

HON'BLE SRI JUSTICE C.V.NAGARJUNA REDDY
AND
HON'BLE SRI JUSTICE G.SHYAM PRASAD

WP.No.24424 of 2016

Date:25.7.2016

Between:

Katragadda Rajababu,
S/o Narasimha Rao

..... **Petitioner**

And:

The Authorized Officer,
State Bank of Hyderabad,
at Bodhan and two others.

....**Respondents**

Counsel for the petitioner: Dr. Challa Srinivas Reddy

Counsel for Respondents: None appeared

The Court made the following:

ORDER: *(per Hon'ble Sri Justice C.V.Nagarjuna Reddy)*

The guarantor of a loan availed by respondent No.3 from respondent No.2 has filed this Writ Petition complaining that without properly proceeding against the principal borrower-respondent No.3, respondent Nos.1 and 2 have been proceeding against him.

The law is well settled that the guarantor is as

much liable for repayment of the loan as the principal borrower is and a discretion is always conferred by law on the creditor either to proceed against both or one of them.

In view of this settled legal position, the petitioner's grievance that respondent No.2 has not been proceeding against the principal borrower cannot be appreciated. At any rate, since respondent Nos.1 and 2 have only issued a notice under Section-13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'SARFAESI Act') and the petitioner is stated to have submitted his objections to the same, no cause of action had arisen for the petitioner to avail any legal remedy, much less to approach this Court under Article-226 of the Constitution of India. If any measures under Section-13(4) of the SARFAESI Act are initiated by respondent Nos.1 and 2, the petitioner shall be free to avail the remedy of appeal under Section-17 of the SARFAESI Act.

Subject to the above observations, the Writ Petition is dismissed.

As a sequel to dismissal of the Writ Petition, WPMP.No.30104 of 2016 filed by the petitioner for interim relief is dismissed as infructuous.

*JUSTICE C.V.NAGARJUNA
REDDY*

JUSTICE G.SHYAM PRASAD

*25th July 2016
DR*