

IN THE HIGH COURT OF ANDHRA PRADESH: AT AMARAVATI

TUESDAY, THE SEVENTEENTH DAY OF MARCH

TWO THOUSAND AND TWENTY SIX

:PRESENT:

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

WP NOS: 21975 & 21976 OF 2024



WP.No.21975 of 2024:

Between:

1. M/s Pujitha Industries, Rep. by its Managing Partner, Sri Kolanuwada Satyanarayana Raju, S/o Venkata Krishnam Raju, Aged about 60 years, R/o Alampuram, Pentapadu Mandal, West Godavari District.
2. Sri Kolanuwada Satyanarayana Raju, S/o Venkata Krishnam Raju, Aged about 60 years, R/o Alampuram, Pentapadu Mandal, West Godavari District.

...Petitioners

(Petitioners in WP 21975 OF 2024

on the file of High Court)

AND

1. The Reserve Bank of India, Central Office Buildings, 18th Floor, Shahid Bhagath Singh Road, Mumbai, Maharastra - 400 001, Represented by its Authorised representative
2. Union Bank of India, Rep. by its Chief Manager, Tadepalligudem, West Godavari District.

...Respondents

(Respondents in-do-)

Petition under Article 226 of the Constitution of India, is filed praying that in the circumstances stated in the affidavit filed therewith, the High Court may be

pleased to issue a writ or order or direction more particularly one in the nature of WRIT OF MANDAMUS

A. Declaring the action of the Respondent No.2 dated 31.1.2021 (Mentioned in Demand Notice dt.05.04.2021) in declaring the loan accounts No. 055013100037889, 055030100142756 AND 055030100205815 of Petitioners No.1 as NPA is illegal, arbitrary and in violation of MSMED Act and RBI guidelines of Micro, Small and Medium Enterprises (MSME).

B. Consequently set-aside the action of the Respondent No.2 dated 31.1.2021 in declaring the accounts 055013100037889, 055030100142756 AND 055030100205815 as NPA being arbitrary and illegal and in violation of MSMED Act and RBI guidelines of Micro, Small and Medium Enterprises (MSE)

C. Direct the Respondent No.2 to consider the representations of the Petitioner dated 6.10.2021.

I.A.NO.1 OF 2024:

Petition under Section 151 CPC is filed praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay all further proceedings initiated by the Respondent No.2 arising out of NPA declaration dated 31.1.2021 (Mentioned in Demand Notice dt.05.04.2021) in the Petitioner's loan account No's. 055013100037889, 055030100142756 AND 055030100205815, pending disposal of the Writ Petition No. 21975 of 2024, on the file of the High Court.

The Petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and the earlier orders of the High Court dated. **01.10.2024, 29.10.2024, 10.02.2025 , 07.03.2025 & 09.12.2025** made herein and upon hearing the arguments of M/s VIMAL VARMA VASI REDDY, Advocate for the Petitioners and of Smt. V.DYUMANI, STANDING COUNSEL for the

Respondent No.2, and of Sri. S. SATYANARAYANA MOORTHY, Advocate for the Respondent No.1;

WRIT PETITION NO: 21976 OF 2024

Between:

1. M/s Pavithra Foam Products, Rep. by its Managing Partner, Sri Kolanuwada Satyanarayana Raju, S/o Venkata Krishnam Raju, Aged about 60 years, R/o Alampuram, Pentapadu Mandal, West Godavari District-534146.
2. Sri Kolanuwada Satyanarayana Raju,, S/o Venkata Krishnam Raju, Aged about 60 years, R/o Alampuram, Pentapadu Mandal, West Godavari District.

... Petitioners

AND

1. The Reserve Bank of India, Central Office Buildings, 18th Floor, Shahid Bhagath Singh Road, Mumbai, Maharastra - 400 001 Represented by its Authorised representative
2. Union Bank of India, Rep. by its Chief Manager, Tadepalligudem, West Godavri 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 may be pleased to issue a writ or order or direction more particularly one in the nature of WRIT OF MANDAMUS

A) Declaring the action of the Respondent No.2 dated 15.6.2021 (mentioned in demand notice dt.16.06.2021) in declaring the loan accounts Loan Account No. 055013100036756, 055030100130478, 055030100203932 and 055030100204995 of Petitioners No.1 as NPA is illegal, arbitrary and in violation

of MSMED Act and RBI guidelines of Micro, Small and Medium Enterprises (MSME

B) Consequently set-aside the action of the Respondent No.2 dated 15.6.2021 (mentioned in demand notice dt.16.06.2021) in declaring the loan accounts Loan Account No.055013100036756, 055030100130478, 055030100203932 and 055030100204995 as being arbitrary and illegal and in violation of MSMED Act and RBI guidelines of Micro, Small and Medium Enterprises (MSME)

C) Direct the Respondent No.2 to consider the representations of the Petitioner dated 17.9.2021;

IA NO: 1 OF 2024

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 stay all further proceedings initiated by the Respondent No.2 arising out of NPA declaration dated 15.6.2021 (mentioned in demand notice dt.16.06.2021) in declaring the loan accounts Loan No. 055013100036756, 055030100130478, 055030100203932, and 055030100204995, Pending disposal of WP 21976 of 2024, on the file of the High Court.

IA NO: 2 OF 2024

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 respondent No.2 not to take any further coercive steps under any Act in respect of Petitioner No.1 Loan Account No. 055013100036756, 055030100130478, 055030100203932 and 055030100204995 held with the Respondent No.2, Pending disposal of WP 21976 of 2024, on the file of the High Court.

The Petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and the earlier order of the High Court dated. 01.10.2024, 12.11.2024, 10.02.2025 , 06.03.2025 & 09.12.2025 made herein and upon hearing the arguments of Sri.Avula Akash, Advocate for the Petitioners, and of Sri. S Satyanarayana Moorthy, Standing Counsel for the Respondent No.1, and of Sri B.Hanumantha Rao, Standing Counsel for the Respondent No.2, the Court made the following

COMMON ORDER:

Heard both sides to some extent.

For proper adjudication of these cases, certain information is required on the following issues.

Accordingly, the 2nd respondent shall file an affidavit before this Court on the next date of hearing stating the factual position on the following issues.

1) Whether the representation, dated 17.09.2021 submitted by the petitioners for restructuring of the loan account has been examined in the light of the order, dated 04.09.2021 passed by the coordinate Division Bench of this Court in W.P.No.19201 of 2021?

2) Whether the Letter issued by the 2nd respondent vide Lr.No.7867/34/21-22/15, dated 07.12.2021 has been communicated to the writ petitioners under proper acknowledgment or not?

3) As stated in the said letter, whether the loan account has already been restructured as per RBI one time MSME restructuring policy on 28.03.2019 or the said account has been rescheduled as contended by the learned counsel for the petitioners?

4) As contended by the learned Standing Counsel for the 2nd respondent-bank if the loan account is already been restructured as per the

RBI norms, whether such proposal has been considered by the competent committee or not?

The 2nd respondent-bank shall also produce the relevant documents before this Court on the next date of hearing to satisfy the Court that the restructuring of the loan account has been considered in accordance with the relevant policy.

At this stage, learned counsel for the petitioners would submit that now the respondent-bank is taking steps for auction of the remaining properties on 23.03.2026.

On the other hand, Smt V.Dyumani, learned Standing Counsel for the respondent-bank contends that without any proof of documents, the petitioners are not entitled to make such submission. Besides this, as the proceedings under D.R.T was pending, the petitioners are not entitled for any further relief in the present Writ Petitions.

On consideration of the submissions of the respective counsels appearing on both sides and on perusal of the material available on record, it appears that at the stage of admission of the Writ Petition, this Court by order, dated 01.10.2024 in I.A.No.01 of 2024 ordered interim stay of all further proceedings. But, subsequently, the said interim orders are vacated by the learned Single Judge of this Court vide order, dated 09.12.2025.

When the said order is under challenge in W.A.Nos.1327 of 2025 and 1328 of 2025, a Division Bench of this Court directed the appellants/petitioners to approach the learned Single Judge for consideration of the matter on merits at an early date and also to seek interim directions, if so advised. Accordingly, these Writ Petitions are taken up for hearing.

During the course of hearing of these Writ Petitions, for proper adjudication of the case, this Court intends to look into some aspects.

Accordingly, the 2nd respondent is directed to file an additional affidavit as stated herein above.

Considering the submissions of both the learned counsels, the 2nd respondent-bank is directed to maintain status-quo as on today with respect to auction of the properties of the petitioners for a period of three (03) weeks.

Post on 02.04.2026 in Daily List-II.

SD/- M.SRINIVAS
ASSISTANT REGISTRAR
SECTION OFFICER

//TRUE COPY//

To,

1. The Authorised representative, Reserve Bank of India, Central Office Buildings, 18th Floor, Shahid Bhagath Singh Road, Mumbai, Maharashtra - 400 001
2. The Chief Manager, Union Bank of India, Tadepalligudem, West Godavari District.(1 & 2 by RPAD)
1. One CC to Sri. VIMAL VARMA VASI REDDY, Advocate [OPUC]
1. One CC to Sri. Avula Akash Advocate, [OPUC]
2. One CC to Sri. S Satyanarayana Moorthy, Advocate [OPUC]
3. One CC to Sri. B.Hanumantha Rao, Advocate [OPUC]
2. One CC to Smt. V.DYUMANI, STANDING COUNSEL [OPUC]
3. One spare copy

KSR

HIGH COURT

DEV, J

DATED:17.03.2026.

Post on 02.04.2026 in Daily List-II.

ORDER

WP.No.21975 & 21976 of 2024

DIRECTION

