

IN THE HIGH COURT OF ANDHRA PRADESH: AT AMARAVATI

FRIDAY, THE THIRD DAY OF JULY,
TWO THOUSAND AND TWENTY SIX

: PRESENT:

THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI

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

AND

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

...Respondents

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, 17.03.2026, 02.04.2026, 23.04.2026, 06.05.2026 & 17.06.2026 made herein and upon hearing the arguments of Sri 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;

WP 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 is filed 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 orders of the High Court dated: 01.10.2024, 12.11.2024, 10.02.2025, 06.03.2025, 09.12.2025, 17.03.2026,

02.04.2026, 23.04.2026, 06.05.2026 & 17.06.2026 made herein and upon hearing the arguments of Sri Patanjali Pamidighantam, 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:

At request of both the learned counsel, post on 08.07.2026.

Interim order granted earlier shall stand extended by a further period of four (04) weeks.

**SD/- U.SRIDEVI
DEPUTY REGISTRAR**

SECTION OFFICER

//TRUE COPY//

To,

1. One CC to Sri. Vimal Varma Vasi Reddy, Advocate [OPUC]
2. One CC to Sri Patanjali Pamidighantam, Advocate [OPUC]
3. One CC to Sri. S Satyanarayana Moorthy, Advocate [OPUC]
4. One CC to Smt. V.Dyumani, Standing Counsel [OPUC]
5. One CC to Sri B.Hanumantha Rao, Standing Counsel [OPUC]
6. One spare copy

HIGH COURT

RC, J

DATED: 03.07.2026

POST ON 08.07.2026

ORDER

WP NOs: 21975 & 21976 OF 2024

INTERIM ORDER EXTENDED

