THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE SRI JUSTICE T.AMARNATH GOUD

WRIT PETITION NO.9172 OF 2018

O R D E R
(*Per Hon'ble Sri Justice Sanjay Kumar*)

The petitioner approached this Court by way of the present writ petition alleging that the State Bank of India, the respondent, had failed to dispose of her objection/representation made in response to the demand notice dated 14.09.2017 issued by the bank under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (*for brevity*, 'the SARFAESI Act').

Sri M.Srikanth Reddy, learned counsel for the bank, produced an acknowledgement card in evidence of the petitioner having been served the demand notice dated 14.09.2017 on 15.09.2017 itself.

Sri T.Janardhan Rao, learned counsel for the petitioner, placed before us a copy of the letter dated 15.09.2017 written by the petitioner, but perusal thereof reflects that no mention was made therein of the demand notice. Unless the petitioner specifically stated that the said communication was in response to the demand notice, this Court cannot assume that the said letter should be treated as an objection or a representation made under Section 13(3A) of the SARFAESI Act. In any event, by way of the said communication, the petitioner merely asked for the balance payable by her and undertook to pay Rs.7,00,000/-. It is an admitted fact that she failed to make the said payment.

While matters stood thus, Sri T.Janardhan Rao, learned counsel, stated that given sufficient time the petitioner would clear the total outstanding dues of the bank. Upon instructions, Sri M.Srikanth Reddy, learned counsel, informed this Court that the outstanding dues of the two housing loan accounts availed by the petitioner stand at Rs.5,09,334/- and Rs.5,86,596/- as on 03.07.2018. The incidental charges payable by her aggregate to Rs.2,69,015/-. The total outstanding dues as on 03.07.2018 stand at Rs.13,64,945/-.

Though Sri T.Janardhan Rao, learned counsel, would pray for six months time, we are of the opinion that no more than two months time can be granted to the petitioner in the context of the statutory scheme, be it under Section 13(2) of the SARFAESI Act or later under Rule 8(6) and Rule 9(1) of the Security Interest (Enforcement) Rules, 2002.

As the bank is yet to initiate any concrete measures for recovery of its dues by proceeding against the secured assets, we are of the opinion that one last opportunity can be afforded to the petitioner to prove her *bonafides*. Needless to state, the aforestated dues which have been computed up to 03.07.2018 would not stand frozen and interest accruing thereon up to the date of clearing of the outstanding dues would also have to be added thereto. As we are now stipulating a two month period for the petitioner to do so, the bank would have to add interest upon the balance outstanding dues to both the loan accounts up to the expiry of the two month period.

The writ petition is accordingly disposed of with the following directions:

The petitioner shall forthwith approach the bank and ascertain as to what would be the total outstanding dues along with accrued/penal interest and incidental charges up to 10.09.2018. The petitioner shall pay 50% of the aforestated dues as quantified by the bank by 10.08.2018 and the balance 50% by 10.09.2018. In the event of default by the petitioner in the payment of either of the aforestated instalments, this order shall stand withdrawn and the writ petition shall stand dismissed. It would then be open to the bank to proceed further in the matter in accordance with the due procedure laid down in the SARFAESI Act. It is made clear that under no circumstances would the petitioner be entitled to seek extension of time in terms of the temporal stipulations stated *supra.*

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

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SANJAY KUMAR, J

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T.AMARNATH GOUD, J

4th JULY, 2018

Note: Issue C.C. in three days.
B/o Svv