

HIGH COURT FOR THE STATE OF TELANGANA: HYDERABAD

MAIN CASE NO. W.P.No.16928 OF 2026

PROCEEDING SHEET

SL. No	DATE	ORDER	OFFICE NOTE
	04.06.2026	<p><u>NBK, J</u></p> <p>Notice before Admission.</p> <p>2. Sri N. Bhujanga Rao, learned Deputy Solicitor General, takes notice on behalf of respondent No. 1.</p> <p>3. Personal notice to respondents No.2 to 4 through Speed Post, permitted.</p> <p>4. Learned counsel for the petitioner submits that the petitioner availed a home loan of Rs.22,90,000/- on 23.09.2018, with a total repayment tenure of 30 years (i.e., 360 monthly instalments), and that the first instalment commenced on 11.02.2019. It is submitted that only about seven years have elapsed since the loan was availed and that, till date, the petitioner has paid 79 instalments (i.e., $79 \times \text{Rs.}19,696 = \text{Rs.}15,55,984/-$). It is further submitted that more than 20 years remain for complete repayment of the home loan and that, merely because the petitioner defaulted in payment of certain monthly instalments, the respondent-Bank has initiated proceedings under the SARFAESI Act.</p> <p>4.1. Learned counsel for the petitioner submits that, due to the COVID-19 situation, the petitioner defaulted in</p>	

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		<p>payment of five instalments amounting to Rs.1,12,000/-. It is submitted that the Bank levied an additional penalty of Rs.1,41,500/-, over and above the default amount of Rs.1,12,000/-, including recovery charges. Thus, the Bank demanded a total amount of Rs.2,53,500/- towards the default of five instalments. Learned counsel submits that the petitioner has paid the entire amount of Rs.2,53,500/- by depositing the same into his SBI home loan account; however, the Bank has kept the said amount on hold till date. Learned counsel prays that, as the petitioner defaulted in payment of the instalments solely due to the COVID-19 pandemic and the consequent financial hardship, the Bank may be directed to adjust the amount of Rs.2,53,500/- towards the monthly instalments without levying any additional penalty or recovery charges, as the petitioner has suffered financially and in terms of employment due to the pandemic.</p> <p>4.2. Learned counsel further submits that the petitioner is a self-employed electrician and has a wife and children. It is submitted that the petitioner and his family have no other residence except the subject property and that the respondent-Bank has sealed the said property, as a result of which the petitioner and his family have been rendered shelterless. Learned counsel submits that the petitioner has submitted an application to the Bank seeking 12 (twelve) months' time to clear the arrears of monthly instalments due as of today, but the said application has not been considered thus</p>	

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		<p>far. Learned counsel therefore prays that this Court may permit the petitioner to clear the arrears of monthly instalments due as of June, 2026, within a period of 12 months, in four instalments.</p> <p>4.3. Learned counsel further submits that, in addition to clearing the arrears in four instalments, the petitioner shall also pay the regular monthly instalments on their respective due dates without default. Learned counsel accordingly prays that the subject property be unsealed and restored to the petitioner and that the petitioner be permitted to comply with such conditions as this Court may deem fit to impose with regard to payment of the arrears and future instalments. He further prays that the respondent-Bank be restrained from proceeding further with the auction proceedings under the SARFAESI Act and from creating any third-party rights in respect of the subject property.</p> <p>5. Per contra, learned Standing Counsel for the respondent-Bank submits that the auction process has already been completed.</p> <p>6. At the outset, it is not in dispute that the petitioner availed a loan from the respondent-Bank under Account No. 37961191339 and had been repaying the same through monthly instalments, but subsequently defaulted in payment of certain instalments. The petitioner submits that he is a self-employed electrician, that he has paid 79 monthly instalments</p>	

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		<p>since 2019, and that he defaulted in payment of only five instalments. It is further submitted that he is ready and willing to clear the arrears of instalments due as of June, 2026, in four instalments, in addition to regularly paying future monthly instalments on their due dates.</p> <p>7. Having considered the submissions made and upon perusal of the bank statements filed along with the writ petition, this Court is inclined to grant an interim stay of all further auction proceedings initiated by the respondent-Bank under the SARFAESI Act, subject to the following conditions:</p> <p><i>(a) The respondent-Bank shall calculate the arrears as of June, 2026, by taking into account only the principal and interest components of the respective monthly instalments and shall not levy any additional charges in such calculation.</i></p> <p><i>(b) Further, subject to verification of the petitioner's claim that he has paid an additional amount of Rs.1,41,500/- as penalty for default in payment of five monthly instalments amounting to Rs.1,12,000/-, the Bank shall adjust the said penalty amount towards the total arrears due and payable by the petitioner as of June, 2026. The balance amount remaining due and payable after such adjustment shall be communicated to the petitioner.</i></p> <p><i>(c) The petitioner shall pay the arrears of the monthly instalments due as of June, 2026, as communicated by the Bank as directed above, in four instalments as follows:</i></p>	

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		<p><i>i) 1st instalment of arrears on or before 17.06.2026</i> <i>ii) 2nd instalment of arrears on or before 31.08.2026</i> <i>iii) 3rd instalment of arrears on or before 31.10.2026</i> <i>iv) 4th instalment of arrears on or before 31.12.2026</i></p> <p><i>(d) In addition to paying the arrears of monthly instalments, as directed above, the petitioner shall continue to pay the regular monthly instalments from July, 2026 onwards without default.</i></p> <p>8. Upon payment of the first instalment of arrears on or before 17.06.2026, as directed above, the respondent-Bank shall unseal the subject property and hand over possession thereof to the petitioner.</p> <p>9. It is made clear that, in the event the petitioner defaults in payment of any instalment of arrears by the dates specified above or fails to pay the regular monthly instalments on their due dates in accordance with the terms stipulated by the respondent-Bank, the Bank shall be at liberty to proceed in accordance with law.</p> <p>10. Post the matter on 18.06.2026.</p> <p style="text-align: right;">NBK, J</p> <p style="text-align: right;">smk/ds</p>	