

THE HON'BLE SRI JUSTICE V. RAMASUBRAMANIAN

AND

THE HON'BLE SRI JUSTICE G. SHYAM PRASAD

WRIT PETITION No. 37744 of 2016

ORDER: (*Per VRS,J*)

The petitioners have come up with the above writ petition, challenging (1) the classification of the account as a non-performing asset, (2) issuance of a notice under Section 13(2) of the SAFAESI Act, and (3) issuance of a possession notice under Section 13(4).

2. Heard Mr. M.V.Raja Raam, learned counsel for the petitioners. Mr. B.S. Prasad, learned standing counsel for State Bank of India, takes notice for the respondents.

3. The main grievance of the petitioners is that only by a letter, dated 28.07.2016, the respondent-Bank agreed to enhance the working capital limits and also grant extension of repayment period for the existing limits, but contrary to the said promise, issued a notice under Section 13(2) within two days on 30.07.2016, and slapped with a possession notice dated 30.09.2016. The contention of the petitioners is that the very classification of the account as a non-performing asset was completely contrary to the R.B.I. guidelines and the decisions of the Supreme Court.

4. It is true that by a letter, dated 28.07.2016, the respondent-Bank had agreed to enhance the working capital limits and also extend the repayment period. But, this was made subject to certain conditions incorporated in the letter itself. According to the respondent-Bank, at least one of the conditions could not be complied with by the petitioners. Therefore, the question as to whether the classification of the account of the petitioners as a non-performing asset, due to the non-compliance with the conditions imposed, is correct or not, becomes a disputed question.

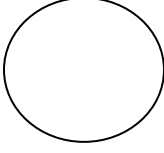
5. It is stated by the learned counsel for the respondent-Bank that a Presiding Officer has been appointed to the D.R.T., Visakhapatnam, and he has taken charge. Therefore, the petitioners should go only under Section 17 of the Act. Hence, leaving it open to them to move the D.R.T., Visakhapatnam, this Writ Petition is dismissed.

Consequently, miscellaneous petitions if any pending in the writ petition shall stand dismissed. No order as to costs.

V. RAMASUBRAMANIAN, J

G. SHYAM PRASAD, J

3rd November, 2016
cbs



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