APHC010315852026

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

MONDAY, THE 2nd DAY OF NOVEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION Nos:16636, 20912 & 31869 of 2026

Between:

1. M/S SRI MAHALAKSHMI CONSTRUCTION VENTURES, Rep. by its Managing Partner, Vedullapalli Kameswara Ramanandha Surya Vara Prasada Rao, S/o. Late Peda Venkateswarlu, Aged about 70 years, R/o.D.No.2-19-3, Forest Office Road, Madhav Nagar, Kakinada, East Godavari District.

2. Vedullapalli Kameswara Ramanandha Surya, Vara Prasada Rao, S/o. Late Peda Venkateswarlu, Aged about 70 years, R/o.D.No.2-19-3, Forest Office Road, Madhav Nagar, Kakinada, East Godavari District.

...Petitioners

AND

1. PUNJAB NATIONAL BANK, Circle Sastra Centre, D.No.9-13-45/2/9/1, 8th Floor, MVR Vinayagar Plaza, CBM Compound VIP Road, Visakhapatnam, Rep. by its Authorized Officer.

2. Punjab National Bank, Main Branch, T. Nagar, Rajahmundry, Rep. by its Branch Manager.

3. G V Raghava Raju, Proprietor of M/s. Leela Enterprises, 69-3-14/2M, Five Building Center, Kakinada, East Godavari District - 533 003

...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 a writ of mandamus or any other appropriate writ or direction declaring the action of the respondent bank in issuing e-Auction sale notice dated 08.05.2026, auction held on 29.05.2026 and taking consequential measures as illegal, arbitrary and violation of provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 and consequently set-aside e-Auction sale notice dated 08.05.2026 and auction held on 29.05.2026 and pass

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 in pursuance of the auction conducted on 29.05.2026 including issuance of sale certificate and its registration in favour of 3rd respondentregarding Item No.2 of the schedule mentionedproperty, pending disposal of the Writ Petition and pass

Counsel for the Petitioners: C SUBODH

Counsel for the Respondents: PRUDVI RAJU MUDUNURI

The Court made the following order:

APHC010390072026

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

MONDAY, THE 2nd DAY OF NOVEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO: 20912 OF 2026

Between:

1. Sri Mahalakshmi Construction Ventures,, Rep. by its Managing Partner, Vedullapalli Kameswara Ramanandha Surya Vara Prasada Rao, S/o. Late Peda Venkateswarlu Aged about 70 years, R/o.D.No.2-19-3, Forest Office Road, Madhav Nagar, Kakinada, East Godavari District.

2. Vedullapalli Kameswara Ramanandha Surya Vara Prasada Rao, S/o. Late Peda Venkateswarlu, Aged about 70 years, R/o.D.No.2-19-3, Forest Office Road, Madhav Nagar, Kakinada, East Godavari District

...Petitioners

AND

1. Punjab National Bank, Circle Sastra Centre, D.No.9-13-45/2/9/1, 8th Floor, MVR Vinayagar Plaza, CBM Compound, VIP Road, Visakhapatnam, Rep. by its Authorized Officer.

2. Punjab National Bank, Main Branch, T. Nagar, Rajahmundry, Rep. by its Branch Manager.

3. G V Raghava Raju, Proprietor of M/s. Leela Enterprises, 69-3-14/2M, Five Building Center, Kakinada, East Godavari District - 533 003.

4. The superintendent of police, kakinada Kakinada District.

...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 a writ of certiorari or any other appropriate writ or direction calling for the records pertaining to the order passed by the Principal Civil Judge (Senior Division) - cum - Chief Judicial Magistrate, Rajamahendravaram vide Crl.M.P.No.408/2026, dt.17.07.2026 and further appointing Advocate commissioner and directing him to deliver physical possession of the property i.e. residential house belonging to the petitioneri.e., house bearing Door No.2-19-3, in T.S.No.1/7, 1/92, Block No.2, old ward No.2, New ward No.5, Plot No.58 and 59, situated at Madhava Nagar, Suryaraopeta, Kakinada Urban Mandal, East Godavari District as illegal, arbitrary and one without jurisdiction and in violation of Art. 14, 21 and 300A of constitution of India and contrary to the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 and consequently direct the respondents not to interfere with the peaceful possession of the subject property by setting aside the orders of the Principal Civil Judge (Senior Division) - cum - Chief Judicial Magistrate, Rajamahendravaram passed in Crl.M.P.No.408/2026, dt.17.07.2026 and pass

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 direct the respondents not to interfere with the peaceful possession of the subject properties by granting stay of all further proceedings pursuant to the orders passed by the Principal civil judge (senior division)-cum-chief judicial magistrate, Rajamahendravaram in Crl.M.P.No.408/2026 dated 17.07.2026, 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 grant leave to me to file the reply affidavit in the interest of justice and pass

Counsel for the Petitioners: KANAKALA DEVI PRASANNAKUMAR

Counsel for the Respondents: GP FOR HOME Counsel for the Respondents:PRUDVI RAJU MUDUNURI

The Court made the following order:

APHC010581952026

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

MONDAY, THE 2nd DAY OF NOVEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO: 31869 OF 2026

Between:

1. M/s. Sri Mahalakshmi Construction Ventures, Rep. by its Managing Partner, Vedullapalli Kameswara Ramanandha Surya Vara Prasada Rao, S/o. Late Peda Venkateswarlu, Aged about 70 years, R/o.D.No.2-19-3, Forest Office Road, Madhav Nagar, Kakinada, East Godavari District.

2. Vedullapalli Kameswara Ramanandha Surya, Vara Prasada Rao, S/o. Late Peda Venkateswarlu, Aged about 70 years, R/o.D.No.2-19-3, Forest Office Road, Madhav Nagar, Kakinada, East Godavari District

...Petitioners

AND

1. Punjab National Bank, Circle Sastra Centre, D.No.9-13-45/2/9/1, 81h Floor, MVR Vinayagar Plaza, CBM Compound, VIP Road, Visakhapatnam, Rep. by its Authorized Officer.

2. Punjab National Bank, Main Branch, T. Nagar, Rajahmundry, Rep., by its Branch Manager.

...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 a writ of mandamus or any other appropriate writ

or direction declaring the action of the respondent bank in issuing E-Auction sale notice dated 13.10.2026, with date of auction as 03.11.2026 and taking consequential measures as illegal, arbitrary and violation of provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 and consequently set-aside e-Auction sale notice dated 13.10.2026 and pass

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 in pursuance of the E-auction sale notice Dt.13.10.2026, pending disposal of the Writ Petition and pass

Counsel for the Petitioners: KANAKALA DEVI PRASANNAKUMAR

Counsel for the Respondents:

The Court made the following order:

THE HON'BLE SRI JUSTICE BATTU DEVANAND

&

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION Nos:16636, 20912 & 31869 of 2026

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

W.P.No.16636 of 2026

The Writ Petition is filed to declare the action of the respondent-bank in issuing e-auction sale notice, dated 08.05.2026 which is scheduled on 29.05.2026, as illegal, arbitrary and violative of provisions of SARFAESI Act, 2002 and consequently, prayed to set-aside the e-auction sale notice.

W.P.No.20912 of 2026

The Writ Petition is filed against the order passed by the Principal Civil Judge (Senior Division)–cum–Chief Judicial Magistrate, Rajamahendravaram vide Crl.M.P.No.408/2026, dated 17.07.2026 in appointing Advocate Commissioner to take physical possession of the subject property.

W.P.No. 31869 of 2026

The Writ Petition is filed to declare the action of the respondent – bank in issuing e-auction sale notice, dated 13.10.2026 to conduct auction on 03.11.2026, as illegal, arbitrary and violation of provisions of SARFAESI Act, 2002 and consequently, set-aside the e-auction sale notice, dated 13.10.2026.

1. As per the case of the petitioners, the petitioner No.1 is a partnership firm, doing construction business. The petitioner No.1 availed O.D. facility for an amount of Rs.2.00 crores on 31.12.2018, Rs.1.98 crores on 19.11.2019 and Rs.1.20 crores on 10.06.2020 as GECL loan. At the time of availing loan by the petitioner No.1, his partnership stood as guarantors and two properties were mortgaged to the respondent – bank at the time of availing the said loan. The petitioner No.1 was regular in paying the due installments to the respondent – bank till the year 2022. Due to slump in the business and COVID pandemic, the petitioner No.1 defaulted in paying the due amount. Accordingly, the respondent – bank declared the accounts of the petitioner No.1 as 'N.P.A.' on 12.12.2022 and initiated proceedings under SARFAESI Act, 2002, by issuing a notice under Section 13(2) of the Act to the partners of the petitioner No.1's firm on 13.12.2022 and subsequently, possession notice was also issued on 24.08.2023.

2. Against the notice issued under Section 13(2) of the SARFAESI Act and the notice issued under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002 fixing the date of auction on 26.11.2024, the petitioners approached the Debts Recovery Tribunal, Visakhapatnam, by filing Securitization Application in S.A.No. 613 of 2024, raising several grounds. It is pending till date.

3. Thereafter, the respondent – bank issued a notice under Section 13(2) of the SARFAESI Act on 16.10.2024 proposing to conduct auction on

26.11.2024 with respect to the residential house. Challenging the same, the petitioners filed an interlocutory application in I.A.No.3646 of 2024 in S.A.No.613 of 2024 and the Debts Recovery Tribunal, ordered interim stay of all proceedings pursuant to the sale notice, dated 16.10.2024, by its order, dated 26.11.2024, till the disposal of the S.A.No.613 of 2024.

4. Aggrieved by the said order of the Debts Recovery Tribunal, Visakhapatnam, in I.A.No.3646 of 2024, the respondent – bank filed an appeal in Misc.Appeal Diary No.1145/2024 before the Debts Recovery Appellate Tribunal, Kolkata. The Debts Recovery Appellate Tribunal, set-aside the orders passed by the Debts Recovery Tribunal, Visakhapatnam vide order, dated 26.11.2024 giving liberty to proceed afresh in accordance with law to recover the loan. After disposal of the appeal before the Debts Recovery Appellate Tribunal, Kolkata, the respondent – bank without initiating recovery proceedings afresh, issued notice under Section 13(2) to all the partners of the petitioner No.1's firm, continued the proceedings by issuing fresh sale notice to the partners of the firm on 13.03.2025 by fixing the date of auction as 17.04.2025. But, lack of prospective purchasers, the auction could not take place. Again, the respondent – bank issued sale notice, dated 08.05.2026 fixing the auction on 29.05.2026.

5. Aggrieved by the same, the petitioners filed S.A.No.380 of 2026 before the Debts Recovery Tribunal, Visakhapatnam to set-aside the said

auction notice including consequential measures. The said S.A. is also pending before the Debts Recovery Tribunal, Visakhapatnam.

6. Against the e-auction sale notice, dated 08.05.2026, the petitioners filed Writ Petition No.16636 of 2026 and against the order of the Chief Judicial Magistrate, Rajamahendravaram, passed in Crl.M.P.No.408 of 2026, dated 17.07.2026 in appointing Advocate Commissioner to take possession of the property, the petitioners filed Writ Petition No.20912 of 2026 and it is pending before this Court. It is to be noted that at the stage of admission, in the said Writ Petition, by order, dated 29.07.2026 interim order was passed by this Court directing both parties to maintain *Status-quo* with regard to the subject property. Thereafter, the respondent-bank issued one more sale notice on 13.08.2026 proposing auction on 03.11.2026.

7. Questioning the same, the petitioners filed I.A.No.4816 of 2026 seeking amendment and I.A.No.4817 of 2026 seeking stay of all further proceedings in the pending S.A. before the Debts Recovery Tribunal, Visakhapatnam.

8. Grievance of the petitioners is that without considering the facts and circumstances of the case and urgency in hearing the I.A.No.4817 of 2026, simply adjourned the matter to 03.11.2026. Under these circumstances, the petitioners are constrained to approach this Court.

10. Mr. C. Subodh and Mr. K. Devi Prasanna Kumar, learned counsel for the petitioners submit that, despite a *prima facie* case being made out,

the Debts Recovery Tribunal, Visakhapatnam, merely adjourned the matter without passing any orders in the interlocutory application, causing irreparable loss to the petitioner.

11. He further contends that the Debts Recovery Tribunal, Visakhapatnam failed to take into consideration that the value of the schedule mentioned property is reduced drastically from the initial value on 24.08.2023. The first sale notice was issued at the reserve price of Rs.23,55,00,000/- to Rs.16,12,00,000/-. In the second sale notice, dated 13.08.2025, the reserve price is reduced to Rs.16,12,00,000/-. Accordingly, he contends that if the auction is held, the sale certificate is issued and the steps were taken for taking possession of the property, the petitioner and his family members will be put to irreparable loss and hardship. Under these circumstances, he filed Writ Petition No.31869 of 2026.

12. On the other hand, learned counsel, Mr.M.Prudvi Raj, appearing for the respondent-bank would submit that the petitioners failed to pay the dues to the respondent –bank, and as such proceedings under SARFAESI Act and rules made there under were initiated against the petitioners and the respondent – bank followed due procedure prescribed under law to put the secured assets under auction to realize the dues of the petitioners.

13. Learned Standing Counsel further contends that as the Securitization Applications filed by the petitioners before the Debts Recovery Tribunal, Visakhapatnam, are pending, it is appropriate to direct the Debts Recovery Tribunal, Visakhapatnam to dispose of the same. He further submits that at present, the interference of this Court in these Writ Petitions is unwarranted. Accordingly, he sought to dismiss the Writ Petitions.

14. Having considered the facts and circumstances of the case and material available on record and submissions of the respective counsel, there is no dispute with regard to the facts of the case. The petitioner No.1 availed financial assistance from the respondent – bank and became defaulter in paying the dues and the respondent – bank initiated proceedings under the SARFAESI Act.

15. Against the action of the respondent – bank for initiating SARFAESI proceedings and issuing e-auction sale notice and action of the respondent – bank in invoking Section 14 of the SARFAESI Act for appointment of the Advocate Commissioner to take possession of the secured assets, the petitioner approached the Debts Recovery Tribunal, Visakhapatnam, by filing S.A.No.613 of 2024 and S.A.No.380 of 2026. Besides this, when there is immediate threat to the petitioners about the secured assets, he approached this Court by filing Writ Petition Nos.16636 of 2026, W.P.No.20912 of 2026 and W.P.No.31869 of 2026. At the stage of admission of W.P.No.20912 of 2026, this Court passed

interim orders directing the parties to maintain *Status-quo* with regard to the secured assets. The said order is still in force. The Debts Recovery Tribunal, Visakhapatnam in I.A.No.3646 of 2024 in S.A.No.613 of 2024, wherein, the sale notice, dated 16.04.2024 was challenged, passed order, dated 26.11.2024 staying the sale notice till the disposal of the S.A. However, the said order has been set-aside by the Debts Recovery Appellate Tribunal, Kolkata. But, both S.A.Nos.613 of 2024 and 380 of 2026, are still pending.

16. Mr.C.Subodh, learned counsel for the petitioners raised several grounds against the respondent-bank for taking measures under the SARFAESI Act against the petitioners. But, at present, in these Writ Petitions, we do not want to go into the merits of the case in view of the fact that already the petitioners approached the Debts Recovery Tribunal, Visakhapatnam by filing two securitization applications and the same are pending. As and when the petitioners approached the Debts Recovery Tribunal, Visakhapatnam, he has to pursue the matter in the Debts Recovery Tribunal, Visakhapatnam, in accordance with law. But, the grievance of the petitioners is that the Debts Recovery Tribunal is not considering his stay application, which was filed against the e-auction sale notice, dated 13.10.2026. The stay application in I.A.No.4817/2026 is posted to 03.11.2026 by the Debts Recovery Tribunal, Visakhapatnam, as on the date where auction is scheduled. As such, it appears that there is some substance in the contention of the

learned counsel for the petitioners that if auction is permitted to proceed and sale certificate is issued, the petitioner and his family members will be put to irreparable loss and hardship. Besides this, third party interest will also arise.

17. Under these circumstances, in our considered view, it is appropriate and reasonable to dispose of these three Writ Petitions together with the consent of both the counsel, at the stage of admission, without going into the merits of the cases, with certain directions to the Debts Recovery Tribunal, Visakhapatnam, to meet the ends of justice.

18. Accordingly, these Writ Petitions are disposed of with the following directions:

> *(i) The Debts Recovery Tribunal, Visakhapatnam, shall dispose of the S.A.No.613 of 2024 and S.A.No.380 of 2026, by following due process of law, as expeditiously as possible, preferably within a period of six (06) weeks, from the date of receipt of a copy of this order.*
>
> *(ii) Till disposal of the above said Securitization Applications, both the parties shall maintain Status-quo with regard to the secured assets.*

19. 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: 02.11.2026
PKR

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

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WRIT PETITION Nos:16636, 20912 & 31869 of 2026

Dated: 02.11.2026
PKR