

**HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD**

**FRIDAY, THE FIFTEENTH DAY OF DECEMBER  
TWO THOUSAND AND TWENTY THREE**

**:PRESENT:**

**THE HONOURABLE MRS JUSTICE SUREPALLI NANDA**

**WRIT PETITION NO: 33220 OF 2023**

**Between:**

Mr. M. Suresh Kumar Reddy, (Suspended Director of M/s. Kranthi Edifice Private Limited) S/o. M. Prathap Reddy, Aged about 42 Years, 3-5-784/2/8/A, Sri Sai Heights, Opp: Pardagate, King Koti, Hyderabad – 500 029.

**...Petitioner**

**AND**

1. Canara Bank (formerly Syndicate Bank), Stressed Assets Management Branch, # 104, First Floor, Golden Edifice Complex, Khairatabad, Hyderabad – 500 004.
2. M/s. Kranthi Edifice Private Limited, Having its registered office at, 3-5-784/2/8/A., Sri Sai Heights, Opp: Pardagate, King Koti, Hyderabad – 500 029. Represented by its Resolution Professional Ms. CA Kalpana G.
3. Ms. CA Kalpana G, (IBBI/IPA-001/1P-P00756/2017-2018/11288) Resolution Professional for M/s. Kranthi Edifice Private Limited, MSKM Group, Flat No.1209, 11<sup>th</sup> Floor, Vasavi MPM Grand, Yellareddyguda Road, Ameerpet, Hyderabad – 38.

**...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, Order or Direction more particularly one in the nature of Writ of Mandamus, to declare the Minutes of Meeting dated: 04.02.2020 held by the respondent No.1 bank classifying the Respondent No.2 company as "Fraud" is illegal, arbitrary, violation of the provisions and the rules framed thereunder and the settled law and in violation of principles of natural justice and consequently set-aside the same along with other all further consequential proceedings.

**IA NO: 2 OF 2023**

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay all further proceedings pursuant to the minutes of the meeting dt: 04.02.2020 held by the respondent No.1 bank, by suspending the minutes of meeting dt: 04.02.2020 and all the consequential proceedings, pending disposal of WP.No.33220 of 2023, on the file of the High Court.

The petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and the order of the High Court order dated 07.12.2023 made herein and upon hearing the arguments of Sri CHANDRASEN REDDY, rep. for Sri BASA CHANAKYA, Advocate for the Petitioner, the Court made the following.

## **ORDER**

**Heard Sri Chandrasen Reddy, learned Senior Counsel appearing on behalf of petitioner.**

**Notice before admission has been ordered by this Court on 07.12.2023, but so far no counter affidavit has been filed by the respondents:**

**"It is the specific case of the petitioner that the petitioner has been declared as fraud without issuing any notice to the petitioner. It is further case of the petitioner that only through the counter affidavit filed in W.P.No.14217 of 2022, the petitioner came to know and had the knowledge about the petitioner company being declared as fraud.**

**The relevant portion of the counter affidavit filed on behalf of the respondent- Canara Bank reads as under:-**

**"That, based on available information and documents submitted by the Petitioner Company, the auditor submitted final report to the Respondent bank with their observations. That, as per report submitted by Forensic auditor and observations mentioned in the Audit report, the Petitioner Company falls under the category of fraud under section 447 of the companies act. Hence, the Respondent Bank declared the Petitioner Company as fraud in the meeting held on 04.02.2020 and reported to CRILIC on 04.02.2020 and reported to RBI on 20.02.2020."**

**Sri B. Chandrasen Reddy, learned Senior Counsel for the petitioner refers to the Judgment of the Hon'ble Apex Court dated 27.03.2023 passed in "State Bank of India Vs. Rajesh Agarwal" reported in 2023 SCC Online SC 342, and placed reliance in particular to paras 79, 80 and 81 of the said judgment", and contends that the petitioner is entitled for the relief as prayed for in the present writ petition.**

**Taking into consideration the aforesaid facts and circumstances of the case, there shall be stay of all further**

proceedings pursuant to the minutes of the meeting dated 04.02.2020 held by respondent No.1 – bank for a period of four (04) weeks from today.

Post on 08.01.2024.

//TRUE COPY//

SD/-P.PADNABHA REDDY  
ASSISTANT REGISTRAR



SECTION OFFICER

To,

1. Canara Bank (formerly Syndicate Bank), Stressed Assets Management Branch, # 104, First Floor, Golden Edifice Complex, Khairatabad, Hyderabad – 500 004.
2. M/s. Kranthi Edifice Private Limited, Having its registered office at, 3-5-784/2/8/A., Sri Sai Heights, Opp: Pardagate, King Koti, Hyderabad – 500 029. Represented by its Resolution Professional Ms. CA Kalpana G.
3. Ms. CA Kalpana G, (IBBI/IPA-001/1P-P00756/2017-2018/11288) Resolution Professional for M/s. Kranthi Edifice Private Limited, MSKM Group, Flat No.1209, 11<sup>th</sup> Floor, Vasavi MPM Grand, Yellareddyguda Road, Ameerpet, Hyderabad – 38.  
(for 1 to 3 by RPAD)
4. One CC to SRI. BASA CHANAKYA, Advocate [OPUC]
5. One spare copy

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**HIGH COURT**

**SNJ**

**DATED:15/12/2023**

**POST ON 08.01.2024**

**ORDER**

**WP.No.33220 of 2023**



**STAY**