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

TUESDAY, THE NINETEENTH DAY OF AUGUST
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 21173 OF 2025

Between:

Arun Kumar Agarwal, S/o. Ravinder Agarwal, Aged.50 Years, Occ.Business, Plot No. 341, Road No. 23-A, Jubilee Hills, Hyderabad -500034

...PETITIONER

AND

1. Union of India, Represented its under Secretary, Ministry of Finance, New Delhi.
2. M/s.State Bank of India, Stressed Assets Management Branch, Secundrabad, D.No.5-9-76, 2nd and 3rd Floors, Prabhat Towers, Opp. SBI Amaravathi LHO, Chappal Road, Gunfoundry, Hyderabad-500001
3. M/s.IDBI Bank Limited., Represented by The General Manager, NPA Management Group, 5-9-89/1 and 2, Chapel Road, HYDERABAD IDBI Bank
4. M/s.Indian Overseas Bank, ARM Branch (ARMB), Represented by , The Assistant General Manager, Third Floor, 10B Platinum Plaza, Chikkadpally, Hyderabad
5. M/s. Suryajyoti Spiniing Mills Ltd., Burgul Village, Farrognagar Mandal , Ranga Reddy District represented by its Liquidator, G.Madhusudhan Rao
6. G. Madhusudhan Rao, S/o. Mr.G.Subba Rao, R/o. 7-1-285, Flat No.103, Sri Sai Swapna Sanipada Apts, Balkampet, Hyderabad-500038, Appointed as the Official Liquidator of M/s. Suryajyothi Spinning Mills Ltd
7. National Company Law Tribunal, Hyderabad Bench-II, Represented by its Registrar Office at Corporate Bhawan, Bandlaguda Tattiannaram Village, Hayatnagar Mandal, Ranga Reddy District, Hyderabad-500068

...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 issue a Writ of Mandamus declaring the orders dt. 17-07-2025 passed by the Hon'ble NCLT in IA No.1179 of 2025 in CP (1B) No. 166/7/HDB/2019 and

the inaction of the Respondent No.6 in withdrawing the E-Auction notice dt.19-06-2025 fixing the date of E-Auction on 22-07-2025 as per the recommendation of the SCC (Stakeholders Consultation Committee) in its 28th meeting held on 14-07-2025 as illegal, arbitrary, highhanded, in violation of the rights guaranteed to the Petitioner under Section 230 of the Companies Act, 2013, in violation of the intention of the Insolvency and Bankruptcy Code, in violation of the rights guaranteed to the Petitioner under Article 14 and 300-A of the constitution of India with a consequential prayer to set aside the orders dt.17-07-2025 passed by the by the Hon'ble NCLT in IA No.1179 of 2025 in CP (IB) No. 166/7/HDB/2019 and the auction notice dt.19-06-2025 fixing the date of E-Auction on 22-07-2025.

IA NO: 2 OF 2025

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 E-Auction notice dt.19-06-2025 fixing the date of E-Auction on 22-07-2025 issued by the Respondent No.6 for sale of the assets of the Respondent No.5 pending disposal of the above writ petition.

Counsel for the Petitioner: Ms. V.MADHAVI, REP. FOR SRI V.MURALI MANOHAR

Counsel for the Respondent No.1 & 7: SRI B.MUKHARZEE, REP. FOR DEPUTY SOLICITOR GENERAL OF INDIA

Counsel for the Respondent No.6: Ms. P.VAJRA LAKSHMI

The Court made the following: ORDER

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH

AND

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

Writ Petition No.21173 of 2025

ORDER:

Heard Ms.V.Madhavi, learned counsel appearing for Mr.V.Murali Manohar, learned counsel for the petitioner, Mr.B.Mukharzee, learned counsel appearing for learned Deputy Solicitor General of India, for respondents No.1 and 7 and Ms.P.Vajra Lakshmi, learned counsel for respondent No.6.

2. The writ petition was preferred with the following prayer:

> "For the reasons stated in the accompanying affidavit, it is hereby prayed that this Hon'ble Court may be pleased to issue a Writ of Mandamus declaring the orders dated 17.07.2025 passed by the Hon'ble NCLT in IA No.1179 of 2025 in CP (IB) No.166/7/HDB/2019 and the inaction of the Respondent No.6 in withdrawing the E-Auction notice dated 19.06.2025 fixing the date of E-Auction on 22.07.2025 as per the recommendation of the SCC (Stakeholders Consultation Committee) in its 28th meeting held on 14.07.2025 as illegal, arbitrary, highhanded, in violation of the rights guaranteed to the Petitioner under

Section 230 of the Companies Act, 2013, in violation of the intention of the Insolvency and Bankruptcy Code, in violation of the rights guaranteed to the Petitioner under Article 14 and 300-A of the constitution of India with a consequential prayer to set aside the orders dated 17.07.2025 passed by the by the Hon'ble NCLT in IA No.1179 of 2025 in CP (IB) No.166/7/HDB/2019 and the auction notice dated 19.06.2025 fixing the date of E-Auction on 22.07.2025 and to pass such other order or orders as this Hon'ble Court may deems fit and proper in the circumstances of the case."

3. An interim order was passed on 22.07.2025 in the following terms:

"We have heard learned Senior Counsel for petitioner and learned counsel for respondent No.2-Bank, the Official Liquidator and the learned counsel representing him, The proceedings before the learned NCLT, Hyderabad has been going for last six years. From the pleadings, it appears that previous efforts for revival of the company failed. That is why, the Official Liquidator issued auction notice on 19.06.2025. If the stakeholders are serious in the matter for arriving at a compromise, they could have arrived at a decision well in advance. The meeting of Stakeholders Consultation Committee has been held about 8 days back i.e., on 14.07.2025. Till date, they have not yet been able to finalize the compromise proposal. In such circumstances, this Court is not inclined to stay auction process. However, the Official Liquidator is allowed to make a fresh application within a week before the learned NCLT in case any

compromise is effected for revival of the company by the Stakeholders Consultation Committee.

Learned Official Liquidator has informed that before issuance of sale certificate, he has to convene a meeting of Stakeholders Consultation Committee and seek fresh approval. In such circumstances, it is open to the Official Liquidator to approach the learned NCLT within a week and seek for acceptance of such compromise held by the Stakeholders Consultation Committee within this time or for finalization of auction sale."

4. When the matter is taken up today, learned counsel for the petitioner, on instructions, submits that the auction sale notice did not fetch any bidder. Therefore, it failed. She seeks permission to withdraw the writ petition.

5. Accordingly, the instant writ petition is dismissed as withdrawn. There shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/-T. SRINIVASA REDDY
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. One CC to SRI V.MURALI MANOHAR, Advocate [OPUC]
2. One CC to Ms. P.VAJRA LAKSHMI, Advocate [OPUC]
3. One CC to DEPUTY SOLICITOR GENERAL OF INDIA, High Court for the State of Telangana at Hyderabad [OPUC]
4. Two CD Copies

BSR
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HIGH COURT

DATED: 19/08/2025



ORDER

WP.No.21173 of 2025

DISMISSING THE WRIT PETITION

AS WITHDRAWN,

WITHOUT COSTS

(6)
kpr
9/9/25