

THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

W.P.NO.10780 OF 2019

ORDER

As per the averments made in the affidavit filed in support of the writ petition, petitioner is the company involved in the manufacture of Double Layer Blow Moulded Containers. It availed loan from the 1st respondent – Andhra Pradesh State Financial Corporation, (Telangana Division). As it committed default in repayment of loan amount, the Corporation issued demand notices under Section 29 of State Financial Corporation Act, 1951 vide Ref. Nos. AFC/76-1597-01/02/RCP/2018-19/1392 dated 02.02.2019 and AFC/RCP/REC/2019-20/170 dated 21.05.2019. Aggrieved by the said notices, petitioner filed the present writ petition.

Sri R.V.Nagabushan Rao, learned Standing Counsel, appearing for respondent – Corporation submits that petitioner is a chronic defaulter and the loan account has become Non-Performing Asset, and earlier the petitioner was given recall-cum-sale notices on about five occasions, and that whenever such notices were issued, petitioner – company has been making meagre payments and stalling the auction proceedings, and the cheques issued were dishonoured. He submits that the petitioner has to pay arrears to a tune of Rs.1,64,00,000/- (One crore sixty four lakhs), and the arrears are more than 64% of the outstanding loan amount. Therefore, he submits that this court may not interfere with the impugned notices.

On the other hand, learned counsel appearing for the petitioner – company submits that owing to delay in procuring raw material, the production could not be started, and now the unit is running and is getting regular orders, and that it is willing to pay the amount. Learned counsel further submits that there are number of employees working in the unit and if the unit is seized for auction, they would suffer irreparable loss. She submits that the petitioner –

company is willing to pay the entire arrears of loan amount, and requests for grant of some reasonable time.

Since, the petitioner is willing to pay the entire arrears of loan amount, and having regard to the facts and circumstances of the case and the submissions of the learned counsel, writ petition is disposing of directing the respondents not to give effect to the impugned notices, provided the petitioner pays 1/3rd of the total outstanding arrears of loan amount, by the end of this month i.e., June, 2019, and the remaining balance, in equal monthly installments, by the end of September, 2019.

In case of any default in payment of amount as directed above, respondents are liberty to take appropriate action in accordance with law in terms of the impugned notices.

Interlocutory applications pending, if any, shall stand closed. No order as to costs.

A.RAJASHEKER REDDY,J

DATE:10—06—2019

AVS