THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE MS. JUSTICE J.UMA DEVI

WRIT PETITION NO.10859 of 2016

ORDER: (per SK,J)

The petitioner was declared the auction-purchaser in the sale held by the State Bank of India on 21.12.2015 in relation to the secured asset belonging to the fourth respondent. By way of this writ petition, he seeks a direction to the Bank to receive the remaining 75% of the bid amount and issue him a sale certificate.

Sri Maruthi Jadhav, learned counsel representing Sri B.S.Prasad, learned counsel for the respondent bank, would state that the petitioner failed to deposit the sale consideration in terms of the time stipulations in Rule 9 of the Security Interest (Enforcement) Rules, 2002 (for short 'the Rules of 2002'). He would point out that Rule 9(4) of the Rules of 2002 requires that the balance amount, after deposit of 25% of the sale price, should be paid by the purchaser to the authorised officer on or before the fifteenth day of the confirmation of the sale. He would state that the sale stood confirmed on 21.12.2015 and therefore the time stipulated for payment of the balance sale consideration of 75% of the sale price expired long ago.

Sri V.R.Avula, learned counsel for the petitioner, would however state that Rule 9(4) of the Rules of 2002 contemplates extension of the period for payment of the balance sale consideration and therefore, this is a fit case for the bank to exercise its power thereunder. He would point out that the petitioner addressed letter dated 31.12.2015 to the bank requesting time to pay the remaining amount but the bank did not choose to extend the time. He would also point out that the bank issued letter dated 21.12.2015 requiring his client to pay the balance amount on or before 02.01.2006, i.e., before the expiry of the statutorily prescribed fifteen days.

It is no doubt true that the bank seems to have called upon the petitioner to make the payment in a shorter period than that stipulated under Rule 9(4) of the Rules of 2002. However, it is not the case of the petitioner that he made the payment within the prescribed period of fifteen days under Rule 9(4) of the Rules of 2002. Further, though the

Rule contemplates extension of time being granted, it can only be as agreed upon in writing between the parties. In terms of the law laid down by the Supreme Court in General Manager, Sri Siddeshwara Cooperative Bank Limited v. Ikbal[1] the term 'parties' mentioned in Rule 9(4) of the Rules of 2002 includes not only the secured creditor and the auction-purchaser, but also the borrower.

Sri Janardhana Reddy Ponaka, learned counsel for the fourth respondent/borrower, states that his client never expressed any willingness for extension of the time for the auction-purchaser to make the payment of the balance 75% of the sale price.

Therefore, it is not open to the petitioner to seek extension of time to make the payment of the balance sale consideration as a matter of right. Be it viewed from any angle, the failure on the part of the petitioner to make the payment of the sale price in terms of the statutory stipulations cannot be countenanced.

The writ petition is therefore devoid of merit and is accordingly dismissed. Pending miscellaneous petitions, if any, shall also stand dismissed. No order as to costs.

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SANJAY KUMAR,J

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J.UMA DEVI,J

Date:01.11.2017

GJ

[1] (2013) 10 SCC 83