THE HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO
AND
THE HON'BLE DR. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION No. 28217 OF 2015

O R D E R : ***(per Hon'ble Sri Justice Nooty Ramamohana Rao)***

On 01.09.2015, entertaining this Writ Petition, a Division Bench of this Court directed the petitioner to deposit a sum of Rs. 50 lacs within a period of two weeks and subject to that condition, the proposed sale of the immovable property of the petitioner was asked to be withheld.

It is now represented that the petitioner has complied with the said order and deposited Rs. 50 lacs. However, learned counsel for Respondents 1 to 3 Sri C.S.N. Raju would submit that it is no doubt true that the 4th respondent herein was the principal borrower, but however, the petitioner was a Director of the said company. Apart from acting in her capacity as a Director, she also mortgaged the immovable property owned and belonging to her by way of collateral security to the loan transaction. When the notice under sub-section (2) of Section 13 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 was drawn and served on the petitioner on 12.01.2015, the outstanding liability is of the order of Rs.1.585 crores. As of now, the liability is still hovering around Rs.1.26 crores.

On instructions from Respondents 1 to 3, the learned Standing Counsel would submit that the offer of the petitioner for one-time settlement by offering Rs.50 lacs has not been found responsive by the bank. Hence, it was not accepted.

In this given facts and circumstances, we consider that it would be appropriate to regulate the further exercise, keeping in view the fact that the only collateral security that has been offered to the debt was the immovable property belonging to the writ petitioner, which has been mortgaged in favour of the bank.

Hence, subject to the writ petitioner depositing a further sum of Rs. 50 lacs on or before 30.04.2016 and a further sum of Rs. 50 lacs on or before 31.05.2016 and then submitting a detailed representation to the 1st respondent bank to consider waiving the balance amount, an appropriate decision may be taken by the 1st respondent. Till an appropriate decision is taken by the 1st respondent, the proposed/threatened sale of the immovable property belonging to the writ petitioner which has been offered as collateral security to the loan transaction of the 4th respondent may not be proceeded further. However, if the writ petitioner were to commit default in complying with any of the conditions stipulated herein, the 1st respondent bank, without any further reference to this Court and without any regard for the pendency of this Writ Petition, may proceed independently and in accordance with law.

With this, the Writ Petition stands disposed of. No costs.

Consequently, the miscellaneous applications, if any shall also stand disposed of.

NOOTY RAMAMOHANA RAO, J

DR. B. SIVA SANKARA RAO, J

01st April 2016

ksld