

HON'BLE SRI JUSTICE RAMESH RANGANATHAN
AND
HON'BLE SMT JUSTICE KONGARA VIJAYA LAKSHMI

Writ Petition No.30954 of 2018

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

We had, by our order dated 29.08.2018, permitted Sri A.Satyanarayana, learned counsel for the petitioner, to take out personal notice on respondents 1 to 11 and their counsel before the Debt Recovery Tribunal; and to file proof of service within one week. Today, Sri A.Satyanarayana, learned counsel for the petitioner, would submit that, while notices were served on all the respondents except respondents 4 and 7 who were residing abroad, notices were served on Sri B.Srinivas Reddy, learned counsel appearing on their behalf before the Debt Recovery Tribunal in S.A.No.1304 of 2017. Though notices have been served on the respondents, no counsel has entered appearance on their behalf, except Sri V.Dharma Suri, learned counsel, who has entered appearance on behalf of respondent Nos.17, 25 and 27.

The relief sought for in this writ petition is for a direction to the Debt Recovery Tribunal-II, Hyderabad to dispose of S.A.No.400 of 2016, re-numbered as S.A.No.1304 of 2017, within three months, in the light of the directions of the Debt Recovery Appellate Tribunal, Kolkata in Appeal No.40 of 2017 dated 06.04.2017.

In its order in Appeal No.40 of 2017 dated 10.07.2017, preferred against the order passed by the Presiding Officer, Debt Recovery Tribunal, Hyderabad in I.A.No.2335 of 2016 in S.A.No.400 of 2016 dated 20.01.2017, the DRAT observed that, out of the 31 items of property put to auction, items 4 to 8, 10, 21, 24, 29 and 30 could not be auctioned for want of bidders; the successful bidders, in respect of items 1 to 3, 5, 9, 12 to 14, 17 to 19, 23, 25 and 28, had failed to deposit 25% of the bid

amount immediately after the sale; the amount deposited was not in compliance with Rule 9(3) of the Security Interest (Enforcement) Rules, 2002; and, therefore, the sale in respect of items 11, 15, 16, 20, 22, 26, 27 and 31 was valid, and the auction purchasers were entitled to get the sale certificates. While granting liberty to the bank to take out proceedings afresh in accordance with law, the DRT posted the matter to another date for arguments in the S.A.

Against the order passed by the DRT, in I.A.No.2335 of 2016, the petitioner-bank carried the matter in appeal to the DRAT in Appeal No.40 of 2017. By its order dated 10.07.2017, the DRAT allowed the appeal, setting aside the order of the DRT dated 20.01.2017, and directed the Presiding Officer, DRT to dispose of the S.A expeditiously preferably within a period of three months. The DRAT directed *status quo* in respect of the sold properties, but made it clear that it was open to the petitioner to proceed for sale in respect of those properties where the auction sale did not materialise; and observed that the said proceedings shall be subject to the outcome of the S.A.

Sri A.Satyanarayana, learned counsel for the petitioner, would submit that the S.A is now posted to 25.09.2018 for arguments; Rs.40.00 crores received, on auction of certain properties, has been kept in deposit by the bank; the bank is not in a position to utilise the said amount for the past two years; pendency of the S.A has also resulted in persons not coming forward to purchase the mortgaged properties in the auctions conducted by the bank later; and, in the light of the order passed by the DRAT, it is but appropriate that the DRT be directed to dispose of the appeal at the earliest.

We would, ordinarily, be reluctant to specify a time frame for the DRT to dispose of the S.A, conscious as we are of the huge pendency of cases before the DRT. However, considering the fact that the S.A relates

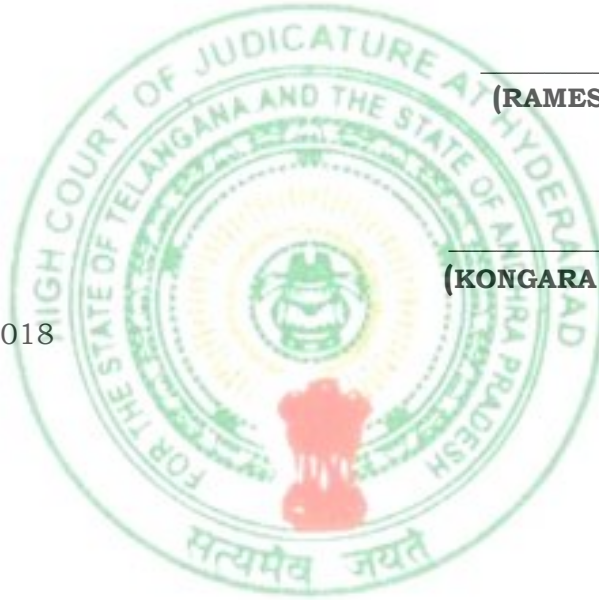
to the year 2016, it is pending on the file of the DRT for the past two years, and the order of *status quo* passed by the DRAT, with regards sale of subject properties, would disable the bank from utilising the said amount, and would require them to keep the said amount in deposit till the disposal of the S.A, we request the DRT to consider hearing the S.A at the earliest, preferably within three months from the date of receipt of a copy of this order.

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

(RAMESH RANGANATHAN, J)

(KONGARA VIJAYA LAKSHMI, J)

18th September, 2018
JSU



**HON'BLE SRI JUSTICE RAMESH RANGANATHAN
AND
HON'BLE SMT JUSTICE KONGARA VIJAYA LAKSHMI**



Writ Petition No.30954 of 2018

Date: 18.09.2018

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