

HON'BLE SRI JUSTICE R. KANTHA RAO
AND
HON'BLE SRI JUSTICE Dr. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION Nos.12624, 12660 & 12663 OF 2016

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COMMON ORDER: *(Per Hon'ble Dr. Justice B. Siva Sankara Rao)*

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Heard Sri P. Sreedhar Reddy, learned counsel for the respective petitioners, and Sri N. Venu Gopal Rao, learned Standing Counsel for 1st respondent – Bank in all the above Writ Petitions.

With the consent of both the learned counsel, the above Writ Petitions are disposed of by this common order.

These Writ Petitions are filed respectively questioning the sealing of subject premises belonging to respondent Nos.2 and 3 by respondent No.1 – Bank, as part of securitization measures taken up by the secured creditor - Bank.

The claim of the petitioners is that they are tenants in the subject premises of respondents 2 and 3, borrowers as per Section 2 (1) (f) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the Act') and they entered into respective lease agreements with said landlords, that they were served with notice dated 07.04.2016 by the advocate commissioner appointed under Section 14 of the Act for handing over physical possession of the subject premises. The grievance of the petitioners is that even before handing over the physical possession and without giving reasonable opportunity to them to take appropriate measures, the 1st respondent – Bank put

the premises under lock and key and as such, their rights are adversely affected.

The lease agreements, which are entered into by the petitioners with respondents 2 and 3, are unregistered and by virtue of A.P. Amendment Act 4 of 1999 to Section 17 of the Registration Act, 1908, such leases must be registered w.e.f. 01.04.1999 to give sanctity. However, the fact remains that in the very notice issued by the advocate commissioner appointed under Section 14 of the Act, it is mentioned that the petitioners are continuing as tenants. The facts that the 1st respondent - Bank has already taken constructive possession of the subject premises and the premises are commercial premises are not in dispute.

In the facts and circumstances of the case and to sub-serve the ends of justice, while permitting the 1st respondent – Bank to continue in possession, hand over the physical possession to the petitioners for the time being i.e., for two months from today so that the petitioners can vacate the subject premises in the meantime by making any alternative arrangement, failing which, by virtue of this order, the 1st respondent - Bank is entitled to dislodge the petitioners as they are permitted for the time being to continue by the Bank and not with any right of recognition. The other securitization measures shall go on without any hindrance.

With the above observations, these Writ Petitions are disposed of. There shall be no order as to costs.

The Miscellaneous Petition, if any, pending in these Writ Petitions shall stand closed.

JUSTICE R. KANTHA RAO

Dr. JUSTICE B. SIVA SANKARA RAO

Date:18.04.2016

Note:- Issue C.C. by 21.04.2016.

(B/o)

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