HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

AND

HON'BLE DR. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION No.8666 of 2016

ORDER: *(Per Hon'ble Sri Justice Nooty Ramamohana Rao)*

The respondent/State Bank of India has issued a sale notice dated 24.02.2016 proposing to conduct sale by e-auction method on 28.03.2016 between 12.00 Noon to 01.00 P.M., all that part and parcel of land and factory, lying at H.Kottala Gram Panchayat, Betamcherla Mandal, Kurnool District, over which property the petitioner has created security interest in favour of the respondent/Bank while availing certain financial assistance. The loan account of the writ petitioner has become a Non Performing Asset and hence, the respondent/Bank, which answers the description of 'Bank' as defined under Section 2(1)(c) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the Act') has now initiated auction under Sub Section 4 of Section 13 of the Act. Since the action of the respondent is completely in accord with the provision contained under Section 13 of the Act, no exception need be drawn thereto. But, however, learned counsel for the petitioner Sri V.Sreenivasa Rao, would submit that the total outstanding liability is approximately of the order of Rs.8.5 lakhs and to show his *bona fides* the petitioner has already deposited a sum of Rs.2,00,000/- to the loan account this morning. However, we are not at all interested in interdicting the proposed sale undertaken by the respondent/Bank as it is in accordance with law. However, the respondent/Bank may not finalize the sale by accepting 75% of the bid amount subject to the following conditions:

1) The petitioner shall deposit a further sum of Rs.1,00,000/- at least on or before 30.03.2016 to the loan account and the petitioner shall deposit a further sum of at least Rs.3,00,000/- in one or more

than one installments before the end of April, 2016 and the balance amount including incidental expenses incurred by the respondent/Bank for undertaking securitization measures shall be cleared on or before 31.05.2016.

2) Any failure to live up to these promises which learned counsel made before us, which promises have induced us to pass this order, the respondent/Bank is at perfect liberty to proceed further by finalising the sale duly accepting 75% of the bid amount payable and then execute a sale certificate, register it and deliver vacant possession of the secured asset without any further reference to this Court.

With this observation, the writ petition is disposed of.

Consequently, miscellaneous petitions, if any shall stand closed. No costs.

JUSTICE NOOTY RAMAMOHANA RAO

JUSTICE Dr. B.SIVA SANKARA RAO

21.03.2016
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