THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE SRI JUSTICE GUDISEVA SHYAM PRASAD

WRIT PETITION Nos.389 and 396 of 2016

COMMON ORDER: (per SK,J)

The petitioner in W.P.No.389 of 2016 is the Proprietor of M/s.Madhava Steel and Cement, Karimnagar, the petitioner in W.P.No.396 of 2016. The State Bank of Hyderabad, Karimnagar, extended overdraft facilities to the petitioners in these two cases (for short, 'the petitioners') and owing to their default in repayment, it initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Challenge in both the writ petitions is to the possession notice dated 10.11.2015 issued by the bank under Rule 8(1) of the Security Interest (Enforcement) Rules, 2002.

By separate orders dated 06.01.2016 passed in both the writ petitions, this Court granted interim stay of further proceedings pursuant to the impugned possession notice subject to the petitioners depositing the named sums of money within the time stipulated. In the event of any default being committed by them, the bank was given liberty to take further steps in accordance with law.

The petitioner in W.P.No.389 of 2016 deposited with the bank a sum of Rs.10,00,000/-, while the petitioner-proprietorship in W.P.No.396 of 2016 deposited a sum of Rs.15,00,000/- pursuant to the aforestated interim orders.

Sri T.Balaji, learned counsel for the petitioners in both cases, would submit that given sufficient time, the outstanding dues of the State Bank of Hyderabad, presently the State Bank of India, would be cleared in their entirety.

As the bank is yet to initiate measures for sale of the secured assets, we are of the opinion that an opportunity may be given to the petitioners to prove their *bonafides* by repaying the outstanding dues of the bank as under:

(i) The respondent bank shall intimate to the petitioners the outstanding amount due in connection with the overdraft facilities, including the interest accrued up to date, apart from the costs incurred and incidental expenses, if any, within one week from today.

(ii) The petitioners shall deposit with the bank one-third of the amount so stated to be due by the bank on or before 31.08.2017.

(iii) The petitioners shall deposit with the bank a further sum equivalent to one-third of the named amount as aforestated on or before 30.09.2017.

(iv) The petitioners shall deposit with the bank the balance amount due, including the interest accrued up to the date of the last payment along with costs and expenses, if any, by 31.10.2017.

(v) In the event the petitioners commit any default in payment of the aforestated instalments within the time stipulated, it shall be open to the respondent bank to proceed in the matter in accordance with the due procedure laid down by law.

It is made clear that no further extension of time will be granted by this Court. The petitioners would have to faithfully adhere to the time stipulations as set out herein above.

The writ petitions are disposed of with the above directions. Interim orders passed in both the writ petitions shall abide by compliance with this final order and shall stand vacated in the event of any default.

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

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JUSTICE SANJAY KUMAR

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JUSTICE GUDISEVA SHYAM PRASAD

Date:20.07.2017

GJ