

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

WRIT PETITION No.21560 of 2018

ORDER: (Per Hon'ble Sri Justice Sanjay Kumar)

Challenge in this writ petition is to the order dated 20.04.2018 passed by the Chief Metropolitan Magistrate, Vijayawada, in CrI.MP.No.417 of 2018 in C.F.No.541 of 2018, in exercise of power under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, whereby the petitioner firm's shop bearing No.142 at Vastralatha, I Town, Vijayawada, was sealed, at the behest of the secured creditor, the State Bank of India.

2. Sri Y.Srinivasa Murthy, learned counsel appearing for Sri T.S.Anand, learned counsel for the petitioner firm, and Sri A.Krishnam Raju, learned counsel for the State Bank of India, the second respondent, would inform this Court that the parties have come to a settlement.

3. In that view of the matter, the writ petition is disposed of, in terms of the undertaking affidavit filed on behalf of the petitioner firm on 29.06.2018, with the following directions:

- (a) The amount of Rs.20,18,529-20 ps already deposited by the petitioner firm with the second respondent bank in a separate account shall be appropriate by the bank towards the loan account dues.
- (b) In addition thereto, the authorised representative of the petitioner firm, viz., Smt.Meda Naga Venkata Sujatha, the

mother of the managing partner of the petitioner firm, shall handover to the bank at its Labbipet Branch, Vijayawada, a demand draft for a sum of Rs.9,90,000/- (wrongly mentioned as Rs.10,00,000/- in the undertaking affidavit) before the end of banking hours today. Sri A.Krishnam Raju, learned counsel, is agreeable to the reduction of Rs.10,000/- from the amount of Rs.10,00,000/- mentioned in the undertaking affidavit.

- (c) Upon receipt of the aforesaid sum of Rs.9,90,000/-, the second respondent bank shall open the sealed premises of the petitioner firm's shop and handover custody of the saree stock lying in the said shop to the authorised representative of the petitioner firm, Smt.Meda Naga Venkata Sujatha. Smt.Meda Naga Venkata Sujatha, the authorised representative of the petitioner firm, shall execute a receipt acknowledging delivery of the saree stock and handover the same to the authorised officer of the second respondent bank.
- (d) The second respondent bank shall thereupon allow the petitioner firm to carry on its business subject to the petitioner firm depositing a further sum of Rs.15,00,000/- within one month from today i.e., on or before 05.08.2018, and a further sum of Rs.45,00,000/- on or before 30.09.2018.

4. This order shall however not preclude the second respondent bank from initiating measures in accordance with the due procedure prescribed under the SARFAESI Act and the Rules framed thereunder insofar as the immovable property security offered by the petitioner firm is concerned for recovery of the balance dues. Sri Y.Srinivasa Murthy, learned counsel, also expresses agreement in this regard. In the event of default in

relation to any of the aforesated stipulations by the petitioner firm, this order shall stand withdrawn and the writ petition shall stand dismissed. Thereupon, the second respondent bank would be at liberty to proceed against the moveable secured properties of the petitioner firm also in accordance with the due procedure.

5. Pending miscellaneous petitions, if any, shall stand closed.

No order as to costs.

SANJAY KUMAR, J

T.AMARNATH GOUD, J

Date: 05.07.2018

Note: Issue CC tomorrow.

B/o. TJMR

