingly, the writ petition is dismissed with costs, which are quantified at Rs.20,000/- (Rupees twenty thousand only), payable to Telangana State Legal Services Authority, within a period of eight weeks

from the date of receipt of a copy of this order, failing which it is open for the said Authority, to initiate steps for recovery of the same in accordance with law.

Interlocutory applications pending, if any, shall stand closed.

A.RAJASHEKER REDDY,J

T.VINOD KUMAR,J

Date: 12—02 —2021
Avs

Note:

Office to mark a copy of this order
to Member Secretary,
Telangana State Legal Services Authority,
Hyderabad.

B/O