

**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF
ANDHRA PRADESH**

* * * *

WRIT PETITION No.7749 of 2015

Between:

M/s. Pranathi Granites
Rep. By its Proprietress
Smt. M.Chandana.

.. Petitioner

And

Union of India,
Rep. by Secretary, Finance Department,
New Delhi
and another.

.. Respondents

DATE OF JUDGMENT PRONOUNCED: 13-08-2015

SUBMITTED FOR APPROVAL:

**HON'BLE SRI JUSTICE R.SUBHASH REDDY
AND
HON'BLE SRI JUSTICE A.SHANKAR NARAYANA**

1. Whether Reporters of Local newspapers
Yes/No
may be allowed to see the Judgment?

2. Whether the copies of judgment may be
Yes/No
marked to Law Reporters/Journals

3. Whether Their Lordship wish to

see the fair copy of the Judgment?
Yes/No

**HON'BLE SRI JUSTICE R.SUBHASH REDDY
AND
HON'BLE SRI JUSTICE A.SHANKAR NARAYANA**

WRIT PETITION No.7749 of 2015

ORDER : *(Per Hon'ble Sri Justice R.Subhash Reddy)*

In this writ petition, the petitioner seeks directions by way of Mandamus to declare the auction notice dated 21.02.2015 issued by respondent No.2, as illegal and arbitrary.

The petitioner obtained term loan from Andhra Pradesh State Finance Corporation (APSFC) and subsequently the said term loan was taken over by respondent No.2 from APSFC. When the petitioner committed default in repayment of the loan amount, the 2nd respondent Bank initiated proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the Act'). After issuing demand notice and further notice under Section 13 (4) of the Act, e-auction public notice is issued. In the auction notice, the amount due by the petitioner is shown as Rs.27,68,915.10 ps. as on 29.05.2013.

Questioning the same, this writ petition is filed.

In the affidavit filed in support of the writ petition, it is stated that the petitioner undertakes to clear the entire amount due in four instalments within a period of eight weeks.

This Court, on 24.03.2015, while issuing notice before admission, passed interim orders directing the 2nd respondent Bank not to confirm the sale pursuant to the impugned auction notice, provided the petitioner deposits an amount of Rs.10,00,000/- before commencement of the auction on 26.03.2015.

Learned counsel appearing for the 2nd respondent submits that in compliance to the condition imposed by this Court, the petitioner has deposited Rs.10,00,000/-, but auction was not conducted for want of bidders.

As much as auction was not conducted pursuant to the impugned auction notice, it is not necessary for this Court to decide the validity of the impugned notice. However, as the petitioner has already deposited Rs.10,00,000/- pursuant to the interim order passed by this Court on 24.03.2015, we deem it appropriate to dispose of the writ petition directing the 2nd respondent to adjust the said amount in the loan account of the petitioner. Further it is made clear that for realization of the balance amount, it is left open to the 2nd respondent to take appropriate steps in accordance with law.

Subject to the above observations, the writ petition is

disposed of. No order as to costs.

As a sequel, pending miscellaneous petitions, if any,
shall stand closed.

JUSTICE R. SUBHASH REDDY

JUSTICE A.SHANKAR NARAYANA

13.08.2015

v v