THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN

And

THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTI

Writ Petition No.13090 of 2015

ORDER: (per Hon'ble Sri Justice Ramesh Ranganathan)

At the request of both Sri V.V.Ramana, the learned counsel for the petitioner, and Sri B.S.Prasad, the learned Standing Counsel for the respondent-Bank, the writ petition is disposed of at the stage of admission.

The proceedings under challenge in this writ petition is the E-Auction notice, for the sale of secured asset, dated 19.04.2015 inviting bids for the auction scheduled to be held on 22.05.2015.

The petitioner had hitherto invoked the jurisdiction of this Court by way of W.P.No.6420 of 2015 which was dismissed by order dated 13.04.2015. The sole contention in the present writ petition is that, while the schedule property was valued by the Bank's Valuers at Rs.2.72 crores, when the loan was sanctioned in the year 2012, the reserve price, as reflected in the impugned sale notice, is only Rs.96.85 lakhs.

Sri V.V.Ramana, the learned counsel for the petitioners, would submit that the value of the property has now been reduced by nearly two-third as compared to its value when the loan was sanctioned. Sri B.S.Prasad, learned Standing Counsel for the respondent-Bank, has placed before this Court copies of the valuation reports dated 25.03.2012, 30.03.2015, 09.07.2014, 10.02.2015 and 27.02.2015. In the valuation report dated 10.02.2015, submitted by Sri Y.V.N.N.Sarma, the subject property is valued at Rs.1,05,07,400/-, its realisable value as Rs.89.31 lakhs, and its distress value at Rs.73.55 lakhs. The subsequent valuation report dated 27.02.2015, furnished by Sri K.Dhanapathi Rao, records the value of the property at Rs.113.95 lakhs, and its realisable value at Rs.96.85 lakhs.

On being asked as to how the value of the property could have fallen by nearly two-third, Sri B.S.Prasad, learned Standing Counsel for the respondent-Bank, would submit that it is because of the bifurcation of the erstwhile State of Andhra Pradesh that there has been a steep fall in the value of the property. The Valuer's report makes no mention of the reasons why he is of the opinion that the property is valued at less than Rs.1.00 crore, though its value, when the loan was sanctioned just three years ago in the year 2012, was Rs.2.72 crores.

Sri B.S.Prasad, learned Standing Counsel for the respondent-Bank, would further submit that it is always open to the petitioner to identify a purchaser, and have a bid submitted by him, if he is of the view that the property would fetch far more than Rs.1.00 crore; and, as the loan amount due is around Rs.1.02 crores, it is also open to the petitioner to repay the entire loan and redeem his property.

While the reserve price mentioned in the sale notice is based on valuation reports which make no mention of the reasons why there has been a steep fall in the value of the property, the fact remains that the petitioner is liable to repay the debt which is for a sum in excess of Rs.1.00 crore.

With a view to protect the interests of the petitioners and respondent-Bank, we consider it appropriate to dispose of the writ petition directing that, while the auction scheduled to be held on 22.05.2015 may go on, the respondent-Bank shall not confirm the sale on condition that the petitioners deposit a sum of Rs.50,00,000/- (Rupees Fifty Lakhs Only) on or before 22.05.2015, and the balance amount due within four(4) weeks thereafter. It is made clear that for failure of the petitioners to pay any one of the two instalments within the stipulated time, it is open to the respondent-Bank to proceed and take action in accordance with law.

The writ petition is disposed of, accordingly. Miscellaneous Petitions pending, if any, shall also stand dismissed. There shall be no order as to costs.

RAMESH RANGANATHAN, J

M.SATYANARAYANA MURTHY, J

30th April 2015.
JSU

THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN
And
THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY

Writ Petition No.13090 of 2015

Date: 30.04.2015

JSU