

THE HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY

AND

THE HON'BLE SRI JUSTICE G.SHYAM PRASAD

WRIT PETITION No.19153 of 2016

12.09.2016

Between:

V.Lokanatha Reddy and others

..Petitioners

And

The State Bank of Hyderabad, Hyderabad, and others

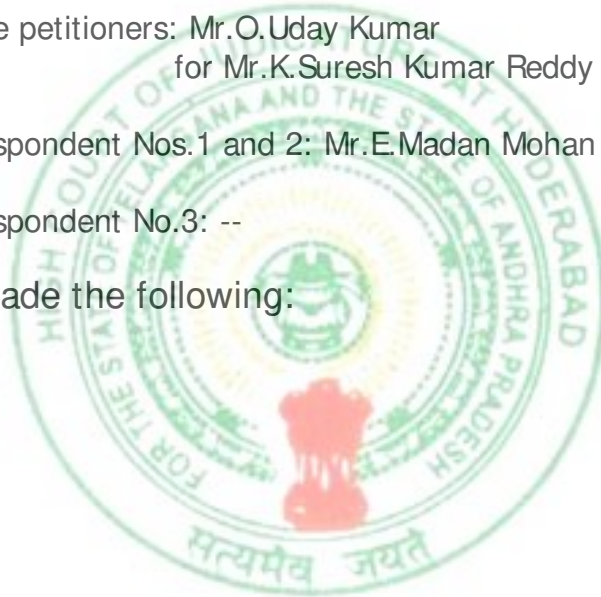
..Respondents

Counsel for the petitioners: Mr.O.Uday Kumar
for Mr.K.Suresh Kumar Reddy

Counsel for respondent Nos.1 and 2: Mr.E.Madan Mohan Rao

Counsel for respondent No.3: --

The Court made the following:



ORDER: (Per the Hon'ble Sri Justice C.V.Nagarjuna Reddy)

This writ petition is filed for a *mandamus* to declare the measures taken by the respondent bank under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, including the sale notice, dated 16.05.2016, fixing the date of sale as '23.06.2016' as illegal and arbitrary.

2. On 16.06.2016, this Court, while issuing notice before admission in the writ petition, passed the following order in W.P.M.P.No.23493 of 2016:

“Though no illegality as such is alleged insofar as the proceedings taken by the respondent bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, are concerned, we are inclined to take note of the averment made by Sri Suresh Kumar Reddy Kalava, learned counsel for the petitioners, that the outstanding dues of the respondent bank would be cleared by his clients if given adequate time.

As the sale notice indicates that the proposed public auction is to be held on 23.06.2016, we permit the respondent bank to proceed with the same but the sale, if any, pursuant thereto shall not be confirmed for a period of two months from today. In the meanwhile, the petitioners shall deposit 50% of the outstanding dues as indicated in the impugned sale notice within one week from the date of receipt of a copy of this order and in any event not later than 30.06.2016. The balance amounts shall be remitted by the petitioners to the credit of the loan account in two equated instalments on or before 30.07.2016. In the event the petitioners commit any default in making the payments due as aforestated in terms of any or all the instalments it shall be open to the respondent bank to proceed with the matter in accordance with law.”

3. Today, at the hearing, Mr.E.Madan Mohan Rao, learned standing counsel for the State Bank of Hyderabad, appearing for respondent Nos. 1 and 2, has submitted that the petitioners failed to comply with the aforementioned conditional interim order. He has further submitted that as his clients failed to secure bidders, the auction did not take place and that they are taking steps to conduct auction afresh. Mr.O.Uday Kumar, learned counsel representing Mr.Suresh Kumar Reddy Kalava, learned counsel for the petitioners, did not dispute the above submissions of the learned standing counsel.

4. In the light of the fact that the proposed auction impugned in this writ petition did not materialize, the cause in the writ petition does not survive for adjudication.

5. Accordingly, the Writ Petition is dismissed as infructuous.

6. As a sequel to dismissal of the writ petition, interim order, dated 16.06.2016, in W.P.M.P.No.23493 of 2016 is vacated and W.P.M.P.Nos.23493, 26265 and 36873 of 2016 and W.V.M.P.No.2930 of 2016 shall stand dismissed as infructuous.

C.V.NAGARJUNA REDDY, J

G.SHYAM PRASAD, J

12th September, 2016
GHN