*THE HON'BLE SRI JUSTICE V. RAMASUBRAMANIAN

AND

*THE HON'BLE MS. JUSTICE J. UMA DEVI

+ WRIT PETITION No.13031 of 2018

%Date: 16.04.2018

Between:

Smt.Emmadisettly Anjani Devi W/o.Hari Prasad Rao,
Aged 65 years, R/o.MVP Colony, Visakhapatnam

.. Petitioner

Vs.

$ The Canara Bank,
Rep.by its Regional Manager,
Rajahmundry, E.G.Dist., and others

.. Respondents

! Counsel for petitioner : Mr. T.D.Phani Kumar

^ Counsel for respondents : Mr. A.Satyanarayana

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>HEAD NOTE:

? CASES REFERRED: ----

THE HON'BLE SRI JUSTICE V. RAMASUBRAMANIAN

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THE HON'BLE MS. JUSTICE J. UMA DEVI

WRIT PETITION No.13031 of 2018

ORDER: *(Per V.Ramasubramanian, J)*

Challenging a demand notice under Section 13 (2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, one of the guarantors has come up with the above writ petition.

2. Heard Mr.T.D.Phani Kumar, learned counsel for the petitioner.

3. At the outset, it should be pointed out that there can be no challenge to a demand notice under Section 13(2) of the Act. A demand notice forms the foundation for the steps to be taken by the Bank for recovery of loan. In response to the demand notice, the borrowers and others are obliged to file their objections. Thereafter, the Bank is obliged to pass an order under Section 13(3) of the Act. It is only thereafter, the measures stipulated under sub-Section 4 of Section 13 of the Act will be taken. It is only at that stage that a borrower or a guarantor or a third party will acquire a right to challenge the action. In other words, there will be no cause of action for challenging a demand notice under Section 13 (2) of the Act.

4. The learned counsel for the petitioner submitted that the petitioner was not even served with the demand notice under Section 13 (2) of the Act and that if it is served on her, she will give a reply. But she has already obtained a copy from the principal borrower. We do not know what prevents her from giving a reply. According to the learned counsel, the occasion for issuing a demand notice has not at all arisen. In other words, the demand notice is issued with utter ignorance of the payments already made. If that is so, the petitioner can as well make

use of the demand notice served on the borrower and give a reply and enlighten the Bank.

5. With the above observations, the Writ Petition is disposed of. Consequently, miscellaneous petitions if any pending in the writ petition shall stand dismissed. No order as to costs.

V. RAMASUBRAMANIAN, J

J. UMA DEVI, J

April 16, 2018

KTL