THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

AND

THE HON'BLE Dr.JUSTICE B.SIVA SANKARA RAO

WRIT PETITION No.4759 of 2016

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

The three petitioners herein challenge the action of the respondent-Bank in proposing to sell the secured asset for realisation of the outstanding liability from the petitioners. The respondent-Bank has published the Notification inviting bids to participate in online e-auction to be held on 20.02.2016 between 1.00 P.M and 2.00 P.M with unlimited extensions of five minutes each. The secured asset is residential flats bearing No.201 and 202 of second floor, S.K. Mansion, Sai Krishna Colony, Old Bowenpally, Balanagar mandal, Ranga Reddy District. The upset price is fixed at Rs.25.00 lakhs (Rupees Twenty Five lakhs only) and Earnest Money Deposit is fixed at Rs.2.50 lakhs (Rupees Two lakhs fifty thousand only).

2) There is no dispute that the petitioners are the borrowers and the respondent-Bank has lent them financial assistance and they have committed default in repaying the debt and therefore, the respondent-Bank has taken necessary steps and measures for realising the outstanding debt by following the procedure prescribed under sub-sections (2) and (4) of Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (henceforth referred to as 'the Act'). The physical possession of the asset has been taken over. By virtue of sub-section (4) of Section 13 of the Act, the Bank also is entitled to transfer by way of lease or by sale, the said secured asset for the purpose of realising outstanding liability. In the given circumstances and facts fixation of upset price at Rs.25.00 lakhs (Rupees twenty five lakhs only) appears to be a reasonable one. Fixing the upset price would only help in

eliminating any bidding below the said upset price.

3) Sri D.Y.N.L.N. Charyulu, learned counsel for the petitioners, would submit that, approximately, there was still Rs.26.00 lakhs (Rupees twenty six lakhs only) of outstanding liability in the two loan accounts availed by the petitioners herein. He would submit that if time is given to the petitioners, they would liquidate the entire liability.

4) Hence, while permitting the respondent-bank to go ahead with the receipt of bids, and accept the same, we direct the respondent-Bank not to confirm the sale till 04.04.2016 subject to the following conditions, as we feel that ends of justice would be adequately served:

(i) The petitioners shall, on or before 29.02.2016, deposit a sum of Rs.10.00 lakhs (Rupees ten lakhs only).

(ii) The balance outstanding liability shall be paid on or before 30.03.2016.

5) If any default is committed, in sticking to the above referred schedule by the petitioners, we grant liberty to the respondent-Bank to confirm the sale in favour of the best bidder at the e-auction to be conducted on 20.02.2016 and accept the sale consideration from the said bidder and the amounts so realised shall be brought to the books of account of the loan accounts of the petitioners herein and if sufficient money has been realised, the loan accounts concerned may be closed by appropriating the outstanding liability and in case if any balance money if available, the same may be refunded to the petitioners. On the other hand if there is still any more liability to be recovered from the petitioners, liberty is granted to proceed further for realisation of the said outstanding money.

6) With the above observations, the writ petition is disposed of at the admission stage. No costs.

7)

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

JUSTICE NOOTY RAMAMOHANA RAO

Dr. JUSTICE B.SIVA SANKARA RAO

16.02.2016
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