

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

WRIT PETITION No.10611 OF 2015

–

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

This Writ Petition is filed by the petitioners – Applicants challenging the order, dated 24-03-2015, in I.A. No.186 of 2015 in S.A. No.74 of 2015, passed by the learned Debts Recovery Tribunal (for short 'D.R.T.') at Hyderabad, to the extent of directing the petitioners – applicants to deposit 20% of the loan due to the respondent – bank, as illegal and arbitrary.

2. When auction notice, dated 03-02-2015, under Rule 8 (6) of the Security Interest (Enforcement) Rules, 2002, (for short 'the Rules') and the consequential public notice, dated 21-02-2015, under Rule 9(1) of the Rules, were issued by the respondent bank for auction of the collateral securities, the petitioners – applicants questioned the same by filing S.A. No.74 of 2015 before the D.R.T. at Visakhapatnam under Section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as illegal and arbitrary, mainly on the ground that the notice under Rule 8(6) of the Rules, does not contain the relevant details, such as secured assets to be auctioned; valuation of

properties; Reserve Price fixed by the Authorized Officer of the Bank; place and time of the auction.

3. Along with the said S.A., the petitioners – applicants filed I.A. No. 186 of 2015, seeking stay of all further proceedings including auction to be held on 25-03-2015. As there was no Presiding Officer holding the charge of D.R.T. at Visakhapatnam, the matter was transferred to D.R.T. at Hyderabad. The learned D.R.T., Hyderabad, after issuing notice to the respondent bank, by order, dated 24-03-2015, granted interim stay, on condition of the petitioners – applicants depositing 20% of the loan amount claimed in e-auction sale notice, dated 21-02-2015, within two (02) weeks from the date of said order, and posted the matter to 09-04-2015.

4. The petitioners – applicants challenged the aforesaid interim order, to the extent of directing them to deposit 20% of the loan amount, in this writ petition.

5. During the course of arguments, it is submitted by Sri N. Vijay, learned counsel for the petitioners, that in spite of interim orders, dated 24-03-2015, passed by the Tribunal, the respondent bank proceeded with the sale of properties by conducting auction on 25-03-2015, and thereby rights of third parties are involved. In that view of the matter and in view of the pendency of appeal before the D.R.T. at Visakhapatnam, it is for the petitioners –

applicants to question the said sale, for which appropriate steps, viz., amending the prayer, by impleading the respective purchasers of the properties, is required. Inasmuch as the auction has already been held and properties have been sold to third parties, we are of the considered view, that there are no reasons to entertain the present writ petition, at this stage.

6. Accordingly, the Writ Petition is disposed of, permitting the petitioners – applicants to take appropriate steps for amending the application in S.A. No.74 of 2015 and prayer therein questioning the sale, by impleading respective purchasers of the property, as parties. No order as to costs.

7. As a sequel, miscellaneous petitions, if any, pending in this writ petition shall stand closed.

**R. SUBHASH
REDDY, J**

A. SHANKAR NARAYANA, J

**June 18, 2015.
Mgr**