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

WRIT PETITION No.15716 of 2015

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

This writ petition is filed by the petitioner seeking *Mandamus* to declare the action of the respondents in not issuing sale certificate and registering the land admeasuring 4,622 square yards together with godown belonging to M/s. Chittivalasa Jute Mills Company Limited, covered under Deed Nos.564, 565 and 566 of 1985, situated in Sy.No.203/3 and 203 of Ponduru Village and Mandal, Srikakulam District, inspite of the petitioner becoming successful bidder in respect of the said property in the E-Auction held on 14.3.2015 and despite receiving the entire bid amount of Rs.88,00,000/- and confirming the sale in favour of the petitioner and also the action of the respondents in returning the bid amount to the petitioner through RTGS without assigning any reasons, as arbitrary and illegal.

2. The respondent-Bank has issued E-Auction Sale Notice dated 11.02.2015 in respect of properties of a debtor viz., M/s. Villard India Limited (Chittivalasa Jute Mills) in exercise of the powers under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Pursuant to the said E-Auction

sale notice, auction was conducted on 14.3.2015, wherein the petitioner was declared as the successful bidder and has paid the bid amount of Rs.88,00,000/- on different dates in respect of the property i.e., land admeasuring 4,622 square yards together with godown belonging to M/s. Chittivalasa Jute Mills Company Limited, covered under Deed Nos.564, 565 and 566 of 1985, situated in Sy.No.203/3 and 203 of Ponduru Village and Mandal, Srikakulam District. The grievance of the petitioner is that inspite of paying the entire bid amount, instead of taking steps to issue Sale Certificate by registering the said property in favour of the petitioner, the respondents have returned the bid amount through RTGS without assigning any reasons.

3. Counter affidavit is filed by the Chief Manager of the respondent-Bank. In the counter affidavit, while denying the various allegations made by the petitioner, it is stated that after the petitioner paid the bid amount, being the successful bidder in respect of the subject property, the respondent-Bank has received notice/attachment order on 12.03.2015 from the A.P. Commercial Tax Authority in respect of the properties owned by the borrower company and, as such, the Bank could not finalise the sale in favour of the petitioner by issuing sale certificate and returned the bid amount to the petitioner. It is also stated that the petitioner was informed at the time of conducting auction that they have received a notice/attachment order from the A.P. Commercial Tax

Authority in respect of the said property.

4. Heard Sri M. Karuna Sagar, learned counsel for the petitioner and Sri B.S. Prasad, learned Standing Counsel for the respondent-Bank.

5. It is true that pursuant to E-auction notice dated 11.2.2015, auction was conducted on 14.3.2015, in which the petitioner was emerged as the highest bidder in respect of the subject property by offering Rs.88,00,000/-. But, at the same time, it is evident from the counter affidavit that a notice/attachment order from the A.P. Commercial Tax Authorities was received by the respondent-Bank on 12.3.2015 even before the sale certificate is issued in favour of the petitioner. When the property, which is sold by way of auction, is under attachment by the A.P. Commercial Tax Authorities, the respondents cannot take any steps either to issue sale certificate or to register the said property in favour of the petitioner. As the respondent-Bank has returned the entire bid amount to the petitioner through RTGS pursuant to the attachment order dated 12.3.2015 received from the A.P. Commercial Tax Authorities, it cannot be said that such action of the respondent-Bank is either illegal or arbitrary.

6. Since the entire bid amount was returned to the petitioner and in view of the statement made by the respondent-Bank in the counter affidavit that pursuant to the auction conducted on 14.3.2015, further steps could not be taken by the respondent-Bank in view of the attachment order

dated 12.3.2015 received from the A.P. Commercial Tax Authorities, we do not find any merit for grant of the relief sought for in this writ petition.

7. For the aforesaid reasons, this writ petition is devoid of merits and is accordingly dismissed, at the admission stage. As a sequel, miscellaneous petitions pending, if any, shall stand closed. No order as to costs.

JUSTICE R. SUBHASH REDDY

JUSTICE A.SHANKAR NARAYANA

01.09.2015.
Msr

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