

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

WRIT PETITION No.23317 of 2015

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

This writ petition is filed by the petitioner Company challenging the e-Auction Sale Notice dated 23.06.2015 for sale of the petitioner's properties bearing Plot No.89 in Sy.No.77, situated at Madhapur Village and G.P. Serilingampally Mandal and Municipality, Ranga Reddy District, and Plot No.17-Part in Sy.No.21/2 situated at Thokatta Village, Bowenpally Village, Secunderabad, as arbitrary and illegal.

2. As the petitioner Company availed loan from the respondent-Bank and committed default in repayment of the same, the respondent-Bank has initiated proceedings under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity "the SARFAESI Act"). After issuing demand notice dated 15.07.2013 under Section 13(2) of the SARFAESI Act, possession notice dated 02.07.2014 under Section 13(4) of the SARFAESI Act was issued, demanding to pay a sum of Rs.2,53,33,539/-, which was due as on 10.11.2013 + interest due from 11.11.2013 + expenses thereon. The petitioner has challenged the said notice by way of filing S.A.I.R.No.742 of 2014 before the Debts Recovery Tribunal, Hyderabad, under Section 17 of the SARFAESI Act, wherein the Tribunal has granted interim stay on condition of the petitioner Company depositing 20% of the amount claimed in the possession notice dated 02.07.2014 in two instalments within a period of eight weeks. As the petitioner Company failed to deposit the said amount,

further steps were taken by the respondent-Bank by way of issuing the impugned e-Auction Sale Notice dated 23.06.2015 for sale of the secured assets.

3 . While admitting the writ petition, this Court, by order dated 29.07.2015, granted interim stay on condition of the petitioner Company depositing a sum of Rs.50,00,000/-, out of which, Rs.40,00,000/- was ordered to be deposited by 30.07.2015 and the balance amount of Rs.10,00,000/- was directed to be deposited within a period of one week from the date of the said order, with an observation that in default of any of the conditions referred, the respondent-Bank may proceed further pursuant to the auction conducted on 29.07.2015.

4. It is not in dispute that the petitioner Company has not complied with the conditional order passed by the Tribunal and S.A.S.R.No.742 of 2014 is pending consideration before the Tribunal.

5 . It is true that pursuant to the conditional order passed by the Tribunal, almost the same amount is deposited by the petitioner Company pursuant to the interim order dated 29.07.2015 passed by this Court. Though several contentious issues are raised seeking invalidation of securitisation proceedings, in view of the pendency of S.A.S.R.No.742 of 2014 before the Debts Recovery Tribunal, Hyderabad, it is not necessary to go into the same, at this stage.

6. However, taking into consideration the deposit of amount made by the petitioner Company, we deem it appropriate to dispose of the writ petition directing the Debts Recovery Tribunal, Hyderabad, to dispose of S.A.S.R.No.742 of 2014 as expeditiously as possible, preferably within a period of two months from today, with a further direction to the respondent-Bank not to take any further steps, including issuance of Sale Certificate in respect of the property sold in the auction till disposal of S.A.S.R.No.742 of 2014.

7. Subject to the above directions, this writ petition is disposed of. As a sequel, miscellaneous petitions pending, if any, shall stand

closed. No order as to costs.

JUSTICE R. SUBHASH REDDY

JUSTICE A.SHANKAR NARAYANA

03.12.2015.

Msr

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