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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
CIVIL APPEAL NO. 1410 OF 2008
K. Venkateshwarlu ..Appellant
versus

State Bank of Hyderabad and others ..Respondents

O R D E R

1. The Farmers Co-operative Society (respondent no.3 before this Court) availed a loan of Rs.5,20,440/- from the State Bank of Hyderabad (now, State Bank of India)(hereinafter referred to as the Respondent-Bank), on 24.07.1985. Since the loan amount was not discharged, the Farmers Co-operative Society, passed a resolution on 22.03.1991, to handover the mortgaged land (measuring 16.04 acres) to the Respondent-Bank, as a full and final settlement of the loan amount, of Rs.13,25,786/- (inclusive of costs and interest etc.).

2. The land made over by the Farmers Co-operative Society, to the Respondent-Bank, was put to auction, on various occasions. However, the auction proceedings could not fructify. Eventually, the appellant's bid in the sum of Rs.5,10,000/-, being the highest, was accepted on 11.11.1992. In the first instance, i.e., on the date of auction itself, the appellant deposited a sum of Rs.80,000/-, and thereafter on 5.12.1992, the appellant deposited a further amount of Rs.1,00,000/-. The amount deposited by the

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appellant constituted 25% of the sale price. It is not a matter of dispute, that the balance sale consideration, had to be deposited by the appellant within 15 days.

3. During the course of proceedings, which came to be held by the District Co-operative Officer, Nalgonda, the auction held on 11.11.1992, vide which the appellant's bid was accepted, came to be set aside(on 23.08.1994). The aforesaid position has now attained finality.

4. On 15.11.1999, the Co-operative Tribunal arrived at the conclusion, that the deposit made by the appellant needed to be forfeited, because he had not deposited the entire auction consideration, within 15 days. The solitary question, that arises for consideration before this Court is, whether the auction proceedings conducted on 11.11.1992, by themselves having been set aside, the appellant was entitled to refund of the deposit made by him.

5. It is not necessary for us to examine the legality of the claim canvassed before us on behalf of the appellant, on account of the clear position adopted on behalf of the Respondent-Bank, namely, that the auction proceedings conducted on 11.11.1992 having been set aside, whereupon, the Respondent-Bank had re-auctioned the land in question (on 5.12.2005) for a total consideration of Rs.36,00,000/-, the appellant is entitled to the refund of the deposit made by him.

6. In view of the above, without going into the merits of the controversy raised by the appellant, the Respondent-Bank is

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directed to refund the forfeited amount (vide order of the Co-operative Tribunal dated 15.11.1999) to the appellant.

7. Disposed of in the aforesaid terms.

â- |.....CJI

[JAGDISH SINGH KHEHAR]

â- |.....J.

[Dr. D.Y. CHANDRACHUD]

NEW DELHI; â- |.....J.

APRIL 27, 2017. [SANJAY KISHAN KAUL]

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ITEM NO.103

COURT NO.1

SECTION XIIA

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

Civil Appeal No(s). 1410/2008
K. VENKATESHWARLU

Appellant(s)

VERSUS

STATE BANK OF HYDERABAD & ORS. Respondent(s)
(with appln. (s) for permission for urging additional facts and
modification of court's order and c/delay in filing SLP and office
report)

Date : 27/04/2017 This appeal was called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE
HON'BLE DR. JUSTICE D.Y. CHANDRACHUD
HON'BLE MR. JUSTICE SANJAY KISHAN KAUL

For Appellant(s) Mr. Tadimalla Baskar Gowtham, Adv.
for Ms. T. Archana, A OR

For Respondent(s) Mr. A. V. Rangam, Adv.

Dr. S. K. Verma, Adv. (Not present)

UPON hearing the counsel the Court made the following
O R D E R

Delay condoned.

The appeal is disposed of in terms of the signed order.

(Renuka Sadana) (Parveen Kumar)

Assistant Registrar

AR-cum-PS

[signed order is placed on the file]