

**HON'BLE SRI JUSTICE V.RAMASUBRAMANIAN
AND
HON'BLE SRI JUSTICE P. KESHAHA RAO**

Writ Petition No.40622 of 2018

12-12-2018

Racherla Rajender Reddy and another

... Petitioners

Vs.

Andhra Bank, Saifabad, Hyderabad and 2 others

... Respondents

Counsel for Petitioner : Mr. P. Venugopala Rao

Counsel for Respondents: Mrs. V. Dyumani
Standing Counsel



HON'BLE SRI JUSTICE V.RAMASUBRAMANIAN

AND

HON'BLE SRI JUSTICE P. KESHA RAO

Writ Petition No.40622 of 2018

Order: (per V. Ramasubramanian, J)

Challenging the measures taken under Section 13 (4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Securitisation Act, 2002) and the sale notice dated 19-10-2018, the borrowers have come up with the above writ petition.

2. Heard P. Venugopala Rao, learned counsel for the petitioners and Smt. V. Dyumani, learned standing counsel for the respondent bank.

3. The loan availed by the petitioners is stated to be a Housing loan. The main ground of challenge is that when the due payable is less than twenty per cent of the principal amount, the bank is not entitled to initiate action in view of Section 31 (j) of the Securitisation Act, 2002.

4. However, it is seen that on 16-11-2018 when the writ petition came up for orders as to admission, this Court passed an interim order. It reads as follows:

"The petitioners shall bring on that date a banker's cheque or transfer to the Bank by RTGS, a sum of Rs.13,51,000/- (Rupees thirteen lakhs and fifty one thousand only), which, even according to them, is the overdue instalment. If such payment is made, their request for stay will be considered."

5. However, the petitioners failed to comply with the aforesaid conditional order. Therefore the bank proceeded with the auction.

6. Smt. V. Dyumani, learned standing counsel for the respondent-bank submits that an auction was conducted on 22-11-2018 and one M/s. Vaibhav Constructions became the highest bidder, who offered a sale price of Rs.2,54,00,000/- as against the reserve price of Rs.2,49,00,000/-.

7. Though the petitioners herein failed to comply with the original conditional order passed on 16-11-2018 even for payment of a sum of Rs.13,51,000/-, they have now remitted a sum of Rs.1,00,00,000/- on 11-12-2018. Therefore, a little more than fifty per cent of the liability now stands wiped out, as it is stated that the amount now due is about Rs.1,98,00,000/-.

8. In such circumstances, we are of the view that the petitioners can be given some time to pay the balance amount and redeem the property.

9. In view of the above, the writ petition is disposed of granting time to the petitioners up to 31-03-2019 for payment of the balance amount together with future interest. If the petitioners fail to avail this concession, the bank will be at liberty either to confirm the sale in favour of M/s. Vaibhav Constructions or to put up the property to fresh auction depending upon the bank's convenience. No costs. As a sequel thereto, miscellaneous petitions, if any, pending shall stand closed.

V.RAMASUBRAMANIAN, J

P. KESHA RAO, J

Date: 12-12-2018
Ksn