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

WRIT PETITION Nos.27063 of 2015 and 876 of 2016

COMMON ORDER: (per Hon'ble Sri Justice Sanjay Kumar)

These writ petitions are filed by guarantors for the loan availed by the fourth respondent from Andhra Bank. They would fall within the definition of 'borrower' under Section 2(1)(f) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for brevity, 'the Act of 2002'). Their challenge in these writ petitions was to the steps initiated by the bank under Section 13(4) of the Act of 2002 read with Rule 8(1) of the Security Interest (Enforcement) Rules, 2002 (for brevity, 'the Rules of 2002'), whereby possession notices were issued in relation to the secured assets. These possession notices were also published in the newspapers as mandated by Rule 8(2) of the Rules of 2002.

This Court granted an interim order in W.P.No.27063 of 2015 subject to conditions which have admittedly been complied with.

Sri E.V.V.S. Ravi Kumar, learned counsel for the petitioners in these two cases, would submit that his clients are anxious to discharge the outstanding dues of the bank, whereby their properties which were offered as security for the loan availed by the fourth respondent would stand released.

As the bank is yet to initiate sale proceedings, we are of the opinion that reasonable time can be given to the petitioners to prove their *bona fides* in this regard.

The Writ petitions are accordingly disposed of staying further proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, pursuant to the impugned possession notices subject to the petitioners discharging the entire outstanding dues of the respondent bank as follows:

The petitioners shall deposit 50% of the entire outstanding dues of the respondent bank with interest along with incidental expenses on or before 14.08.2016 and the balance 50% of the outstanding dues with interest along with incidental expenses on or before 14.09.2016. In the event the petitioners commit any default in payment of either of the afore-stated two instalments, the respondent bank would be at liberty to proceed in the matter in accordance with law as against their individual secured assets.

Pending miscellaneous petitions, if any, shall also stand dismissed. No order as to costs.

SANJAY KUMAR, J

Dr. B. SIVA SANKARA RAO, J

Date:14.07.2016

GJ