IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.7808 of 2022

Ranjita Prusty and another .... ***Petitioners***

Mr. Mithun Das, Advocate

-versus-

Authorised Officer, Union Bank of India 3rd Floor, Balasore and another .... ***Opp. Parties***

Mr. M. Balakrishna Rao, Advocate for the Bank

CORAM:
JUSTICE JASWANT SINGH
JUSTICE M.S. RAMAN

ORDER (Oral)

Order No. **11.05.2022**

03. **1.** This matter is taken up through virtual/physical mode.

2. The two petitioners are the defaulting borrowers of a Cash Credit/OD facility for a sum of Rs.40 lakhs sanctioned and availed w.e.f. 31.05.2016 from Union Bank of India (erstwhile Corporation Bank), Keonjhar Branch. Due to financial indiscipline, the loan accounts were declared NPA on 30.06.2021 and recovery process under the SARFAESI Act, 2002 (for short "the Act, 2002") was initiated by issuance of a demand notice dated 01.07.2021 leading up to issuance of E-auction sale notice dated 11.04.2022 fixing the auction sale of the mortgaged property on 29.04.2022. Hence, the instant writ petition challenging the recovery process under the Act, 2002.

3. Upon willingness of the petitioners to clear the outstanding liabilities, this Court passed the following order dated 18.04.2022:-

> "**1.** This matter is taken up by virtual/physical mode.
>
> **2.** It is pointed out that for an outstanding liability of around Rs.33.00 lakhs as on 30th Arpil, 2022, the mortgaged property with the reserved price of Rs.1,30,00,000/- is being put to auction on 29th April, 2022. It is urged that the petitioner is prepared to clear the outstanding liability within four months with substantial amount as upfront money to show the *bona fides*.
>
> **3.** Issue notice for 11th May, 2022.
>
> **4.** Mr. M. Balakrishan Rao, Advocate appears and waives of notice on behalf of Bank/Opposite Parties.
>
> Let requisite number of copies of writ petition be served on him.
>
> **5.** As an interim measure, subject to the petitioner depositing an amount of Rs.17.00 lakhs on or before 29th April, 2022, the successful bid, if any, shall not be confirmed without leave of the Court. The petitioner shall also file an undertaking by way of affidavit to clear the remaining balance within next four months of such deposit.
>
> Issue urgent certified copy as per rules."

4. At the time of hearing, learned counsel for the Bank concedes that the petitioners have complied with the aforesaid interim directions and also filed their undertaking that they will clear the remaining balance including interest and other charges by 31.08.2022. He further submits that in view of the same, the Bank has no objection if the present writ petition is disposed of as infructuous, subject to petitioners to abide by payment of the remaining balance by 31.08.2022.

5. Accordingly, the writ petition is disposed of as infructuous subject to petitioners depositing the remaining balance by 31.08.2022.

It is clarified that no further time shall be granted for clearing the outstanding liability.

(Jaswant Singh)
Judge

(M. S. Raman)
Judge

Basudev May 11th, 2022
Cuttack