APHC010326632026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)

MONDAY, THE 26th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO: 17120 OF 2026

Between:

1. VATSAVAI SUBBARAJU KAMALA EDUCATIONAL SOCIETY, Represented by its Chairman, Sri Vatsavai Srnivasa Raju, S/o Vatsavai Subba Raju, Aged about 56 years, R/o. 11).No.27-3-85, Bhimavaram, West Godavari District, Andhra Pradesh - 534 202.

...Petitioner

AND

1. STATE BANK OF INDIA, Stressed Assets Management Branch (SAMB), Secunderabad, 5-9-76, 2nd and 3rd Floor, Prabhat Towers, Opp SBI Araravati LHO, Chapel Road, Gunfoundry, Abids, Hyderabad, Telangana - 500 001, Represented by its Authorised Officer / Chief Manager.

2. The Sri K Srinivas, Advocate Commissioner C/o Chief Judicial Magistrate Court Cum Principal Civil Judge (Senior Division), Eluru, West Godavari District, Andhra Pradesh 534001

...Respondents

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased topleased to issue an appropriate writ order or direction more particularly one in the nature of Writ of Mandamus declaring the proceedings

initiated by the 1st respondent under the SARFAESI Act culminating in the order dated 06.06.2026 in Crl.M.P.No.235 of 2026 passed by the learned Chief Judicial Magistrate, Eluru, and the consequential notice dated 15.06.2026 issued by the Advodate Commissioner, as illegal, irregular, irrational and violation of the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 besides violation of Principles of Natural Justice and to consequently set aside the order dated 06-06-202 in Crl.M.P. No. 235 of 2026 and consequential notice dated. 15-06-2026 issued by the 2nd respondent and to pass orders.

IA NO: 1 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased pleased to stay of all further proceedings pursuant to the order dated 06.06.2026 in Crl.M.P. No. 235 of 2026 and the consequential notice dated 15.06.2026 issued by the 2nd Respondent-Advocate Commissioner, including the proposed taking of physical possession of the petition schedule property, pending adjudication of the Securitization Application filed by the Petitioner before the Hon'ble Debts Recovery Tribunal and thereby protect the functioning of Delhi, Public School, Bhimavaram, pending disposal of the writ petition, and pass

IA NO: 2 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased May be Pleased to Vacate the Interim Order Dated 29.06. 2026 in W.P.No. 17120 of 2026, and to pass

Counsel for the Petitioner: VASAVI RATNA KUMARI DANDAMUDI

Counsel for the Respondents: S SATYANARAYANA MOORTHY

The Court made the following order:

THE HON'BLE SRI JUSTICE BATTU DEVANAND

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THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION N O: 17120 OF 2026

ORDER: *(Per Hon'ble Sri Justice Battu Devanand)*

This Writ Petition is filed against proceedings initiated by the respondent No.1-bank under SARFAESI Act, particularly against the order, dated 06.06.2026 passed by the learned Chief Judicial Magistrate, Eluru in Crl.M.P.No.235 of 2026 and the notice, dated 15.06.2026 issued by the Advocate Commissioner, as illegal, arbitrary and against the SARFAESI Act and Rules made therein.

2. Heard Ms.Vasavi Ratna Kumari Dandamudi learned counsel for the petitioner and S.Satyanarayana Murthy, learned counsel for the respondent No.1-bank.

3. The petitioner availed a financial assistance from the respondent – bank to an amount of Rs.26,26,00,000/- for the purpose of construction of school buildings, purchase of furniture and fixtures, classrooms, laboratories, library facilities, and other educational infrastructure required for the functioning of Delhi Public School, Bhimavaram. As the petitioner committed default in making the payment of installments to the respondent-bank, they initiated SARFAESI proceedings. Section 13(2) notice was issued on 12.12.2023 and possession notice was issued under Section 13(4) on 14.03.2024. The Chief Judicial Magistrate, Eluru, passed orders on 06.06.2026 in Crl.M.P.No.235 of

2026 appointing the Advocate Commissioner to take possession of the secured asset. The Advocate Commissioner issued notice on 15.06.2026 informing the petitioner about taking physical possession of the secured asset on 04.07.2026. At this stage, the petitioner approached this Court by filing the present Writ Petition.

4. Having considered the submissions of the learned counsel for the petitioner that the proposed auction and taking over the possession of the secured asset would result in immediate closure of the school in the middle of the academic year. Nearly 1600 students, who are studying there, would be deprived of education. Besides that, several teachers and staff lose their livelihood. Having considered the same, at the stage of admission of this Writ Petition, we passed interim orders in I.A.No.1 of 2026, dated 29.06.2026, to maintain *Status-quo* for a period of four (04) weeks and it is extended from time to time.

5. On behalf of the respondent – bank, a counter affidavit has been filed. Learned counsel appearing for the respondent – bank would submit that the contention of the petitioner that the school is in operation, is false and the school is closed long back. He further submits that against the SARFAESI proceedings initiated by the respondent – bank, the petitioner filed Securitization Application in S.A.No.271/2024 before the Debts Recovery Tribunal, Visakhapatnam and it was dismissed on 16.09.2024.

6. Learned counsel further submits that the petitioner approached the Debts Recovery Tribunal, Hyderabad and filed Securitization Application on 23.06.2026 and it is returned for want of jurisdiction. But, no steps have been taken by the petitioner. Learned counsel for the respondent – bank submits that the intention of the petitioner is only to drag on the SARFAESI proceedings, without paying single rupee to the respondent-bank, out of the total outstanding amount of Rs.34,65,60,942/- as on 04.07.2026.

7. At this juncture, learned counsel for the petitioner would submit that they are taking steps to pursue the Securitization Application, pending before the Debts Recovery Tribunal, Hyderabad.

8. Having considered the facts and circumstances, there is no dispute with regard to the admitted facts of the case. Accordingly, we do not want to go into the merits of the case as the petitioner approached the Debts Recovery Tribunal, Hyderabad by filing Securitization Application, under Section 17(2) of the SARFAESI Act, 2002. Considering this Writ Petition simultaneously is not warranted as per settled law. However, it is for the petitioner to pursue the Securitization Application, pending before the Debts Recovery Tribunal, Hyderabad. If the petitioner is having any immediate threat, it is always open to them to file appropriate Interlocutory Application in the said Securitization Application, pending before the Debts Recovery Tribunal, Hyderabad.

9. In view of the above factual position, we are not inclined to interfere in this Writ Petition. In our considered opinion, interference of this Court, at this stage, is not warranted.

10. Accordingly, the Writ Petition is dismissed. It is made clear that the respondent-Bank is at liberty to recover the dues from the petitioner, in accordance with law, if so advised.

11. There shall be no order as to costs.

As a sequel, miscellaneous petitions pending, if any, shall stand closed.

JUSTICE BATTU DEVANAND

JUSTICE TUHIN KUMAR GEDELA

Dated: 26.10.2026
PKR

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

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THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

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Dated: 26.10.2026
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