

APHC010198612026



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

[3545]

TUESDAY, THE FIFTH DAY OF MAY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE A. HARI HARANADHA SARMA

WRIT PETITION NO: 10484/2026

Between:

1. PULLAREVU MOUNIKA REDDY,, W/O. PRABHANJAN KUMAR,
AGED ABOUT 32 YEARS, OCC. PROPRIETOR OF EMEN AGRI
FARMS, R/O. YERRAGUNTA VILLAGE, KANEKAL MANDAL,
ANANTAPURAM DISTRICT.

...PETITIONER

AND

1. UNION OF INDIA, REPRESENTED BY ITS SECRETARY (FINANCE),
NEW DELHI-110001
2. THE KARNATAKA BANK LTD, REP. BY ITS CHAIRMAN CUM
MANAGING DIRECTOR, POST BOX NO. 599, MAHAVEERA CIRCLE,
KANKANADY, MANGALORE - 575002. KARNATAKA STATE.
3. THE BRANCH MANAGER, KARNATAKA BANK, BOMMANAHAL
BRANCH, ANANTAPURAM DISTRICT. -515871
4. THE AUTHORIZED OFFICER, KARNATAKA BANK, POST BOX NO.
599, MAHAVEERA CIRCLE, KANKANADY, MANGALORE - 575002.
KARNATAKA STATE.
5. THE AUTHORIZED OFFICER, KARNATAKA BANK, ASSET
RECOVERY MANAGEMENT BRANCH, GROUND FLOOR, PLOT NO.
50, SRINAGAR COLONY ROAD ROAD NO. 3, BANJARA HILLS,
HYDERABAD-500073, TELANGANA STATE.

...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 or order more particularly one in the nature of writ of mandamus or an appropriate writ or order declaring the E-Auction Sale Notice dt. 30-03-2026, issued by the 5th respondent for sale of immovable assets under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act 2002 read with proviso to rule 8 (6) of Security Interest (Enforcement) Rules, 2002, without considering the representation dt. 18-12-2025, made for Rescheduling of the loan to enable the petitioner to repay the loan amount, as illegal, arbitrary and unconstitutional and consequently direct the 2nd respondent to consider the request made by the petitioner for rescheduling of the loan repayment, 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 suspend the E-Auction Sale Notice dt. 30-03-2026, issued by the 5th respondent for sale of immovable assets under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act 2002 read with proviso to rule 8 (6) of Security Interest (Enforcement) Rules, 2002, without considering the representation dt. 18-12-2025, made for Rescheduling of the loan to enable the petitioner to repay the loan amount, pending disposal of the writ petition and pass

Counsel for the Petitioner:

1.KOTI REDDY IDAMAKANTI

Counsel for the Respondent(S):

1.SRAVAN KUMAR MANNAVA

2.P PADMAVATHI (CENTRAL GOVERNMENT COUNSEL)

The Court made the following:

THE HONOURABLE SRI JUSTICE BATTU DEVANAND
&
THE HONOURABLE SRI JUSTICE A. HARI HARANADHA SARMA
W.P. No.10484 of 2026

ORDER: *(Per Hon'ble Sri Justice A. Hari Haranadha Sarma)*

Introductory:

1. The present Writ Petition is filed questioning the E-Auction Sale Notice dated 30.03.2026 issued by respondent No.5 for sale of immovable assets of writ petitioner in terms of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002), read with proviso to Rule 8 (6) of the Security Interest (Enforcement) Rules, 2002, without considering the representation dated 18.12.2025 of the writ petitioner. Relief is sought in the nature of a Writ of Mandamus declaring the E-Auction Sale Notice dated 30.03.2026 as illegal, arbitrary and unconstitutional.

Case of the respondents:

2(i). The writ petitioner availed loan for establishing the poultry farm in the name of M/s. Emen Agri Farms and respondent No.3 sanctioned the term loan of Rs.4,63,00,000/-. Apart from term loan, respondent No.3 also sanctioned the loan of Rs.2,30,00,000/-.

(ii). Writ petitioner was regular in repaying the loan amount as per the schedule till 31.12.2024. There was an outbreak of bird flu virus in the entire southern India in the month of March, 2025. Around 70,000 birds died due to

bird flu, which caused substantial loss to the writ petitioner. The same was intimated to respondent No.3 and a request was made for enhancement of the OD facility. Letter dated 20.05.2025 was addressed to respondent No.3, but there was no reply. A legal notice dated 27.05.2025 got issued by Bank for payment of an amount of Rs.31,16,932/- towards dues, interest, arrears etc. alleging that the account of the petitioner became NPA with effect from 24.05.2025. Writ petitioner made a request for revising the repayment plan.

(iii). The firm of the writ petitioner was registered under the MSME, where responder Nos. 2 and 3 are under obligation to consider the RBI guidelines for rescheduling of the loan whenever the natural calamity occurred. The outbreak of the bird flu is also the natural calamity and the same is caused closure of the farm for nearly four months. Writ petitioner made a request for rescheduling of the loan.

(iv). The writ petitioner had earlier filed W.P.No.33727 of 2025 challenging the demand notice dated 18.09.2025 issued under Section 13 (2) read with 13(3) of the SARFAESI Act, 2002, demanding payment of the entire amount of Rs.6,31,38,133.83/- within 60 days without properly considering the representation for rescheduling of repayment of the loan. The said writ petition is pending. Though notices were served, no vakalt is filed by the respondents in said writ petition. She has also filed I.A.No.1 of 2026 in the said writ petition.

Hearing:

3. Heard Sri Koti Reddy Idamakanti, learned counsel for the petitioner and Sri Sravan Kumar Mannava, learned counsel representing respondent Nos.2 to 5.

4. Learned counsel for the petitioner would submit that, the committee appointed for identifying the large-scale defaulters should consider the request for default and the order dated 29.07.2025 of the committee would show that the branch did not identify the borrower concern, its proprietrix and co-obligants / guarantors as wilful defaulters. It was informed by the branch that the borrower incurred loss due to bird flu influence, increased feed cost, bird mortality and low egg production rate and that it was also assured by the borrower to regularize the loan account at the earliest.

5(i). Learned counsel for the respondents would submit that, the writ petitioner if aggrieved, could have approached the Debt Recovery Tribunal (DRT) for appropriate reliefs.

(ii). Learned counsel for respondent-Bank further submits that the writ petitioner ought to have submitted the viability report, repayment plan with the auditor's certificate as to the possibility of rescheduling, along with other necessary documents to the Bank, along with the necessary undertaking, to claim the benefit in terms of the MSME Scheme and RBI guidelines.

6. In reply, learned counsel for the petitioner would submit that if time is given, writ petitioner will be in a position to submit the details to the Bank.

7. Questioned Sale Notice dated 30.03.2026 is indicating that the auction is scheduled on 08.05.2026. The respondent-Bank is expecting the necessary documents, including the auditor's report as to the viability of the writ petitioner's business and repayment plan with necessary documents and undertaking.

8. In the context stated above, we deem it proper to permit the writ petitioner to submit the documents to the respondents on or before 11:00 a.m. on 08.05.2026, whereupon the proposed sale shall be deferred till an appropriate decision is taken on such submission, as per the norms of the RBI etc., by respondent Nos.2 to 5.

9. In view of the discussion made above, the writ petition is disposed of as follows:

(i). The writ petitioner shall submit the repayment plan with auditor's certificate along with necessary documents and undertaking to the respondents / Bank on or before 11:00 a.m. on 08.05.2026. Upon such submission, the sale proposed as per the E-Auction Sale Notice dated 30.03.2026 shall be deferred till proper decision is taken by the respondents as per the norms.

(ii). There shall be no order as to costs.

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

JUSTICE BATTU DEVANAND

JUSTICE A.HARI HARANADHA SARMA

Date: 05.05.2026
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THE HON'BLE SRI JUSTICE BATTU DEVANAND
and
THE HONOURABLE SRI JUSTICE A. HARI HARANADHA SARMA

W.P. No.10484 of 2026

Dt.05.05.2026

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