THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE SRI JUSTICE P.KESHAVA RAO

W.P.No.12807 OF 2019

ORDER:
(*Per* Sanjay Kumar, J)

1 The petitioners assail the order dated 17.6.2019 passed by the Debts Recovery Tribunal-I, Hyderabad, in I.A.No.1842 of 2019 in S.A.No.180 of 2019.

2 The said I.A. was filed by the petitioners seeking stay of all further proceedings pursuant to the e-auction sale notice dated 24.5.2019 issued by the State Bank of India fixing the date of the auction sale of the secured assets as 28.6.2019. This auction sale was proposed to be conducted by the Bank under the provisions of the SARFAESI Act, 2002. By the impugned docket order dated 17.6.2019, the Tribunal opined that the petitioners had utterly failed in showing their *bona fides* and expressed its disinclination to grant a stay. The I.A was accordingly adjourned.

3 By order dated 27.6.2019 passed in I.A.No.1 of 2019 filed in this Writ Petition, this Court took note of the submissions made on behalf of the petitioners that they were in a position to repay the total outstanding dues of the Bank. Sri K. Buchi Babu, learned counsel for the petitioners, stated before the Court that the petitioners would deposit a sum of Rs.1.00 crore before 12.00 p.m. on 28.6.2019 and the balance outstanding dues would be cleared within four weeks thereafter. In the light of the said submissions, this Court directed the Bank not to confirm the auction sale, if any, that crystallized during the auction scheduled to be held on 28.6.2019. This Court however made it clear that the Bank could receive 25% of the bid amount from the highest bidder but desist from taking any further steps till expiry of the period stipulated. The petitioners were directed to deposit Rs.1.00 crore with the Bank before 12.00 p.m. on 28.6.2019 and the balance outstanding dues, including the accrued interest and expenses, if any, on or before 29.7.2019. In

the event they failed to do so, the Bank was given liberty to proceed further in terms of confirming the sale, receiving the balance sale consideration and completing the sale formalities. It was also made clear that in the event the petitioners cleared the total outstanding dues, they would still be liable to bear the interest burden on the 25% sale consideration amount that would be deposited by the highest bidder, if any, during the auction scheduled to be held on 28.6.2019.

4 Thereafter, on 31.7.2019 when this case was taken up for hearing, Sri M.Srikanth Reddy, learned counsel for the Bank, informed this Court that a sum of Rs.37,65,513/- was still due and payable by the petitioners towards the outstanding dues. He also stated that the interest burden on 25% of the sale consideration amount deposited by the highest bidder in the auction sale held on 28.6.2019 was also to be deposited. This Court quantified the interest payable on the 25% of the sale consideration at 7% p.a. The petitioners were directed to deposit a sum of Rs.37,65,513/- along with the interest component as per the aforestated rate on or before 13.8.2019.

5 We are informed by Sri M.Srikanth Reddy, learned counsel for the Bank, that the petitioners deposited Rs.24,21,226/- on 05.8.2019 and Rs.13,15,150/- on 08.8.2019 towards the balance outstanding dues of Rs.37,36,376/-. Though there is a discrepancy with regard to the figure mentioned, as per the total outstanding dues which were recorded by this Court on 31.7.2019, Sri M. Srikanth Reddy, learned counsel, would state that the payment made in full, being Rs.37,36,376/-, settles the total outstanding dues of the Bank. He would further state that the petitioners deposited Rs.45,150/- towards the interest component payable to M/s. Kakati Karshak Industries Private Limited, the successful bidder in the auction held on 28.6.2019. Learned counsel would further inform this Court that the successful bidder is willing to accept the

interest along with the 25% sale consideration amount deposited by it and exit from the picture.

6 In the light of the aforestated facts, as the Bank's outstanding dues have been settled in full and as the highest bidder has also been appeased with payment of interest upon the part sale consideration amount deposited by it, nothing further remains to be adjudicated in this Writ Petition.

7 At this stage, Sri K. Buchi Babu, learned counsel for the petitioners, would state that there is a dispute with regard to the computation of the total outstanding dues, notwithstanding the fact that the petitioners have already paid the said amount. He would therefore seek to reserve liberty to the petitioners to approach the Bank authorities to address the issue in this regard.

8 The Writ Petition is accordingly closed with the liberty aforestated. The petitioners shall take steps in the pending Securitisation Application for its closure, in the light of the aforestated developments.

9 Pending miscellaneous applications, if any, shall stand closed in the light of this final order. No order as to costs.

SANJAY KUMAR, J.

P.KESHAVA RAO, J.

Date: 16.08.2019
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