APHC010503092026

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

WEDNESDAY, THE 23rd DAY OF SEPTEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO: 27407 OF 2026

Between:

1. THE AUTHORIZED OFFICER, CANARA BANK, ARM Branch, OF 2026 30-15-141, 2nd floor, Pawan Commercial Complex, Dabagardens, Visakhapatnam 500 020

...Petitioner

AND

1. SMT GOLUGURI LAKSHMI PARVATHI, wife of Sri. Venkata Reddy, HIG-103, Housing Board Colony, Bhimvaram-3, Bhimavaram Mandal, West Godavari District,

2. PULAGAM ESWARA REDDY, son of Sri. Venkata Satyanarayana Reddy D. no. 2-66, Sivalayam Street, Pekeru Iragavaram Mandal, West Godavarai District.

3. Smt GOLUGURI RADHA, wife of Sri. Ramakrishna Reddy, H. no. 27-17-55/16, Plot no. 19, 0pp Alluri Setha Rama Raju Kalyana Mandapam ASR Nagar, Bhimavaram, West Godavari District.

4. Mr SAVARAM DHARMA RAJU, C/o Sri. Savaram Satyanarayana, D. no. 26 and 27 K. no. 3564, Gullappa Road, Bangalore North, Kacharakanahalli, Bangalore, Karnataka 560 084.

5. M/s NAGA MALLESWARA SPINTEX I PVT LTD, Reptd by its Director Sri. Reddy Venkata Krishna Babu, D. no. 229/27 1 and 3, Rajupalenrl Village, Rajupalem Mdandal, Guntur.

6. Sri REDDY RANGA BABU, son of Sri. Reddy Srinivas, Flat no.8 m Satya Homes, Babu Gari Street, Tanuku, Tanuku Mandal, West Godavari District, Andhra Pradesh.

7. Sri ANJANA AQUA TRADERS, Reptd by its proprietor Sri. G Murali Krishnam Raju, s/o Sri. Rama Raju, Flat no. 303, Parvathi Mansion (Apartment), Opp Lotus Regency (2), West Godavari District, Andhra Pradesh or/and C/o Sanjana Developers, DNR Complex, Opp. S Ch. B M R High School, West Godavari District, Andhra Pradesh.

8. M/s MANOHAR AQUA FARMS PVT LTD, Reptd by its Director Sri. Mantena Rama Raju, S/o Sri Chinavenkata Raju, Room no. 1, D. no. 1-3-8/5, 3rd Street, Ganapathiraju Nagar, Suryanarayanapuram, Bhimavaram, Andhra Pradesh.

9. M/s KSR INFRASTRUCTRE, a Partnership Firm represented by its managing partner, Kalidindi Ramchandra Varma son of Venkata Raju, D.no.1-307/8, 1st Block Rayalam, Bhimavaram-534208

10. Registrar, Debts Recovery Appellate Tribunal, 9, Old Post Office Street, 7th Floor, Kolkata- 700001 (West Bengal).

...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 of Mandamus or any other appropriate Writ, direction or order declaring the inaction on the part of the 10th Respondent, i.e.. Debts Recovery Appellate Tribunal, Kolkata while not disposing of Appeal No. 107 of 2024 pending on its file since last two years as improper, illegal, arbitrary and unjustified and consequently direct the 10th Respondent i.e.. Debts Recovery Appellate Tribunal, Kolkata to dispose the Appeal No. 107 of 2024

of by passing final orders, in pursuant to the provisions of SARFAESI Act, 2002, more particularly Sec.18(2) of the Act Read with Sec.20(6) of RDB Act, within a specific time frame that may be fixed by this Hon'ble Court

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 direct the 10th Respondent-Appellate Tribunal to dispose of Appeal No. 107 of 2024 m 1 f pending on its file by passing final orders thereon within a specified time frame that may be fixed by this Hon'ble Court pending disposal of the above writ petition

Counsel for the Petitioner: SREEDHAR VALIVETI

Counsel for the Respondents:

THE HON'BLE SRI JUSTICE BATTU DEVANAND

&

THE HON'BLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO.27407 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. Petitioner is the banking company incorporated under the provisions of Banking Companies (Acquisition and Transfer of undertakings) Act, 1970. M/s Nutrient Marine Foods Limited is a company carrying on business in processing and export of Prawn and Marine products/shrimp etc., The said company approached the petitioner-bank for taking over the existing credit facilities from State Bank of India, MCB, Visakhapatnam with enhanced facilities. Accordingly, the petitioner-bank sanctioned Rs.60.00 crores towards PCL/LC facilities vide sanction letter, dated 17.01.2015. Respondent Nos.1 to 3 are the guarantors/mortgagors for the credit facilities availed by the company and they have executed all necessary documents in favour of the petitioner-bank. Thereafter the said company defaulted to make repayments due in time and the loan Account was classified as Non Performing Asset on 28.05.2018. The petitioner-bank issued loan recall notice on 04.06.2018 and S.A.R.F.A.E.S.I proceedings were initiated. Demand Notice was issued on 02.07.2018. Since some of the notices were returned undelivered, paper publication of Demand Notice was issued on 08.07.2018. The borrower made

representation on 31.07.2018 and it was duly replied by the petitioner-bank on 07.08.2018. As the borrower had not come forward to clear the liabilities, possession notice, dated 19.09.2018 was issued and possession was taken and it was duly published on 21.09.2018 in English and Telugu Dailies. The same was also affixed at a conspicuous place of the said properties.

3. While so, Respondent Nos.1 to 3 have filed S.A.No.23 of 2023 seeking to declare the E-auction sale notice, dated 08.12.2022 fixing the date of auction on 18.01.2023 as illegal and arbitrary. After hearing both sides, the Debts Recovery Tribunal, Visakhapatnam allowed the said S.A.., setting aside the sale in respect of the scheduled properties. Aggrieved by the said order, dated 05.08.2024, the petitioner has preferred appeal *vide* Appeal No.107 of 2024 before the Debts Recovery Appellate Tribunal, Kolkata under Section 18 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') on various grounds on 03.09.2024. Till today, the matter is pending before the appellate Tribunal. Aggrieved by the action of the Debts Recovery Appellate Tribunal, Kolkata in not disposing of the appeal as contemplated under the provisions of the S.A.R.F.A.E.S.I Act and Recovery of Debts and Bankruptcy Act, 1993 (for short 'the R.D.B Act'), the petitioner approached this Court by filing this Writ Petition.

4. Learned counsel for the petitioner would submit that the Debts Recovery Appellate Tribunal has heard the appeal '*in part'* on 13.02.2026 and adjourned the matter under the caption '*part-heard'*. However, no orders have

been passed on the said appeal though two (2) years has elapsed. He further submits that the inordinate delay in passing the final orders in the appeal is causing hardship to the petitioner and may lead to multiplicity of proceedings at the cost of the Bank and risk of negative impact in public. Learned counsel for the petitioner further contends that the petitioner-bank being secured creditors deal with public amounts and they are answerable to each and every account holder and general public. Moreover auction purchasers i.e., Respondent Nos.4 to 9 who purchased the properties with huge amounts are now pressurizing the bank to refund the amount with accrued interest, costs, etc., by cancelling the registered sale certificates. In view of the same, learned counsel for the petitioner sought to allow this Writ Petition with a direction to the Debts Recovery Appellate Tribunal, Kolkata to dispose of the appeal, as early as possible, in the interest of justice.

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 provisions of the S.A.R.F.A.E.S.I Act and R.D.B Act.

6. Section 18(2) of the S.A.R.F.A.E.S.I Act, reads as follows:-

> ***Section 18(2)*** *:-* ***Appeal to Appellate Tribunal*** *: Save as otherwise, provided in this Act, the Appellate Tribunal shall, as far as may be, dispose of the appeal in accordance with the provisions of the Recovery of Debts Due to Bank and Financial Institutions Act, 1993 (51 of 1993) and rules made thereunder*.

Further, Section 20(6) of the RDB Act reads as follows:-

> ***Section 20(6)*** *:- The appeal filed before the Appellate Tribunal under Sub-Section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal*.

7. On bare perusal of the above provisions of law, it is clear that the appellate Tribunal has to deal with the appeal filed before it, as expeditiously as possible, and endeavour shall be made by the appellate Tribunal to dispose of the appeal finally within a period of six (6) months from the date of receipt of the appeal.

8. Admittedly, in the present case, the appeal was filed on 03.09.2024 and as on today, almost 2 years have elapsed. Though Section 20(6) of the R.D.B Act does not provide any mandatory time period to dispose of the appeal, but, it is not open to the Appellate Tribunal to keep it pending for more than two (2) years. The language used in Section 20(6) of the R.D.B Act "as expeditiously as possible' and 'endeavour shall be made', clearly indicates that it is not the intention of the parliament to grant unlimited time to the appellate Tribunal to dispose of the appeal pending before it. The intention of the parliament is that the appellate Tribunal shall dispose of the appeal(s) pending before it finally within a period of six months from the date of receipt of the appeal. As rightly submitted by the learned counsel for the petitioner-bank, the inordinate delay occurred in disposing of the appeal pending before the Debts Recovery appellate 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 Appellate Tribunal to take endeavour to dispose of the appeal pending before it, as early as possible, finally within a period of six (6) months from the date of receipt of the appeal as per Section 17(5) of the S.A.R.F.A.E.S.I Act.

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

(1) 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 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)."

(2) 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.

[1] (2025) 190 SCL712

> 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."

(3) Considering the language used in Section 20(6) of the Recovery of Debts and Bankruptcy Act, 1993, wherein the terms "as expeditiously as possible" and "endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal", the High Court of Chhattisgarh at Bilaspur, in ***Tata Capital Limited v. Debt Recovery Appellate Tribunal,*** decided on 29.08.2025, passed order, directing the Debts Recovery Appellate Tribunal, Allahabad (Uttar Pradesh), to decide the appeal filed by the petitioner expeditiously preferably within an outer limit of '06 months' from the date of receipt of copy of this order, if there is no legal impediment. The High Court of Chhattisgarh has considered and passed order after reiterating the facts and circumstance of the case.

(4) The High Court of Uttaranchal, in ***Mukesh Sangal v. Punjab National Bank and others***[2]***,*** after an elaborate discussion of the language used in paragraph 5, observed as follows:

> *"5. In view of the aforesaid facts, this Court is of the view that it is apparent from the record that the appeal is pending since 24.12.2024, and therefore, such a direction for expeditious hearing and decision of the appeal can be given by this Court."*

[2] 2025 SCC Online Utt 3500

10. At this juncture, it is also apposite to reproduce the observation of the Hon'ble Supreme Court, in ***M/s NAV Nirman Builders & Developers Pvt.Ltd., through its Managing Director, Naveen Singh v. The Union of India, through Deputy Director, Directorate of Enforcement, Govt.of India, Ranchi, Jharkhand*** (S.L.P.(Crl) No.9216 of 2023), while dealing with the provisions of Section 8 of the Prevention of Money-Laundering Act, 2002 which (PMLA). Section 8 of the Act, which is akin to Section 20 (6) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993.

Section 26 of the Prevention of Money Laundering Act reads as follows:

> **"26. Appeals to Appellate Tribunal:-** ***(1) Save as otherwise provided in sub-section (3), the Director or any person aggrieved by an order made by the Adjudicating Authority under this Act, may prefer an appeal to the Appellate Tribunal.***
>
> *(2) Any reporting entity aggrieved by any order of the Director made under sub-section (2) of section 13, may prefer an appeal to the Appellate Tribunal.*
>
> ***(3) Every appeal preferred under sub-section (1) or sub-section (2) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Adjudicating Authority or Director is received and it shall be in such form and be accompanied by such fee as may be prescribed:***
>
> *Provided that the Appellate Tribunal after giving an opportunity of being heard entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.*
>
> *(4) On receipt of an appeal under sub-section (1) or sub-section (2), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.*
>
> *(5) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the concerned Adjudicating Authority or the Director, as the case may be.*
>
> ***(6) The appeal filed before the Appellate Tribunal under sub-section (1) or sub-section (2) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to***

dispose of the appeal finally within six months from the date of filing of the appeal".

Section 35 of the Prevention of Money Laundering Act reads as follows:

> ***"35. Procedure and powers of Appellate Tribunal:- (1) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 (5 of 1908), but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure.***
>
> ***(2). The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil Court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit***, in respect of the following matters, namely:
>
> ……
>
> ……
>
> ***(5) All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860) and the Appellate Tribunal shall be deemed to be a civil Court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).***

11. In the case of ***M/s NAV Nirman Builders & Developers Pvt.Ltd,*** the Hon'ble Supreme Court, at paragraph No.35, observed as follows:

> "*35. The fact that a robust mechanism is provided for by fixing a higher qualification for the constitution of the Appellate Tribunal is a clear indicator that a decision under Section 8(3) of the PMLA is not meant to be brought under the judicial scrutiny of the Special Court. We also take note of the time limit prescribed under Section 26(6) of the PMLA for the Appellate Tribunal to dispose of an appeal filed before it as expeditiously as possible, and make an endeavour to do so within a period of six months. This provision not only indicates the urgency for disposal, but also recognises that the right of a party to invoke Section 8(7) of the PMLA, in a given case, cannot be kept in suspense for a long time".*

12. In the present case, already two (2) years has elapsed and as per the learned counsel for the petitioner, the Tribunal heard both sides and

posted the matter for '*part-heard'* long back. In view of the same, in our considered view, it is desirable and appropriate to direct the Debts Recovery Appellate Tribunal, Kolkata, to dispose of the appeal, in accordance with law, within a period of two (2) weeks from the date of receipt of this order to meet the interests of justice.

13. In the light of the aforementioned ratio laid down by the Apex Court and various High Courts and for the aforesaid reasons, this Writ Petition is allowed with a direction to the Debts Recovery Appellate Tribunal, Kolkata, to dispose of the appeal filed by the petitioner *vide* Appeal No.107 of 2024, within a period of two (2) weeks from the date of receipt of this order, in accordance with law.

14. 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: 23.09.2026
TM/KNN/Tsy/PGR

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THE HONOURABLE SRI JUSTICE BATTU DEVANAND

&

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

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Dated: 23.09.2026
TM/KNN/Tsy/PGR