APHC010578292026

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: 31898 OF 2026

Between:

1. Gurram Venkata Sivaramakrishna Reddy, S/o. Janaki Rami Reddy, Aged 51 Years, Occ business Resident of Flat No. 301, Vigneswara Brindavanam, D. No. 4-5-32/22, 1st Line, Vidyanagar, Guntur A(P)- 522 007.

...Petitioner

AND

1. The Debts Recovery Tribunal, Rep by its Presiding Officer, Visakhapatnam, Andhra Pradesh- 530001.

2. Karnataka Bank Ltd, Rep by its The Authorised Officer, ARM Branch, Hyderabad. 500063

3. P Rachana, Advocate Commissioner, R/o D.No.50-5-310, Ramireddy thota 4th lane Guntur-522001

...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 to issue a Writ, Order or direction more particularly one in the nature of Writ of Mandamus declaring the action of respondents more particularly the 1st respondent in not passing the orders in I.A.No.2353 of 2024, I.A.No.1115 of 2026, I.A.No.2662 of 2026, I.A.No.4685 of 2026 and connected I.As in

S.A.No.406 of 2024 as arbitrary, illegal and violation of principles of natural justice and Articles 14, 19, 21 and 300-A of the Constitution of India and consequently direct the respondents more particularly the Respondent No.1. Tribunal to expedite the proceedings in I.A.No.2353 of 2024, I.A.No.1115 of 2026, I.A.No.2662 of 2026, I.A.No.4685 of 2026 and connected I.A's.in S.A.No.406 of 2024, and to 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 to direct the respondents more particularly the 2nd and 3rd respondent to stay all further proceedings in pursuant to the schedule mentioned properties in S.A.No.406 of 2024 on the file of the 1st respondent, pending disposal of main writ petition and pass

Counsel for the Petitioner: KHAJA KHUTUBUDDIN SHAIK

Counsel for the Respondents:

THE HON'BLE SRI JUSTICE BATTU DEVANAND

&

THE HON'BLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION No.31898 OF 2026

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

Heard the learned counsel for the petitioner and perused the material available on record.

2). The case of the petitioner is that he availed overdraft facility of Rs.2.25 crores and a terms loan of Rs.1 crore from the 2nd respondent-bank. He has been regularly servicing the interest and paying E.M.Is. Thereafter, the 2nd respondent-bank issued demand notice, dated 06.07.2023 and Sale Notice, dated 16.07.2024. Being aggrieved by the same, the petitioner approached the Debts Recovery Tribunal, Visakhapatnam by filing S.A.No.406 of 2024 on 07.08.2024 and along with the said Securitization Application he has also filed I.A.No.2353 of 2024 seeking stay of all further proceedings in pursuant to the Sale Notice, dated 16.07.2024. As the 2nd respondent-bank could not complete the auction proceedings again they issued fresh E-auction notices on 13.10.2025, 12.02.2026 and 29.05.2026. While so, the 2nd respondent-bank initiated proceedings under Section 14 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the S.A.R.F.A.E.S.I Act') before the Chief Judicial Magistrate, Guntur and the learned Judicial Magistrate in turn appointed the 3rd respondent as Advocate Commissioner in Crl.M.P.No.565 of

2026 to take possession of the secured asset. The Advocate Commissioner issued notice, dated 12.10.2026 to take physical possession of the property on 23.10.2026. At that stage, the petitioner filed two (2) interlocutory applications before Debts Recovery Tribunal, Visakhapatnam i.e., I.A.No.1684 of 2026 seeking amendment, I.A.No.4685 of 2026 seeking stay of proceedings initiated under Section 14 of the Act and the Advocate Commissioner's notice, dated 14.10.2026. Though the petitioner expressed urgency, the Debts Recovery Tribunal, Visakhapatnam adjourned the matter to 28.10.2026 for filing counter of the respondent therein. Under these circumstances, the petitioner approached this Court by filing this Writ Petition.

3). Learned counsel for the petitioner submits that though the 2nd respondent-bank classified the petitioner's account as Non-Performing Asset on 16.01.2023 the petitioner deposited an amount of Rs.2,72,000/- on 25.01.2023, Rs.1,38,000/- on 23.02.2023 and Rs.1,37,000/- on 09.03.2023. Learned counsel for the petitioner contends that an account cannot be classified as Non-performing Asset while simultaneously receiving substantial cash deposits from the borrower to regularize it. He further contends that the 2nd respondent-bank completely bypassed the mandatory R.B.I rehabilitation framework before initiating S.A.R.F.A.E.S.I proceedings against the petitioner.

4). On hearing the contentions of the learned counsel for the petitioner and having considered the facts and circumstances of the case, it appears that the petitioner availed financial assistance from the 2nd respondent-bank and he became defaulter. Then the account was declared as

Non-Performing Asset and thereafter, the 2nd respondent-bank initiated S.A.R.F.A.E.S.I proceedings. Aggrieved by the same, the petitioner approached the Debts Recovery Tribunal, Visakhapatnam and filed S.A.No.406 of 2024 on 07.08.2024 and it is pending. It is an admitted fact that the 2nd respondent-bank is taking steps to sell the secured asset(s) by issuing sale notice. But even after 3 to 4 attempts it could not succeed. Now the 2nd respondent-bank initiated proceedings under Section 14 of the S.A.R.F.A.E.S.I Act and an Advocate Commissioner was appointed by the concerned Judicial Magistrate to take physical possession of the secured asset(s). All these facts are not in dispute. However, at this stage, we do not want to enter into the facts of the case in view of the fact that the S.A.No.406 of 2024 filed by the petitioner on 07.08.2024 before the Debts Recovery Tribunal, Visakhapatnam is pending till now. As and when the petitioner challenged the Demand notice issued under Section 13(2) of the S.A.R.F.A.E.S.I Act on 06.07.2023, the Tribunal ought to have disposed of the same within the time frame stipulated under Section 17(5) of the S.A.R.F.A.E.S.I Act.

5) Having considered the submissions of the learned counsel for the petitioner and on perusal of the material available on record, in our view, at this juncture it is relevant and desirable to extract relevant provision of the S.A.R.F.A.E.S.I. Act.

6) Section 17(5) of the S.A.R.F.A.E.S.I. Act, reads as follows:-

> ***Section 17(5):-***Any application made under sub-section (1) shall be dealt with by the Debts Recovery Tribunal as expeditiously as possible and disposed of within sixty days from the date of such application:
>
> Provided that the Debts Recovery Tribunal may, from time to time, extend the said period for reasons to be recorded in writing, so, however, that the total period of pendency of the application with the Debts Recovery Tribunal, shall not exceed four months from the date of making of such application made under sub-section (1).

7) On bare perusal of the above provisions of law, it is clear that the Debts Recovery Tribunal has to deal with the Securitization Application (S.A.) filed before it, as expeditiously as possible and dispose of the same finally within a period of 4 months from the date of receipt of the application.

8). The law does not permit the Debts Recovery Tribunal to keep pending the Securitization Applications years together. In our considered view keeping the Securitization Applications pending years together is not only damaging the interest of the financial institution, but also it will cause irreparable loss and hardship to the borrowers, auction purchasers and guarantors. The Hon'ble Supreme Court and various High Courts including this High Court time and again held that the Debts Recovery Tribunal shall dispose of the S.A's pending before it strictly in accordance with the time frame stipulated under Section 17(5) of the S.A.R.F.A.E.S.I Act.

9). Admittedly, in the present case, S.A.No.406 of 2024 filed on 07.08.2024 is pending for more than 2 years before the Debts Recovery Tribunal, Visakhapatnam which is not permissible under law.

10) The opinion of this Court is fortified by the judgments rendered by the Apex Court and various High Courts as hereinunder:

(1) In identical matter, this Division Bench in ***City Union Bank Vs The Debt Recovery Tribunal and Ors*** in W.P.No.28670 of 2026 held as herein under:-

" Though Section 17(5) of the S.A.R.F.A.E.S.I. Act provides specific period dispose of the S.A., but, it is not open to the Tribunal to keep it pending for more than three (3) years. The language used in Section 17(5) of the Act "as expeditiously as possible' clearly indicates that it is not the intention of the parliament to grant unlimited time to the Tribunal to dispose of the S.A. pending before it. The intention of the parliament is that the Tribunal shall dispose of the S.A(s) pending before it finally within a period of four months from the date of receipt of the S.A. As rightly submitted by the learned counsel for the petitioner-bank, the inordinate delay occurred in disposing of the S.A. pending before the Debts Recovery Tribunal would definitely cause hardship and loss not only to the petitioner-bank but also to the auction purchasers who are paying huge amounts as per the sale proceedings conducted by the bank. As such, it is the duty of the Debts Recovery Tribunal to take endeavour to dispose of the S.A. pending before it, as early as possible, finally within a period of four (4) months from the date of receipt of the S.A. as per Section 17(5) of the S.A.R.F.A.E.S.I. Act.

(2) In **Indian Overseas Bank vs. M/s Radhey Infra Solutions (Pvt.) Ltd., and Ors.[1],** the Apex Court held hereinunder:

> "Once the statute itself mandate that the DRT should dispose of the matter within the stipulated time, it is incumbent upon the DRT, Dehradun, to abide thereby. Further, in the event it fails to do so, the proviso to Section 17(5) ordains that reasons need to be recorded. We find from the orders passed

[1] (2025) 190 SCL712

by the DRT, Dehradun, that this statutory direction has also not been respected.

We, accordingly, dispose of the appeal directing the DRT, Dehradun, to take note of the statutory mandate under Section 17(5)."

(3) The similar set of facts, this Court in **City Union Bank Limited vs. M/s Sree Gopala Krishna Flour and Oil Mill** (W.P.No.25665 of 2026), held as hereinunder

"On perusal of the material available on record, it is clear that the respondent filed S.A.No.414 of 2024 before the Debts Recovery Tribunal-II, Hyderabad on 30.09.2024 and it is pending.

As per Section 17(5) of the S.A.R.F.A.E.S.I Act, the Debt Recovery Tribunal shall dealt with an application filed under Section 17(1) of the S.A.R.F.A.E.S.I Act as expeditiously as possible and shall dispose of the same within a period of sixty (60) days from the date of the said application. The Debts Recovery Tribunal may extend the said period by recording the reasons in writing from time to time. But, however, the total period of pendency of application before the Debts Recovery Tribunal shall not exceed four (4) months from the date of making the said application."

11). Accordingly, we intend to dispose of this Writ Petition with certain direction to the Debts Recovery Tribunal, Visakhapatnam without going into the merits of the case to meet the interest of justice.

12). Accordingly, this Writ Petition is disposed of with a direction to the Debts Recovery Tribunal, Visakhapatnam to dispose of S.A.No.406 of 2024 pending on its file within a period of three (3) weeks from the date of receipt of a copy of this order. Till disposal of the S.A.No.406 of 2024 by the Debts

Recovery Tribunal, Visakhapatnam *status-quo* shall be maintained in all respects with regard to the secured asset(s).

. 13). There shall be no order as to costs.

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

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JUSTICE BATTU DEVANAND

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JUSTICE TUHIN KUMAR GEDELA

Dated: 02.11.2026
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THE HONOURABLE SRI JUSTICE BATTU DEVANAND

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THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION No.31898 OF 2026

Dated: 02.11.2026
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