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APHC010525692026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3564]**
(Special Original Jurisdiction)

THURSDAY, THE 29th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO: 28670/2026

Between:

1. CITY UNION BANK, REP.BY ITS AUTHORISED OFFICER, SRI SRINIVASA PRASAD K.K, S/O NARSIMHA RAO, AGED 52 YEARS, OCC AUTHORISED OFFICER, CREDIT RECOVERY AND MANAGEMENT, ADMINISTRATIVE OFFICE 24-B, GANDHI NAGAR, KUMBAKONAM, TAMILNADU, PIN 612001

...PETITIONER

AND

1. THE DEBT RECOVERY TRIBIUNAL, VISAKHAPATNAM, REPRESENTED BY ITS REGISTRAR, VISAKHAPATNAM.530020.
2. SMT KANDI HYMAVATHI, W/O. SRI. KANDI ANJI REDDY, AGED 61 YEARS, OCC BUSINESS, R/O.6-118, PANDILLAPALLI, PRAKASAM DISTRICT, PIN 523184, ANDHRA PRADESH.
3. SRI KANDI ANJI REDDY, S/O K.VENKATESWARA REDDY, AGED 63 YEARS, OCC BUSINESS, R/O.6-118, PANDILLAPALLI, PRAKASAM DISTRICT, PIN 523184, ANDHRA PRADESH

...RESPONDENT(S):

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 in the nature of writ

of Mandamus or any Appropriate Writ by declaring the Inaction of the First Respondent in not deciding the S.A.No.432 of 2023, Filed by the Second and Third Respondents, and not deciding the matter even after filing the Written Arguments by the Bank, continuing the stay of Further Proceedings, granting Numerous adjournments without reason, is contrary to Section 17(5) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act,2002, contrary to the Judgment of the Hon'ble Supreme Court in SLP(Civil) Number-21255 of 2025, Dated 07-10-2025 in Indian Overseas Bank Vs M/s.Radhey Infra Solutions Private Limited, Contrary to Articles 14, 16, 19, 21 of Constitution, and against the principals of natural justice, contrary to Law, and this Hon'ble Court may be Pleased to Direct the Hon'ble DRT, Visakhapatnam to hear the matter in S.A.No.432 of 2023 expeditiously

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 First Respondent to adjudicate the matter in S.A.No.432 of 2023 expeditiously, as per the Judgment of the Hon'ble Supreme Court in SLP(Civil) Number-21255 of 2025, Dated 07-10-2025 in Indian Overseas Bank Vs M/s.Radhey Infra Solutions Private Limited

Counsel for the Petitioner:

1. S SATYANARAYANA MOORTHY

Counsel for the Respondent(S):

1.

The Court made the following:

THE HON'BLE SRI JUSTICE BATTU DEVANAND
&
THE HON'BLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO.28670 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, in brief, leading to file the present writ petition is as follows:

(a) The 3rd respondent herein is a proprietor of M/s. Sri Chaitanya Aqua Agencies availed the OLCC facility of Rs.40,00,000/- and the 3rd respondent as borrower and the 2nd respondent herein is a co-obligant availed the Agri OD facility of Rs.60,00,000/- from the petitioner-bank vide sanction letter, dated 27.12.2016 and executed all necessary documents in favour of the Bank. On 06.01.2017, the 3rd respondent had deposited his original title deeds in respect of Schedule A, B & C, as security for the repayment of the above two transactions and had confirmed the deposit of his title deeds with the Bank and executed Memorandum of Deposit of Title Dees on 07.01.2017 in favour of the Bank.

(b) Again the respondent Nos.2 and 3 approached the petitioner-bank and availed the enhanced Agri OD facility of Rs.1,60,00,000/- vide sanction letter, dated 20.03.2018 and executed all necessary documents in favour of the petitioner-bank on 27.03.2018 and one Vemuleti Venkata Rajeev Reddy

stood as guarantor for the said enhanced facility and executed guarantee documents on 27.03.2018 in favour of the petitioner-bank.

(c) Further the 3rd respondent and one Kandi Chaitanya Kumar Reddy, as partners of Sri Chaintaya Aqua Agencies, approached the petitioner-bank and availed the OLCC facility for Rs.1,00,00,000/- vide sanction letter, dated 08.06.2018, for which they executed all necessary documents in favour of petitioner-bank on 12.06.2018 and one Vemuleti Venkata Reddy stood as guarantor for the said loan facility and executed all guarantee documents on 12.06.2018 in favour of the petitioner-bank.

(d) On 11.06.2018, the 3rd respondent and Vemuleti Rajeev Reddy have extended and confirmed the securities in respect of their properties regarding OLCC facility of Rs.1,00,00,000/- also availed by Sri Chaitanya Aqua Agencies from the petitioner-bank and created an equitable mortgage in favour of the petitioner-bank and also executed letter of confirmation for execution of mortgage by deposit of title deeds covering enhanced limits, dated 12.06.2018 in favour of respondent-bank.

(e) The 3rd respondent and Kandi Chaitanya Kumar Reddy as partners of Sri Chaitanya Aqua Agencies and as Co-obligants approached the respondent-bank and availed OSL Special facility of Rs.47,00,000/- vide sanction letter, dated 28.06.2022 and executed all necessary documents in favour of the petitioner-bank.

(f) After availing the above credit facilities, the respondent Nos.2 and 3 defaulted in repayment of the amounts, the petitioner-bank demanded them to

pay the entire outstanding amounts due to it. As they failed to pay the outstanding amounts, the respondent-bank classified the OLCC and OSL Special facilities availed by Sri Chaitanya Aqua Agencies as Non-Performing Asset (NPA) on 26.10.2022 and AGRI OD availed by the respondent Nos.2 and 3 was classified as Non-Performing Asset (NPA) on 26.10.2022 as per the prudential norms laid down by the Reserve Bank of India.

(g) The petitioner-bank had invoked the provision of the S.A.R.F.A.E.S.I. A CT, 2002 for realization of the amounts due and issued a demand notice, dated 02.02.2023. The 2nd respondent/borrower neither paid any amount in spite of the notice under Section 13(2) of SARFAESI Act, nor raised any objection under Section 134(3) of the Act. The petitioner-bank also issued possession notices, dated 27.09.2023, 20.05.2023 and 16.06.2023 and also the petitioner-bank issued auction notice, dated 25.07.2023.

(h) While so, on 05.09.2023. the respondent Nos.2 and 3 have filed S.A.No.432 of 2023 before the Debts Recovery Tribunal (for short “DRT”), Visakhapatnam, seeking to set aside the Auction Notice, dated 25.07.2023, notice issued under Section 13(2), possession notices and the proceedings under SARFAESI Act. In the said S.A.No.432 of 2023, the DRT granted an interim stay on 07.02.2025.

3) Learned counsel for the petitioner would submit that though all the pleadings are completed, the Debts Recovery Tribunal adjourning the matter from time to time without any reasons till date. He further submits that the inordinate delay in passing the final orders in S.A. 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. In view of the same, learned counsel for the petitioner sought to allow this Writ Petition with a direction to the Debts Recovery Tribunal, Visakhapatnam to dispose of the S.A.No.432 of 2023, as early as possible, in the interest of justice.

4) 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.

5) 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).

6) 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 four (4) months from the date of receipt of the application.

7) Admittedly, in the present case, the S.A. was filed on 05.09.2023 and as on today, almost 3 years have elapsed. 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.

8) 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.
>
> 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."

9) In the present case, already three (3) years has elapsed. In view of the same, in our considered view, it is desirable and appropriate to direct the Debts Recovery Tribunal, Visakhapatnam, to dispose of the S.A.No.432 of

[1] (2025) 190 SCL712

2023, 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.

10) 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 Tribunal, Visakhapatnam, to dispose of the S.A. filed by the petitioner *vide* S.A.No.432 of 2023, within a period of two (2) weeks from the date of receipt of this order, in accordance with law.

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: 29.10.2026
PGR

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

&

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO.28670 OF 2026

Dated: 29.10.2026
PGR