HON'BLE SRI JUSTICE V.RAMASUBRAMANIAN
AND
HON'BLE Ms. JUSTICE J.UMA DEVI

Writ Petition No.13101 of 2018

Order: (per V.Ramasubramanian, J.)

Aggrieved by the extension of time granted by the Debts Recovery Tribunal for complying with a conditional order granted earlier, the State Bank of India has come up with the above writ petition.

2. Heard Mr. Ambadipudi Satyanarayana, learned Standing Counsel for the petitioner/Bank and Mr. K.V. Bhanu Prasad, learned counsel for the respondents.

3. As against a possession notice dated 21-9-2017 issued under Section 13(4) of the Securitisation Act, 2002, the respondents filed an appeal in S.A.No.382 of 2017. The Tribunal granted a conditional order of stay. The respondents filed an application for extension of time. The application was allowed and extension of time was granted by the Tribunal, without putting the Bank on notice. Therefore, the Bank has come up with the above writ petition.

4. Since the Tribunal had exercised its discretion in granting extension of time and also since the amount directed to be paid under the conditional order was Rs.5 Crores, we wanted to strike a balance between the competing of interest of the Bank and the borrowers. Hence, when the writ petition came up for orders as to admission on 16-4-2018, we passed an interim order which reads as follows:

"Mr.K.V.Bhanu Prasad, learned counsel takes notice for the respondents 1 to 4.

The Bank has come up with the above writ petition challenging the extension of time granted by the Debts Recovery Tribunal for complying with the conditional order passed way back on 21.10.2017.

Though the grievance of the Bank appears to be justified, the auction is scheduled to be held on 20.04.2018 and the extension of time granted by the Debts Recovery Tribunal is up to 25.04.2018. Therefore, if the Bank is permitted to proceed with the auction but not to confirm the same, the balance will be struck between the interests of both parties. In case, there are no takers in the auction, the Bank can hope to recover something, as a consequence of the extension granted by the Tribunal. If there are takers, in the auction, the same can be confirmed in case the petitioner fails to comply with the conditional order.

Therefore, superseding the order of the Tribunal, there will be a direction to the Bank to proceed with the auction as scheduled on 20.04.2018, but not to confirm the same till 25.04.2018.

Post on 26.04.2018 to see whether the respondents comply with the conditional order passed by the Tribunal or not, and for reporting compliance."

5. Pursuant to the said order, the respondents have deposited the amount of Rs.5 Crores as ordered by the Tribunal. The Bank also proceeded with the auction. There was only one bidder who offered a sum of Rs.3,61,00,000/-, in respect of one item and Rs.4,48,00,000/- in respect of another item.

6. In the light of the above developments, we are of the considered view that the Tribunal could be directed to dispose of the securitisation appeal, since the conditional order now stands satisfied. In fact, the conditional order was passed on

21-10-2017 and it should have been complied with by 21-01-2018. The respondents paid about Rs.2,05,00,000/- before the date fixed by the Tribunal and paid the balance amount of Rs.2,95,00,000/-, in April, 2018 after the Tribunal granted extension of time.

7. In view of the above, the writ petition is disposed of. The Tribunal should proceed to dispose of the securitisation appeal within a period of 4 (four) months from the date of receipt of a copy of this order. The interlocutory applications, if any, pending in this writ petition shall stand closed. No costs.

V.RAMASUBRAMANIAN, J.

J.UMA DEVI, J.

30th April, 2018.
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HON'BLE SRI JUSTICE V.RAMASUBRAMANIAN
AND
HON'BLE Ms. JUSTICE J.UMA DEVI

Writ Petition No.13101 of 2018
[per VRS, J.]

30th April, 2018.
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