

**THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN**

**AND**

**THE HON'BLE SMT JUSTICE KONGARA VIJAYA LAKSHMI**

WRIT PETITION NO.28691 OF 2018

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

Heard Sri B.Chandrasen Reddy, learned counsel for the petitioners and Sri Ambadipudi Satyanarayana, learned counsel for the respondent-Bank and, with their consent, the Writ Petition is disposed of at the stage of admission.

The first respondent-State Bank of India invoked the jurisdiction of the Debts Recovery Tribunal-I at Hyderabad ("the DRT" for short) under Section 19 of the Recovery of the Debts Due to Banks and Financial Institutions Act, 1993 for recovery of around Rs.209 crores. On the ground that the petitioners herein had failed to file their written statement, the DRT, by its order dated 25.07.2018, gave the petitioners herein (respondents in O.A.No.1332 of 2016) a final opportunity to file their written statement, and to contest their case, subject to the condition that the petitioners deposited 10% of the O.A. claim, made before the Tribunal, to the credit of O.A.No.1332 of 2016 within three weeks from the date of the order; they should file their written statement in the O.A. by 08.08.2018; and, in the event of failure to do so, the I.A. would stand dismissed.

This order was passed by the DRT in I.A.No.1437 of 2018 filed by the writ petitioners herein to set aside the order dated 06.04.2018 forfeiting their right to file their written statement, and to permit them to file a written statement in the O.A, and to contest the matter. The DRT passed the order impugned in this

Writ Petition, on the ground that the written statement was not filed by the petitioners herein, though they had entered appearance through counsel, and though several opportunities were afforded to them.

It is necessary to note that O.A.No.1332 of 2016 was filed by the first respondent-Bank seeking an order directing defendants 1 to 20 (petitioners herein) to jointly and severally pay the debt amount of Rs.209 crore as on the date of the application, and to issue a recovery certificate. The liability of the petitioners herein to pay the said amount is yet to be adjudicated in O.A.No.1332 of 2016 and the DRT was, therefore, not justified in directing them to deposit 10% of the O.A. claim, made before the Tribunal, to the credit of the O.A. While the DRT was justified in imposing costs while granting further time to file a written statement, the amount of costs, determined by the DRT of Rs.10,00,000/-, does appear unduly harsh.

Sri B.Chandrasen Reddy, learned counsel for the petitioners, would submit that the petitioners herein have since filed their written statement complying with the requirements of Rule 32 of the Civil Rules of Practice enclosing Board Resolutions of each of the petitioner-companies, except in so far as the first petitioner is concerned since a written statement has been filed by the first petitioner, and which has been adopted by all the other petitioners.

We consider it appropriate, in such circumstances, to reduce the costs imposed by the DRT from Rs.10,00,000/- to Rs.1,00,000/- which the petitioners shall pay the first respondent-State Bank of India within three (3) weeks from today. The impugned order is set aside to the extent indicated hereinabove.

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

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**(RAMESH RANGANATHAN, J)**

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**(KONGARA VIJAYA LAKSHMI, J)**

23<sup>rd</sup> August 2018  
RRB

