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

FRIDAY, THE TWENTY FOURTH DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE JUSTICE MOUSHUMI BHATTACHARYA
AND
THE HONOURABLE SRI JUSTICE GADI PRAVEEN KUMAR

WRIT PETITION NO: 11538 OF 2026

Between:

1. Prasad Sangula, S/o S. Munaiah, Aged about 50 years, Occ- Business, R/o H.No.7-1-277/374, 41/C, B.K. Guda, Sanjeeva Reddy Nagar, Hyderabad - 500 038.
2. Krishnaveni Sangula, W/o Prasad Sangula, Aged about 45 years, Occ- Housewife, R/o H.No.7-1-277/374, 41/C, B.K. Guda, Sanjeeva Reddy Nagar, Hyderabad - 500 038.

...PETITIONERS

AND

1. The Bank of India, Asset Recovery Branch, R/o -10-1-1199/2, PTI Building, 3rd Floor, A.C. Guards, Hyderabad - 500 004, Rep. by its Authorised Officer- T. Jagannadham
2. The Presiding Officer, Debts Recovery Tribunal - III, 1st Floor, Triveni Complex, Abids, Hyderabad - 500 001.

...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, Order or Direction declaring the action of the Respondent No.2 in dismissing I.A. No.1136 of 2026 in S.A. No.80 of 2026 vide order dated 06.04.2026, without properly appreciating the bona fide reasons assigned by the Petitioners, as illegal, arbitrary, perverse, violative of principles of natural justice and violative of Articles 14, 21 and 300-A of the Constitution of India and consequently set aside the impugned order dated 06.04.2026 passed in I.A. No.1136 of 2026 in S.A. No.80 of 2026 by the Respondent No.2, thereby grant extension of time for two weeks to the Petitioners to pay the

remaining balance of Rs.20,00,000/- towards the conditional deposit of Rs.35,00,000/- as directed by the learned Tribunal in its conditional order dated 24.02.2026 in I.A. No.579 of 2026 by such further period as this Hon'ble Court deems fit and proper.

I.A. 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 direct the Respondents not to take any coercive steps against the Petitioners, including taking physical possession of the schedule property bearing Plot No.41/C, House No.7-1-277/374, admeasuring 125 Sq. Yds., situated at Sanjeeva Reddy Nagar, Hyderabad, or selling the same, pending disposal of the main S.A. No.80 of 2026 before the learned Debts Recovery Tribunal - II, Hyderabad pending disposal of the above writ petition.

Counsel for the Petitioners: SRI KATIKA RAVINDER REDDY
Counsel for the Respondent No.1: Ms. T.VIDYA RANI, SC FOR BOI
Counsel for the Respondent No.2: --

The Court made the following: ORDER

HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA
AND
THE HON'BLE JUSTICE GADI PRAVEEN KUMAR

WRIT PETITION NO.11538 OF 2026

DATE: 24.04.2026

BETWEEN:

Prasad Sangula And Another.

...Petitioners

AND

The Bank of India And Another.

...Respondents

Mr. Katika Ravinder Reddy, learned counsel appearing for the petitioners.

Ms. T. Vidhya Rani, the learned Standing Counsel appearing for the Caveator/respondent No.1.

ORDER: (Per Hon'ble Justice Moushumi Bhattacharya)

1. The petitioners have challenged an order dated 06.04.2026 passed by the Debts Recovery Tribunal-II at Hyderabad ('DRT') by which an interlocutory application filed by the petitioners for extension of time to make payment of Rs.20,00,000/- (as per the DRT's order dated 24.02.2026) was dismissed.

2. The petitioner Nos.1 and 2 are the Borrower and Co-borrower, respectively, who obtained a loan for purchase of a residential flat and secured the loan by way of an equitable mortgage by depositing the Title Deeds of the schedule property. The loan was to be repaid in a periodic manner. The petitioners failed to make the repayments and filed an S.A. before the DRT for adjudication of the dispute. The impugned interim order was passed in I.A.No.1136 of 2026 in S.A.No.80 of 2026.

3. The petitioners filed I.A.No.579 of 2026 in the said S.A. for stay of all further proceedings pursuant to the Advocate Notice dated 02.02.2026 and the e-auction Sale Notice dated 03.11.2025. The DRT passed an order in I.A.No.579 of 2026 on 24.02.2026 granting interim stay on the respondent No.1/the Bank of India, Asset Recovery Branch, from taking physical possession of the petition schedule property pursuant to the impugned notice, subject to the petitioners depositing Rs.35,00,000/- in three instalments of Rs.15,00,000/-, Rs.10,00,000/- and Rs.10,00,000/- each, respectively. The first instalment was directed to be deposited within one week from the date of the order, the second instalment within two weeks thereafter and the third instalment within two weeks from the

date of the deposit of the second instalment directly with the respondent No.1-Bank.

4. The order dated 24.02.2026 further states that the interim stay shall stand vacated in the event the petitioners fail to comply with the directions and that the respondent No.1-Bank shall be at liberty to proceed further in accordance with law.

5. Admittedly, the petitioners paid the first instalment of Rs.15,00,000/- but were unable to pay the second and third instalments of Rs.10,00,000/- each within the stipulated time. The petitioners accordingly filed I.A.No.1136 of 2026 in S.A. No.80 of 2026 for extension of time to pay the second and third instalments. The DRT dismissed the said I.A. by way of the impugned order dated 06.04.2026.

6. We have heard learned counsel appearing for the petitioners and the respondent No.1-Bank.

7. Learned counsel appearing for the petitioners submits that the petitioners have already paid the first instalment of Rs.15,00,000/- but were unable to collect the outstanding amount of Rs.20,00,000/- and deposit the same within the

stipulated timeframe. Counsel submits that the petitioners attempted to deposit Rs.8,00,000/- out of the balance Rs.20,00,000/- with the respondent No.1-Bank but that the Bank refused to accept the same.

8. It is submitted that the petition schedule asset is a residential flat which was mortgaged by way of deposit of Title Deeds to the Bank. It is further submitted that intervening festivals, such as Ugadi and Ramzan, prevented the petitioners from depositing the second and third instalments. Counsel for the petitioners submits that the petitioners are ready to pay the balance of Rs.20,00,000/-.

9. The learned Standing Counsel appearing for the respondent No.1-Bank submits that the impugned order passed by the DRT does not call for interference since the petitioners failed to deposit the second and third instalments as per the earlier orders of the DRT. Counsel submits that the respondent No.1-Bank has already accepted 100% of the bid amount of Rs.1,43,05,000/- from the successful bidder on 08.01.2026.

10. After considering the submissions made on behalf of the parties, we are inclined to allow the Writ Petition for the following reasons.

11. First, it is undisputed that the petitioners have paid the first instalment of Rs.15,00,000/- within time. The petitioners also attempted to deposit Rs.8,00,000/- of the balance Rs.20,00,000/- with the respondent No.1-Bank but the Bank refused to accept the same.

12. Second, we find the reasons given in the Affidavit filed with I.A. No.1136 of 2026 to be credible. The fact of the intervening festivals, including Ugadi and Ramzan, cannot be denied. In any event, the petitioners have already collected Rs.8,00,000/- of the balance Rs.20,00,000/-, which is undisputed by the respondent No.1-Bank.

13. Third, the petition schedule property is a residential flat. Hence, the petitioners deserve an equitable consideration from the Court.

14. Fourth, the argument of the Bank that the successful auction purchaser has already paid the full bid amount on 08.01.2026 cannot be a ground to deny relief to the petitioners since the Bank was represented and contested the earlier I.A. filed by the petitioners i.e., I.A.No.579 of 2026, whereby the DRT proceeded to grant interim stay subject to the petitioners

depositing Rs.35,00,000/- in three instalments. Admittedly, the order dated 24.02.2026 was passed on contest and was not an *ex parte* order.

15. Further, the order dated 24.02.2026 would reflect that the Bank's argument was taken into consideration and that no objection was raised by the Bank regarding the Bank receiving 100% of the consideration amount from the auction purchaser. In fact, paragraph 2 of the order dated 24.02.2026 records that counsel appearing for the respondent No.1-Bank did not raise any objection to the conditional stay of the Advocate Commissioner's Notice and the e-auction Sale Notice. This is significant since the respondent No.1-Bank now states that the Bank received the consideration amount from the bidder on 08.01.2026, which was prior to the DRT's order dated 24.02.2026.

16. Hence, the grant of interim stay of the Advocate Notice as well as the e-auction Notice also encompassed the bid money received by the Bank. There is no material on record to show that they made any attempt to bring the fact of payment from the auction purchaser to the notice of the DRT on 24.02.2026 or at any time thereafter. The fact of the Bank issuing a Sale

Certificate in favour of the auction purchaser was also not brought to the notice of the DRT on 24.02.2026. Counsel for the Bank argued this fact only during the course of arguments in the present Writ Petition.

17. Fifth, the last line of the order dated 24.02.2026 passed by the DRT records that the Bank shall be at liberty to proceed in the event of default on the part of the petitioners but subject to the outcome of the S.A. filed by the petitioners. Hence, refusing the petitioners' prayer for extension to pay the outstanding amount of Rs.20,00,000/- would in effect entirely frustrate the S.A.

18. The impugned order passed by the DRT on 06.04.2026 calls for interference. The last paragraph of the impugned order makes it clear that the only reason for refusing the petitioners' application for extension is that the petitioners requested extension for an unspecified period of time. The DRT has not given any other reasons for dismissing the petitioners' I.A. The DRT should have taken into account that the petitioners have already paid the first instalment to show their *bona fides*.

19. We are also convinced of the petitioners' *bona fides* since counsel has repeatedly informed the Court that the petitioners

are ready to pay the outstanding balance of Rs.20,00,000/- in Court on an assigned date, including the very next day after conclusion of the hearing in the present matter.

20. W.P.No.11538 of 2026 is accordingly allowed and disposed of by setting aside the order dated 06.04.2026.

21. The petitioners shall deposit the amount before the DRT by 28.04.2026. Needless to say, the interim stay granted on 24.02.2026 shall continue subject to such deposit being made by way of a Demand Draft (DD)/RTGS. The interim stay granted by the DRT on 24.02.2026 shall continue upon compliance of this direction. All connected applications are disposed of.

SD/- B.REKHA RANI
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

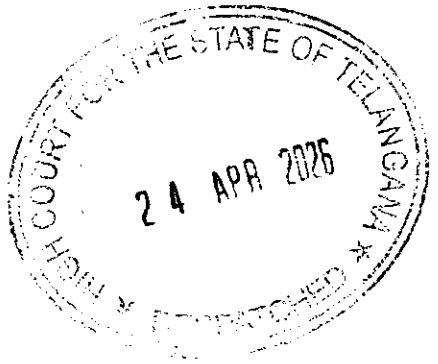
1. The Authorised Officer- T. Jagannadham, Bank of India, Asset Recovery Branch, R/o -10-1-1199/2, PTI Building, 3rd Floor, A.C. Guards, Hyderabad - 500 004.
2. The Presiding Officer, Debts Recovery Tribunal - III, 1st Floor, Triveni Complex, Abids, Hyderabad - 500 001.
3. One CC to SRI KATIKA RAVINDER REDDY, Advocate [OPUC]
4. One CC to Ms. T.VIDYA RANI, SC FOR BOI [OPUC]
5. Two CD Copies

PSK.
PSK

CC TODAY

HIGH COURT

DATED: 24/04/2026



ORDER
WP.No.11538 of 2026

ALLOWING THE WRIT PETITION
WITHOUT COSTS

24/4/26