THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE Dr. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION No.18818 of 2016

ORDER: (Per Hon'ble Sri Justice Sanjay Kumar)

Heard Sri T. Janardhan Rao, learned counsel for the petitioners, and Sri Maruti Jadav, learned counsel representing Sri B.S. Prasad, learned counsel for the Union Bank of India, the respondent herein.

Challenge in this writ petition is to the possession notice dated 15.03.2016 issued by the respondent bank under Rule 8(1) of the Security Interest (Enforcement) Rules, 2002, read with Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the Act of 2002').

No ground worth the name has been raised in the affidavit filed in support of this writ petition to challenge the validity of the afore-stated possession notice. The said notice demonstrates that the petitioners, being the borrowers, as defined in Section 2(1)(f) of the Act of 2002, failed to repay the outstanding dues of Rs.2,11,73,025.08 ps., and their loan account was classified as a Non-Performing Asset.

However, as it is stated that a residential property is sought to be put to sale by virtue of the proceedings now initiated, we are of the opinion that a fair opportunity can be allowed to the petitioners to demonstrate their bona fides and repay the entire amount due to the respondent bank.

The writ petition is accordingly disposed of with the following directions:

The petitioners shall repay the entire outstandings due to the respondent bank within two months from the date of receipt of a copy of this order. This discharge shall be in the form of two monthly installments. The petitioners shall pay the first monthly installment of Rs.1.00 Crore within one month from the date of receipt of a copy of this order and the balance outstanding dues, as quantified by the respondent bank, by way of the second monthly installment within one month thereafter. In the event the petitioners fail to make either of the afore-stated deposits, it shall be open to the respondent bank to proceed in the matter in accordance with law. The respondent bank shall not take further steps pursuant to the impugned possession notice for a period of one month from the date of receipt of a copy of this order to enable the petitioners to prove their bona fides by making the first payment. In the event, the petitioners make such payment, the respondent bank shall desist from taking coercive measures for another month thereafter. We make it clear that no further extension of time will be granted for making the afore-stated deposits under any circumstances and that the bank would be at liberty to proceed in accordance with law in the event the petitioners commit any default, be it in the payment of the first installment or the second installment.

Pending miscellaneous petitions, if any, shall stand closed in the light of this final order. No order as to costs.

SANJAY KUMAR, J

Dr. B. SIVA SANKARA RAO, J

15th June, 2016
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