IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

FRIDAY,THE TWENTY SECOND DAY OF AUGUST
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 24904 OF 2025

Between:

M/s Canara Bank, ARM Kadapa Branch, O/o 3rd Floor, KVC Arcade, Zudo Building, Avilala, Tirupati- 517508, Rep. by Branch Head, Sri. Jaleesh Dinakaran, S/o Late Dinakaran, Aged about 51 yrs.

...PETITIONER

AND

1. State of Telangana, Department of Home (General), Telangana Secretariat, Hyderabad. Rep. by its Principal Secretary
2. State of Telangana, Revenue Department, Secretariat Buildings, Hyderabad, Telangana Rep. by its Principal Secretary
3. State of Andhra Pradesh, Department of Home (General), Andhra Pradesh Secretariat, Amaravathi. Rep. by its Principal Secretary
4. M/s Keshava Reddy Educational Trust, Rep. by its Authorised Person, O/o D No.2-402 to 408, Podaralla Village, Anantapur District-515 731.
5. M/s Bharath Reddy Educational Trust, Rep. by its Authorised Person, O/o Appannapalli Village, Mahaboob Nagar District-509001..
6. M/s Sri Sarawathi Educational Society, Rep. by its Authorised Person, O/o Keshava Reddy Nagar, Kowluru Village, Panyam Mandal, Nandyal - 518112.

...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 declaring GOMS No. 119 Home (General. A 2) Department dated 01/11/2016 to the extent of Serial Nos. 3 of Annexure 2 attaching property situated at Registration and Sub- Registration District Mahabubnagar, Mahabubnagar Mandal, Appannapally Grama Panchayat, Appannapally H/o Edira Village Limits, consisting of Land Survey No. 314/ ఆ admeasuring Ac. 0-31 1/2 Gts. Hectares 0-31 1/2 and Survey No. 315/ ఆ ఆ admeasuring Ac. 0-37 Gts. Hectares 0-37 and Survey No.

311/ ఆ. admeasuring Ac. 1-00 Gts. Hectares 0-40, total extent Ac. 2-28 1/2 Gts. more particularly mentioned in the Schedule hereunder, mortgaged in favour of Petitioner bank as illegal, arbitrary, contrary to law and consequently set aside the same and consequently permit the Petitioner bank to enforce its rights against the said property

IA NO: 1 OF 2025

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 GOMS No. 119 Home (General. A 2) Department dated 01/11/2016 to the extent of Serial Nos. 3 of Annexure 2

Counsel for the Petitioner: SRI. MANAV GECIL THOMAS

Counsel for the Respondent No.1: SRI MAHESH RAJE, AGP FOR HOME

Counsel for the Respondent No.2: Ms. T. SWETCHA, AGP FOR REVENUE

Counsel for the Respondent No.3: SRI A. RAGHURAM MAHADEV,
AGP FOR HOME,
STATE OF ANDHRA PRADESH

Counsel for the Respondent Nos. 4to6:--

The Court made the following: ORDER

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH

AND

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION No.24904 of 2025

ORDER:

Learned counsel Sri Manav Gecil Thomas appears for the petitioner.

Sri Mahesh Raje, learned Government Pleader for Home, appears for respondent No.1.

Ms. T.Swetcha, learned Assistant Government Pleader for Revenue, appears for respondent No.2.

Sri A.Raghuram Mahadev, learned Assistant Government Pleader for State of Andhra Pradesh, appears for respondent No.3.

2. Petitioner is the Bank, with whom certain immovable properties described at paragraph 6 of the writ affidavit, falling within the territorial jurisdiction of the State of Telangana, were mortgaged against the credit facility availed by private respondent No.4 in the year 2013. Private respondents No.5 and 6 are the

guarantors. Out of the mortgaged properties, the immovable properties described at para 9 of the writ affidavit were attached by the Government of Andhra Pradesh *vide* G.O.Ms.No.119, Home (General-A2) Department, dated 01.11.2016.

3. Petitioner-Bank has initiated proceedings under the Recovery of Debts and Bankruptcy Act, 1993 (for short 'the Debt Recovery Act'), by filing O.A.No.3586 of 2017, which has been decreed on 30.12.2024 in its favour. Petitioner-Bank has also initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Security Interest Act, 2002 (for short 'the SARFAESI Act') by issuing demand notice under Section 13(2) on 15.06.2015 and possession notice under Section 13(4) on 07.09.2015 to respondent No.4/borrower and respondents No.5 and 6/guarantors.

4. Petitioner-Bank has assailed the attachment of the mortgaged properties *vide* G.O.Ms.No.119, Home (General-A2) Department, dated 01.11.2016, issued by the State of Andhra Pradesh in exercise of powers under Section 3 of

the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (for short 'the Act of 1999').

5. Learned counsel for the petitioner-Bank submits that the impugned action of the State of Andhra Pradesh is in violation of the SARFAESI Act. Reference is made to Sections 26E and 35 thereof.

6. Learned counsel for the petitioner has referred to the decision rendered by a learned Single Bench of the Andhra Pradesh High Court in **Canara Bank v. State of Andhra Pradesh, Department of Home (General), rep by its Principal Secretary** [W.P.No.21029 of 2017 dated 18.06.2024], whereby attachment of some of the mortgaged properties with the petitioner-Bank under the Act of 1999 were set aside by a detailed judgment after referring to the provisions of the Debt Recovery Act, SARFAESI Act and also the decisions rendered by the Apex Court and various other High Courts. However, the petitioner-Bank was permitted to proceed further against the referred properties under the provisions of the SARFAESI Act for recovery of the debt. It is submitted that

the State of Andhra Pradesh has filed an appeal, in which an order of *status quo* has been granted by a learned Division Bench of the High Court of Andhra Pradesh.

7. Learned counsel for the petitioner submits that since the properties were mortgaged with the branch of the petitioner-Bank situated in Hyderabad, State of Telangana, and the mortgaged properties are also situated within the territorial jurisdiction of the State of Telangana, the jurisdiction of this Court has been invoked.

8. Learned counsel for the State of Andhra Pradesh has taken an objection to the maintainability of the writ petition before this Court on the ground that the proceedings for attachment under the Act of 1999 have been initiated on the basis of criminal cases instituted against the private respondent No.4 for cheating the small-time depositors. Criminal case as well as attachment proceedings under the Act of 1999 fall under the jurisdiction of the Special Court created under Section 6 of the said Act. Reference is made to Section 7 of the Act of 1999, which provides a mechanism for hearing the

objections and claims of persons interested in the property attached, before the interim attachment is made absolute. It is submitted that the petitioner has approached this Court in 2025, while the order of attachment dates back to 01.11.2016. Petitioner has not made any statement as to whether the attachment has been made absolute. It is further submitted that the Act of 1999 provides a remedy of appeal under Section 11 before the High Court within thirty days of such order. It is also submitted that the Special Court falls within the supervisory jurisdiction of the High Court of Andhra Pradesh. Petitioner-Bank has also moved Andhra Pradesh High Court against such provisional attachment of the mortgaged properties and the subject matter is presently in appeal before a learned Division Bench of the High Court of Andhra Pradesh.

9. Learned counsel for the State of Andhra Pradesh also refers to Section 177 of Code of Criminal Procedure, 1973 (for short 'Cr.P.C.'), which prescribes jurisdiction of the concerned Criminal Court to be the place where the cause of action lies. In such circumstances, it is

submitted that merely because the subject properties lie within the State of Telangana and the branch of petitioner-Bank, which advanced credit facilities also lies within the State of Telangana, this Court should not entertain such a claim. Therefore, the Writ Petition may be dismissed as not maintainable.

10. We have considered the submissions of learned counsel for the parties, taken note of the relevant material facts placed on record and also the decision rendered by a learned Single Bench of the High Court of Andhra Pradesh in similar issue raised by the petitioner-Bank. .

11. We have also gone through the provisions of the Act of 1999, SARFAESI Act and the Debt Recovery Act.

12. At the outset, we may observe that the cause of action for agitating the grievance arises out of attachment proceedings under Section 3 of Act of 1999, issued by the Government of Andhra Pradesh *vide* G.O.Ms.No.119, Home (General-A2) Department, dated 01.11.2016. Such attachment of the subject properties mortgaged with the

petitioner-Bank lies within the jurisdiction of the Special Court under the Act of 1999 and in respect of which criminal cases have been instituted against the private respondent No.4 for defrauding small-time depositors.

13. Section 7 of the Act of 1999 provides for a procedure to be followed by the Special Court before the order of interim attachment is made absolute. The writ affidavit does not contain any averment as to whether the attachment has been made absolute by the Special Court. Section 11 of the Act of 1999 also provides a remedy of appeal to an aggrieved person including the competent authority. The attachment proceedings are arising out of criminal proceedings initiated against the private respondent No.4 and others for defrauding small-time depositors and as such, the cause of action to such criminal proceedings also lies before the concerned court in terms of Section 177 of Cr.P.C. The High Court of Andhra Pradesh has the supervisory jurisdiction over such Special Court. The petitioner himself has approached the High Court of Andhra Pradesh against one such order of

attachment in February, 2017, in which the learned writ court has also granted relief. The said subject matter is still lying in appeal before the Division Bench of the High Court of Andhra Pradesh. Merely because the attached properties fall within the territorial jurisdiction of the State of Telangana, the petitioner-Bank should not be allowed to invoke the writ jurisdiction of this Court, when the Act of 1999 provides special procedure for making such attachments. As such, the cause of action arising out of such attachment lies within the territorial jurisdiction of the High Court of Andhra Pradesh. Therefore, we are not inclined to entertain the Writ Petition on the point of jurisdiction.

14. However, the petitioner is at liberty to invoke appropriate proceedings before the competent court having jurisdiction.

15. The instant Writ Petition is, accordingly, dismissed. However, there shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/- AHMED ABDULLA KHAN
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. One CC to SRI. MANAV GECIL THOMAS, Advocate [OPUC]
2. Two CCs to GP FOR HOME ,High Court for the State of Telangana at Hyderabad [OUT]
3. Two CCs to GP FOR HOME High Court for the State of Andhra Pradesh at Secretariat, Amaravathi [OUT]
4. Two CCs to GP FOR REVENUE High Court for the State of Telangana, at Hyderabad [OUT]
5. Two CD Copies

B M
TKS

HIGH COURT

DATED:22/08/2025



ORDER

WP.No.24904 of 2025

DISMISSING THE WRIT PETITION WITHOUT COSTS

10
ASV
23/04/25