HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

AND

HON'BLE DR. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION No.8764 of 2016

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

This writ petition can be disposed of at this stage, since Sri E.Madan Mohan Rao accepts notice on behalf of respondent Nos.3 & 4 and respondent Nos.1 & 2 being formal parties, no relief is sought for against them.

The necessity to record in great detail the facts is obviated in view of the proposed order to be passed by us.

Sri D.Hanumantha Rao, learned counsel on behalf of Sri V.V.Ramana, learned counsel for the petitioners, would fairly submit that the loan account of the 1st petitioner has been rightly classified by respondent Nos.3 and 4 as 'Non Performing Asset' and consequently, for realising the debt outstanding, respondent Nos.3 and 4 have initiated legitimate action as provided for and contemplated under Section 13 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the Act'). But, however, what learned counsel would urge is that the respondents themselves have granted time to the 1st petitioner to clear the entire outstanding liability latest by 31.01.2016, but however, because of supernumerary problems encountered by the petitioners, they could not liquidate the liability. Hence, we are not interested in interdicting the proposed auction sale notice by e-auction method published on 15.02.2016. We are also informed by Sri Madan Mohan Rao that the Bank has also received response and the bids have been received in response to this sale by e-auction method dated 15.02.2016. Subject to the following conditions, respondent Nos.3 and 4 may not finalize the said sale, but however, respondent Nos.3 and 4 are at perfect liberty to receive 25% of the bid amount and in the meantime:

The petitioners shall deposit a sum representing 1/6th of the outstanding liability on or before 30.03.2016 and the balance amount, which makes good 50% of the outstanding liability by 30.04.2016, and a sum representing 25% of the outstanding liability, which makes cumulatively good 75% of the outstanding liability, on or before 31.05.2016 and the final installment of the entire outstanding liability including the incidental expenses incurred by the Bank for undertaking securitization measures by 30.06.2016. In case, the petitioners commit any default in sticking to this schedule of repayment as suggested by Sri D.Hanumantha Rao today, the respondent Nos.3 and 4 are at perfect liberty to proceed further by confirming the sale in favour of the best bidder accepting the 75% of bid amount, execute sale certificate, register it and deliver vacant possession of the secured asset to the best bidder without any further reference to this Court but not otherwise.

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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