

**THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO
AND**

THE HON'BLE DR. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION No. 9026 OF 2016

ORDER : *(per Hon'ble Sri Justice Nooty Ramamohana Rao)*

Petitioners are the guarantors. The principal borrower is the 3rd respondent, who has committed default in repaying the loan amount. As a result, the petitioners have now come to answer the description of 'borrower' as the said expression has been given a very expansive meaning in Section 2(1)(f) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The petitioners are now very anxious to save the secured asset over which they created the security interest in favour of the 1st respondent bank herein, as the house is where six or seven preceding generations of their family lived and survived. Therefore, without going into all other contentious issues, we prefer to accept the submission made by Sri V. Nitesh, learned counsel for the petitioners, though the same is sought to be opposed by Sri K. Srinivasa Rao, learned Standing Counsel for Respondents 1 and 2.

Subject to the petitioners depositing a sum of not less than Rs. 15 lacs on or before 30.03.2016 to the credit of the loan account and depositing a further sum of Rs. 15 lacs on or before 30.04.2016 and a further sum of Rs. 15 lacs on or before 31.05.2016 and then undertaking to liquidate the entire liability, including the incidental expenses for undertaking securitization measures, before the end of June 2016, the 1st respondent bank may proceed further, but may not confirm the sale in favour of the best bidder till 04.06.2016. The 1st respondent bank shall not collect 75% of the bid amount and shall also

not issue the letter of confirmation in favour of the best bidder, unless the petitioners commit any default in living up to the promise, which they have made today at the Bar through their counsel, which has been accepted and which induced us to pass this order.

With this, the Writ Petition stands disposed of. No costs.

Consequently, the miscellaneous applications, if any shall also stand disposed of.

NOOTY RAMAMOHANA RAO, J

DR. B. SIVA SANKARA RAO, J

18th March 2016

Issue CC by 21.03.2016
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