

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

WRIT PETITION No.19088 OF 2015

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

This Writ Petition is filed seeking to declare the action of respondent No.2 in issuing Notice, dated 09.06.2015, in exercise of powers conferred under Rule 6(2)/8(6) of Security Interest (Enforcement) Rules, 2002, framed under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the Act'), as illegal and arbitrary.

The petitioner availed term loan and also cash credit facility from respondent No.2 – Bank. As the petitioner exceeded the limits of loan facility and cash credit facility, and also defaulted in repaying the term loan, respondent No.2 – Bank has initiated proceedings under the Act and issued impugned notice, dated 09.06.2015.

It is submitted by the learned counsel for petitioner that the only ground on which the petitioner seeks the relief as prayed for in this Writ Petition is that after receipt of notice, dated 09.06.2015, petitioner has made a representation, dated 13.06.2015, to respondent No.2 – Bank to reschedule his term loan and to increase cash credit limit, alleging that earlier the Unit was not running properly, but after shifting the Unit, it is running properly

and if the loan is rescheduled, he will repay the amount to regularise the account, but the same is pending consideration.

On the other hand, it is submitted by the learned counsel for respondent No.2 – Bank that the representation, dated 13.06.2015, of the petitioner was already considered and the decision was also communicated to the petitioner by Lr.No.706/45/049, dated 19.06.2015.

With regard to the request made by the petitioner in the representation, dated 13.06.2015, it is for respondent No.2 – Bank to consider the same. Further, in the absence of any illegality pointed out in the impugned notice, no positive direction can be granted as prayed for in this Writ Petition, but if the petitioner - Unit is running well, we permit the petitioner to make a further representation to respondent No.2 – Bank to regularise the account. If such a representation is made, it is open to respondent No.2 – Bank to consider the same in accordance with the Guidelines and the Rules applicable.

Subject to the above, the Writ Petition is disposed of. Miscellaneous Petitions, if any, pending in this Writ Petition shall stand closed. No costs.

R. SUBHASH

REDDY, J

A. SHANKAR

NARAYANA, J

July 09, 2015

MD