HON'BLE SRI JUSTICE P.NAVEEN RAO
AND
HON'BLE SRI JUSTICE J.SREENIVAS RAO

WRIT PETITION NO.885 OF 2007

Date: 05.12.2022

Between:

Cheruku Malla Reddy s/o. Ch.Ram Reddy,
5-69/2, Old Alwal, Secunderabad.

.... Petitioner

and

The Authorized Officer, Indian Overseas Bank,
Alwal Branch, Alwal, Secunderabad.

.... Respondent

This Court made the following:

HON'BLE SRI JUSTICE P.NAVEEN RAO
AND
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ORDER: *(Per Hon'ble Sri Justice P.Naveen Rao)*

Petitioner borrowed loan from Indian Overseas Bank, Alwal Branch for establishment of Poultry Farm at Alwal and created equitable mortgage of immovable property of land in Sy.No.51/E, admeasuring Ac.1.03 guntas with house no.5-69/2, situated at Old Alwal, Malkajgiri, Ranga Reddy district. Holding that petitioner defaulted in repayment of the loan amount, the respondent-Bank classified the loan account as Non-Performing Asst (NPA) and has taken recourse to the provisions of the Securitisation and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002, (for short, 'SARFAESI Act'). In the process, the respondent-Bank issued auction sale notice of secured asset on 06.12.2006 proposing to conduct public auction on 11.01.2007. At that stage, this Writ Petition is filed.

2. When the matter was taken up for consideration, Court was informed that there was a settlement arrived at between the petitioner and the respondent-Bank for 35.00 lakhs towards clearance of entire loan amount and he has already paid 34.00

lakhs and, therefore, outstanding balance does not exceed about 1.00 or 1.50 lakh. Taking note of this statement, this Court granted stay of further proceedings pursuant to auction notice dated 06.12.2006.

3. Having regard to the fact that auction notice intended to conduct public auction of secured asset on 11.01.2007 already expired, nothing survives in the writ petition for further consideration.

4. Writ Petition is accordingly disposed of. It is needless to observe that if the loan amount is not cleared, the respondent-Bank is at liberty to take further course of action for recovery of the amount due. It is always open to petitioner to work out his remedy available in law. Pending miscellaneous applications if any shall stand closed.

JUSTICE P.NAVEEN RAO

JUSTICE J.SREENIVAS RAO

Date: 05.12.2022
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