

**THE HON'BLE SRI JUSTICE R. SUBHASH REDDY
AND
THE HON'BLE SRI JUSTICE A. SHANKAR NARAYANA**

—
WRIT PETITION No.16258 of 2015

ORDER: *(Per Hon'ble Sri Justice R. Subhash Reddy)*

In this writ petition, the petitioner has questioned e-auction sale notice dated 11.05.2015 for sale of vacant site admeasuring 500 ankanams or 4000 sq. yards situated at Kallurupalli, Nellore Rural Mandal, Andhra Pradesh, and an extent of 33 ankanams and 264 sq. yards of residential site in Sy.No.453, Plot No.52 A Block, near Door No.26/1/201 at NGO Colony, B.V.Nagar, Nellore, Andhra Pradesh, which are shown as item Nos.8 and 7 respectively of the schedule of properties mentioned therein.

The petitioners are the guarantors for the loan obtained by the 2nd respondent-borrower. As the 2nd respondent failed to repay the loan amount, the 1st respondent Bank has initiated proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'SARFAESI' Act). After issuance of demand notice, the 1st respondent Bank has issued sale notice dated

11.05.2015 for sale of the properties mentioned therein, which include the properties of the petitioners. The petitioners are concerned with item Nos.7 and 8 of the properties notified in the sale notice.

The grievance of the petitioners is that the sale notice was served on them on 18.05.2015, whereas the auction was notified to be conducted on 12.06.2015, as such, there is no clear notice of thirty days as contemplated under the Security Interest (Enforcement) Rules, 2002 (for short 'the Rules').

This Court, on 10.06.2015, while issuing notice before admission, stayed the auction of the properties covered by item Nos.7 and 8 of auction notice.

When the matter is called for hearing, it is represented by Sri B.S.Prasad, learned counsel for the 1st respondent Bank, that in view of the interim orders passed by this Court, the 1st respondent Bank could not proceed with auction scheduled to be conducted on 12.06.2015. It is further submitted that if subject properties are required to be sold, the respondent will issue fresh notice in accordance with the Rules and take further steps, but no steps will be taken in furtherance of the sale notice dated 11.05.2015.

In view of the above, placing on record the submissions of learned counsel for the 1st respondent Bank, the writ petition is disposed of. It is made clear that it is open to the 1st respondent Bank to issue fresh notice for sale of the secured assets and take further steps in accordance with law. No order as to costs.

As a sequel, pending miscellaneous petitions, if any, shall stand closed.

**JUSTICE R.SUBHASH
REDDY**

**JUSTICE A. SHANKAR
NARAYANA**

02nd July, 2015
v v