

THE HON'BLE THE ACTING CHIEF JUSTICE RAMESH RANGANATHAN

AND

THE HON'BLE DR JUSTICE SHAMEEM AKTHER

Writ Petition No.2008 of 2017

ORDER: {Per the Hon'ble the Acting Chief Justice Ramesh Ranganathan}

Sri K.Mallikarjuna Rao, learned Standing Counsel for the respondent-Bank, would submit that, pursuant to the order of this Court dated 13.02.2017, the petitioners have deposited Rs.10.00 lacs with the respondent-Bank as against the highest bid received in the auction of Rs.8.20 lacs; and the respondent-Bank intends to redeem the loan and release the documents in favour of the petitioners, as they have paid a sum of Rs.10.00 lacs.

Sri K.Gopal, learned counsel appearing on behalf of the applicant (auction purchaser) in W.P.M.P.No.6065 of 2017, would submit that the auction purchaser has been a tenant of the said premises for the past 10 years; he was the highest bidder in the auction; the bid was knocked down in his favour; he paid a sum of Rs.8.20 lacs; he paid 25% of the bid amount on the date of auction, and the balance 75% on 02.02.2017; and the respondent-Bank has needlessly delayed issuing a sale certificate in his favour.

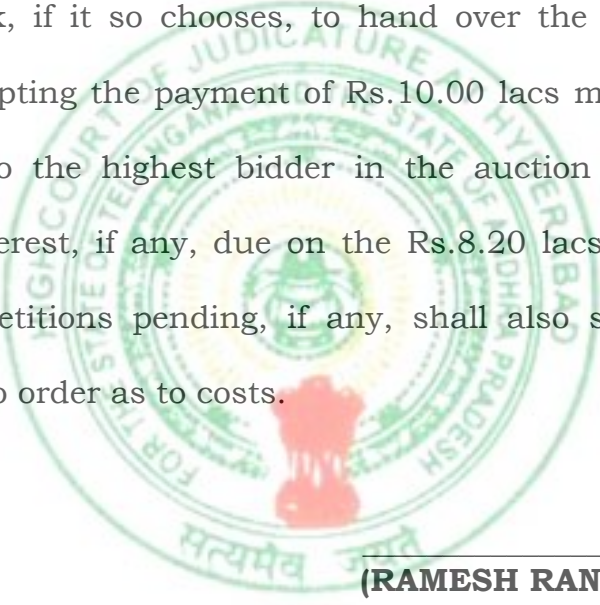
It is not in dispute that the petitioners are the owners of the property, and it is they who had obtained a loan from the respondent-Bank. It is for their failure to repay the loan amount within time, that the subject property was put to auction by the respondent-Bank. It is no doubt true that applicant in W.P.M.P.No.6065 of 2017 was the highest bidder in the auction. The fact, however, remains that no sale certificate was issued in his favour, though he had deposited a sum of Rs.8.2 lacs on 02.02.2017.

It is only on a sale certificate being issued to the highest bidder in the auction, and a sale deed executed in his favour, would the sale attain finality. Prior thereto, the bank is not barred from permitting the owner

to repay the loan amount to the Bank for having the property released in his favour. As the petitioners have paid a sum of Rs.10.00 lacs, which is more than the amount received from the highest bidder in the auction, we see no reason to prevent the respondent-Bank from taking necessary action in accordance with law.

The auction purchaser would only be entitled for refund of the amount due to him with interest thereon. Sri K.Mallikarjuna Rao, learned Standing Counsel for the respondent-Bank, would submit that Rs.8.20 lacs, paid by the highest bidder in the auction, would be refunded to him within one week from today.

The Writ Petition is, therefore, disposed of, leaving it open to the respondent-bank, if it so chooses, to hand over the documents to the petitioners, accepting the payment of Rs.10.00 lacs made by them. It is also left open to the highest bidder in the auction to avail his legal remedies for interest, if any, due on the Rs.8.20 lacs refunded to him. Miscellaneous Petitions pending, if any, shall also stand disposed of. There shall be no order as to costs.



(RAMESH RANGANATHAN, ACJ)

(DR. SHAMEEM AKTHER, J)

21st March, 2017
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Date: 21.03.2017

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