



WEB COPY

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 19.08.2020

CORAM

THE HON'BLE MR.JUSTICE M.SATHYANARAYANAN

and

THE HON'BLE MR.JUSTICE P.RAJAMANICKAM

W.P. (MD) No. 9538 of 2020

and W.M.P. (MD) No. 8596 of 2020

(Through Video conferencing)

M.Shibu

...Petitioner

-Vs-

1.The Reserve Bank of India

Department of Non-Banking Supervision

Fort Glacis

16, Rajaji Salai, Chennai - 01.

2.The Authorized Officer

Tamil Nadu Mercantile Bank Ltd.,

Arumanai Branch

7/88-A, Thattankonam

Kanyakumari District.

...Respondents

Prayer: Writ Petition filed under Article 226 of Constitution of India, praying to issue a writ of Mandamus, directing the respondents to extend the period of time granted under Rule 9(4) of the Security Interest (Enforcement) Rules, 2002, to deposit the remaining 75% of the bid amount Rs.37,05,000/- for the auction sale property situated in R.S.No.388/15, Puliyoorsalai Village, Vilavancode Taluk, Kanyakumari District and to pass such further reliefs.

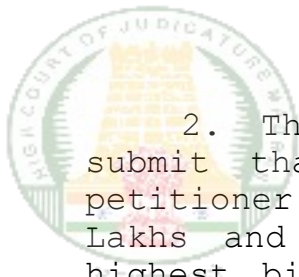
For Petitioner : Mr.R.Rajamohan

For Respondents : Mr.N.Dilipkumar

ORDER

[Order of the Court was made by M. SATHYANARAYANAN, J.,]

The petitioner is the successful auction purchaser in respect of the landed property situate in R.S.No.388/15, Puliyoorsalai Village, Vilavancode Taluk, Kanyakumari District, admeasuring to an extent of 16 cents (Ground Floor 1169 sq. ft., and First Floor 1007 sq. ft) in respect of the auction sale conducted by the second respondent under the provisions of the 'Securitization and Reconstruction of Financial and Enforcement of Security Interest Act, 2002' (in short 'SARFAESI' Act).



2. The learned counsel appearing for the petitioner would submit that in the auction sale conducted on 20.03.2020, the petitioner had quoted a figure of Rs.49,40,000/- (Rupees Forty Nine Lakhs and Forty Thousand only) and since he was declared as a highest bidder, he paid 25% of the bid amount on 21.03.2020 and accordingly, the sale was confirmed in his favour and as per the terms and conditions of the auction sale, he was directed to pay the balance 75% of the bid amount, amounting to Rs.37,05,000/- (Rupees Thirty Seven Lakhs and Five Thousand only) on or before 05.04.2020.

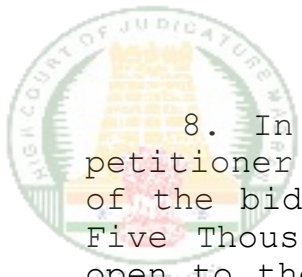
3. The primordial submission of the learned counsel appearing for the petitioner is that on account of the unexpected break out of COVID-19 pandemic virus, he was not in a position to mobilize the funds and accordingly, submitted a representation dated 04.04.2000, praying for 15 days time under the impression that the effect of the COVID-19 pandemic virus will be levelled and lock down will also be lifted, but unfortunately, there is no abatement of the said virus and that apart, the lock down is also extended from time to time by the Government of Tamil Nadu and hence, prays for extension of time, so as to enable him to make the balance 75% of the bid amount.

4. *Per contra*, learned Standing Counsel appearing for the second respondent would submit that once the petitioner participated in the auction sale, he is bound by the terms and conditions of the auction sale and as such, he is under obligation to make the balance 75% of the bid amount within the time stipulated and the out break of COVID-19 pandemic virus cannot be cited as a plausible reason praying for extension of time and hence, prays for dismissal of this writ petition.

5. This Court has carefully considered the rival submissions and also perused the materials placed on record.

6. This Court can take judicial notice of the fact that on account of the COVID-19 pandemic virus, panic life situation has been created, mainly due to hike created by visual and social medias and the potency of the spread of COVID-19 pandemic virus is thick and fast, and taking note of the serious nature of the said pandemic, the Central Government had invoked the provisions of the Disaster Management Act and so also, the State Government and in order to contain the uncertain spread of the virus, complete as well as periodical lock down are also put in place by the State Government.

7. In the considered opinion of this Court, the reasons adduced by the petitioner in the affidavit filed in support of this writ petition, deserve consideration in the light of the above said reasons and therefore, this Court is inclined to give a positive direction to the second respondent for extension of time to pay the 75% of the bid amount.



8. In the result, this writ petition is disposed of and the petitioner is granted 7 weeks time from today to pay the balance 75% of the bid amount of Rs.37,05,000/- (Rupees Thirty Seven Lakhs and Five Thousand only) to the second respondent failing which, it is open to the second respondent to proceed further in accordance with the law. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-

Deputy Registrar (LA&M)

// True Copy //

/ /2020

Sub Assistant Registrar(CS)

vsm

Note: In view of the present lock down owing to COVID-19 pandemic, a web copy of the order may be utilized for official purposes, but, ensuring that the copy of the order that is presented is the correct copy, shall be the responsibility of the advocate/litigant concerned.

+1 CC to M/s.N. DILIPKUMAR, Advocate (SR-14460[F] dated 19/08/2020)

Order made in
W.P. (MD) No.9538 of 2020
and WMP (MD) No.8596 of 2020
19.08.2020

AP(01/09/2020) 3P 2C