HON'BLE SRI JUSTICE RAMESH RANGANATHAN

AND

HON'BLE SRI JUSTICE D.V.S.S.SOMAYAJULU

Writ Petition No.28721 of 2018

ORDER: {Per Hon'ble Sri Justice Ramesh Ranganathan}

The grievance of the petitioner, in this writ petition, is regarding the meagre interest of 9% which the Debts Recovery Tribunal, Visakhapatnam had, by its order in S.A.No.180 of 2010 dated 05.02.2018, directed the respondent-bank to pay to the petitioner herein.

The petitioner herein is the auction purchaser of a property put to sale by the 2nd respondent-bank. The subject property was mortgaged by the 4th respondent as security for a loan extended to him by the 3rd respondent-bank. By its order in S.A.No.180 of 2010 dated 05.02.2018, the Debts Recovery Tribunal disposed of the S.A directing the respondent-bank to pay the amount, deposited by the petitioner-auction purchaser (3rd respondent therein), with interest at 9% per annum on the amount deposited by the petitioner-auction purchaser. It further directed the respondent-bank to redeem the schedule property in favour of the applicant (4th respondent herein), discharge the mortgage over the schedule mentioned property, deliver the original title deeds of mortgaged property deposited into the respondent-bank, and refund any excess amount paid by the applicant.

It is not in dispute that the order of the Debts Recovery Tribunal, in S.A.No.180 of 2010 dated 05.02.2018, has not been subjected to challenge either by the 2nd respondent or by the 3rd respondent and, in so far as they are concerned, the order of the Debts Recovery Tribunal has attained finality. As noted hereinabove, the Debts Recovery Tribunal directed the respondent-bank to repay the amount deposited by the auction purchaser with interest at 9% per annum. We find considerable force in the submission of Sri V.Naga Praveen, learned counsel for the petitioner-auction purchaser, that the 9% interest awarded by the Debts Recovery Tribunal is meagre. At the same time, we see no reason to burden the respondent-bank with payment of a higher rate of interest for the failure on the part of the borrower to repay the loan amount on time.

We consider it appropriate, in such circumstances, to dispose of the writ petition directing the respondent-bank to repay the amount deposited by the petitioner-auction purchaser with interest at 9% per annum, as directed by the Debts Recovery Tribunal in S.A.No.180 of 2010 dated 05.02.2018, within three (3) months from today. The petitioner-auction purchaser shall be entitled to over all interest at 12% per annum. While the respondent-bank shall pay him interest at 9%, in compliance with the order of the Debts Recovery Tribunal, the remaining 3% interest on the amount, paid earlier by the petitioner-auction purchaser to the respondent bank, shall be paid by the 4th respondent-borrower from the date on which the petitioner auction purchaser had deposited the amount in bank till the bank repays the entire amount deposited with interest at 9% per annum. The respondent-bank shall compute interest at 12% per annum, and intimate the 4th respondent-borrower of the extent of interest (3%) liable to be paid by him. The 4th respondent shall pay the petitioner the said interest amount within two (2) months from the date of intimation by the respondent-bank.

The Writ Petition stands disposed of accordingly. Miscellaneous petitions pending, if any, shall stand closed. There shall be no order as to costs.

(RAMESH RANGANATHAN, J)

(D.V.S.S.SOMAYAJULU, J)

23rd October, 2018
JSU

HON'BLE SRI JUSTICE RAMESH RANGANATHAN

AND

HON'BLE SRI JUSTICE D.V.S.S.SOMAYAJULU

Writ Petition No.28721 of 2018

Date: 23.10.2018

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