

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 01.09.2020

CORAM

THE HON'BLE MR.JUSTICE M.M.SUNDRESH
and
THE HON'BLE MRS.JUSTICE R.HEMALATHA

W.P.No.10400 of 2020
and
W.M.P.Nos.12652 & 12656 of 2020

S.Ravichandran

...Petitioner

Vs.

The Assistant General Manager &
Authorized Officer,
State Bank of India,
Stressed Assets Management Branch,
No.32, Red Cross Road,
Egmore, Chennai - 8.

... Respondent

Writ petition filed under Article 226 of the Constitution of India praying for a Writ of Certiorarified Mandamus calling for the records of the Respondent bank in Letter No.SAMB/CLO-1/298 dated 10.07.2020 and quash the same as illegal and also direct the Respondent bank to grant further time of 3 months to the petitioner to pay the balance of the sale consideration in respect of the e-auction dated 18.03.2020.

For Petitioner .. Mr.M.S.Stalin

For Respondents .. Mr.K.Chandrasekaran

सत्यमेव जयते
ORDER

(Order of the Court was made by M.M.SUNDRESH, J.)

The petitioner, who is the auction purchaser, has come forward to challenge the letter of the respondent bank dated 10.07.2020, by which, the extension sought for has not been granted.

2. The petitioner sought for extension on the ground of inability to make the remaining payment due to the pandemic situation.

3. The learned counsel for the petitioner submitted that after filing of the writ petition also some more amount has been paid. The remaining amount would be paid, within a period of eight weeks from the date of receipt of a copy of this order.

4. The learned counsel appearing for the respondent bank submitted that by the impugned letter, the petitioner has been correctly informed about the inability of the bank to extend the time contrary to the rules and the terms contained in the auction. Resultantly, the petitioner will have to forfeit the deposits made.

5. We have already passed a comprehensive order on the inability of a borrower in not making the payment due to the pandemic situation. Such inability though can be taken note of by the Court, the subsequent inability which has arisen cannot be a factor for granting extension.

6. Considering the above, we are of the view that the petitioner may not have the vested right to seek extension. However, as already held by us in similar cases, the petitioner may be permitted to deposit the remaining amount of the sale consideration within a period of eight weeks from the date of receipt of a copy of this order. The respondent bank is at liberty to proceed with the re-auction by fixing the same upset price in which the petitioner can also participate. In that case the petitioner may be permitted to take part. If the sale price in the proposed re-auction is higher than the auction knocked in favour petitioner being the successful bidder, he has to be given back the money deposited by him sans the expenses incurred for the re-auction.

7. However, if the proposed sale did not get any offer above the petitioner's offer, the same shall not be confirmed, whereas the petitioner's earlier auction will have to be confirmed subject to the compliance as aforesaid towards deposit of the remaining amount. We make it clear that in the event of the petitioner not complying with our order towards deposit, he would not be entitled for further extension and in which case, the subsequent auction can be confirmed at the discretion of the respondent bank. Resultantly, the petitioner would lose all the deposits made by him. We further clarify that the said payment of the remaining sale consideration as directed to be paid by the petitioner can be made in part before the last date for compliance. In case, the petitioner becomes successful bidder for lesser price than the one offered by him in the earlier auction then, the subsequent auction shall not be confirmed and the petitioner will have to be complied with the condition as stated aforesaid. The statement made by the learned counsel for the petitioner that in any case, the petitioner would comply

with the offer made by him in the earlier auction stands recorded.

8.This writ petition stands disposed of accordingly with the above directions. No costs. Consequently, connected WMPs are closed.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

The Assistant General Manager and
Authorised Officer, State Bank Of India,
Stressed Assets Management Branch,
32, Red Cross Road, Chennai-8.

W.P.No.10400 of 2020

VG-II (CO)
RV (28/10/2020)



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