HIGH COURT FOR THE STATE OF TELANGANA

MAIN CASE No: Writ Petition No. 16844 of 2026

PROCEEDING SHEET

S. No	DATE	ORDER	OFFICE NOTE
	04.06.2026	**NBK, J & VRKR, J** The petitioner challenges the order dated 14.05.2026 passed by the Debts Recovery Tribunal-II, Hyderabad, in I.A. No. 1622 of 2026 in S.A. No. 266 of 2026, as illegal and arbitrary, and also seeks consequential declaration that the Demand and Possession Notice dated 07.01.2026 issued by the respondent-Bank against the secured assets as illegal and arbitrary, and to set aside the same. Heard Mr. G. Eswaraiah, learned counsel for the petitioner, and Mr. N. Bhujanga Rao, learned Deputy Solicitor General of India. Perused the record. **Issue notice** to respondents No. 2 to 5, returnable in four weeks. Personal notice to respondents No. 2 to 5, by Speed Post, is permitted. Learned counsel for the petitioner essentially contends that the petitioner herein along with other legal heirs are joint owners and possessors of the property admeasuring 180.0 square yards in Survey Nos.46, 47, 51, 52, 53, and 54 of Badangpet village, Balapur Revenue Mandal, Badangpet Municipal Corporation, L.B. Nagar. It is contended that the mortgage alleged to have been created by the respondents No.3 and 4 in favour of respondent No.2-Bank is illegal and non-est in the eyes of law, and that therefore the action initiated by respondent No.2-Tata Capital for taking possession under SARFAESI Act is illegal. Learned counsel, based on the Memo dated 02.06.2026 filed	

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		by the petitioner, submits that the petitioner undertakes to deposit the conditional amount or EMI with no lien on account for protecting the property, and that the petitioner is ready to comply and deposit the amount as ordered by this Court. Learned counsel further submits that if the proceedings initiated by respondent-Bank under the SARFAESI Act are not stayed, severe prejudice would be caused to the petitioner. A perusal of the record would reveal that respondent No.2-Tata Capital have loaned Rs.1,50,00,000/- and Rs.5,50,824/- under two loan accounts, TCHHL0803000100144593, and TCHIN0803000100145668, and the EMI is specified as Rs.1,22,680/, and Rs.6,023/-. It is not in dispute that the respondent No.2 has initiated proceedings under SARFAESI Act due to default in loan repayments. The petitioner filed a civil suit, O.S. No. 632 of 2025, on the file of Junior Civil Judge, Ranga Reddy, at L.B. Nagar, seeking partition and separate possession of the subject property, and the suit is pending. However, the respondent No.2-Tata Capital having loaned the amount cannot be faulted for initiating the proceedings under SARFAESI Act for realization of the loan. Considering the submission made by the learned counsel for the petitioner that the petitioner is ready to deposit the conditional amount or EMI with no lien on account for protecting the property, and that the petitioner is ready to comply and deposit the amount as ordered by this Court, this Court is inclined to consider passing of interim order at this stage. In that view of the matter, there shall be interim stay of the Order dated 14.05.2026 passed by Debts Recovery Tribunal in I.A. No. 1622 of 2026 in S.A. No. 266 of 2026, and all further	

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		proceedings under SARFAESI Act, subject to the petitioner depositing the amount due and payable as on the date of initiation of SARFAESI Act proceedings by respondent No.2, within a period of four weeks from the date of receipt of a copy of this order. In the interregnum, respondent No.2 shall not proceed further with the recovery proceedings under SARFAESI Act. It is made clear that the conditional stay order granted by this Court upon deposit of the due amount by the petitioner shall not *ipso facto* create any rights in favour of the petitioner, in respect of the subject property. **List on 08.07.2026.** **NBK, J** **VRKR, J** ksm	