

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

**TUESDAY, THE SEVENTH DAY OF JULY
TWO THOUSAND AND TWENTY SIX**

PRESENT

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

WRIT PETITION NO: 29903 OF 2023

Between:

Shri Aditya Infra, A Partnership Firm, having its Regd. Office At 11-13-647/4, Yadavnagar Colony, R.K. Puram, L.B. Nagar, Hyderabad - 500 074 Rep. by its Managing Partner, Sri Goli Pingal Reddy, S/o. Goli Pratap Reddy, Aged 49 years, Plot no. 220, Rd. 2, 3rd Cross, Rock Town Colony, Near Goteti Kalyana Vedika, Mansoorabad, Hyderabad, Telangana.

...PETITIONER

AND

1. Union of India, Ministry of Finance, New Delhi, Rep. by its Secretary
2. The State of Telangana, Rep. by its Principal Secretary, Revenue Department, Secretariat, Hyderabad.
3. Phoenix ARC Private Limited, Having its Regd. Office at 5th Floor, Dani Corporate Park, 158, CST Road, Kalina Santha Cruise East, Mumbai- 500 098, Rep. by its Managing Partner
4. The Tahasildar, Bibinagar Mandal, Yadadri-Bhuvanagiri District.

...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 an order, direction or Writ more particularly one in the nature of Writ of Mandamus or any other appropriate writ

- (i) declare the Sub-Rule (5) of Rule 9 of the Security Interest (Enforcement) Rules, 2002 to the extent of automatic forfeiture of 25 % of the amount paid towards Earnest Money Deposit (EMD) by

auction purchaser is illegal, arbitrary, against the principles of natural justice and violation of Fundamental Rule of the Article 14, 19 (1) (g) and 300-A of Constitution of India, and contrary to the provisions of Rule 9 (7) to 9 (9) of the Rules, 2002.

- (ii) declare the action of the 3rd Respondent in forfeiting the 25 % of the Earnest Money Deposit (EMD) paid by the Petitioner vide Notice dated 7-10-2023 for the security asset being agricultural land admeasuring Ac.5-00 in Sy. Nos. 607 and 611 situated at Kondamadugu Village, Bibinagar Mandal, Yadadri-Bhuvanagiri District as illegal and arbitrary and set aside the same.
- (iii) consequently direct the 3rd Respondent to refund the 25 % of Earnest Money Deposit (EMD) paid by the Petitioner amounting to Rs.1,87,62,500/- or in the alternative direct the 3rd Respondent along with other Respondents to deliver clear and marketable title in favour of the Petitioner with respect to the land admeasuring Ac.5-00 in Sy. Nos. 607 and 611 situated at Kondamadugu Village, Bibinagar Mandal, Yadadri-Bhuvanagiri District, and purchased in terms of the auction notice dated. 15.06.2023.

I.A. NO: 1 OF 2023

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 the proceedings dated. 07.10.2023 issued by 3rd Respondent and restrain the 3rd Respondent from invoking Rule 9 (5) of the Security Interest (Enforcement) Rules, 2002 for reselling the subject property admeasuring Ac.5- 00gts. in Sy. Nos. 607 and 611 situated at Kondamadugu Village, Bibinagar Mandal, Yadadri-Bhuvanagiri District in terms of e-Auction Notice dated 15-6-2023, pending disposal of the writ petition.

I.A. NO: 1 OF 2024

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 permit the Petitioner herein to file the additional affidavit, pending disposal of the writ petition.

I.A. 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 all further proceedings with respect to the One Time Settlement (OTS) Proposal vide letter dated:20.08.2025 as to the subject property i.e., land admeasuring Ac.5-00 in Sy.Nos.607 & 611 situated at Kondamadugu Village, Bibinagar Mandal, Yadadri-Bhuvanagiri District, by the South Indian Bank, pending disposal of the writ petition.

Counsel for the Petitioner: SRI SAI PRASEN GUNDAVARAM

**Counsel for the Respondent No.1: SRI N.BHUVANGA RAO,
DEPUTY SOLICITOR GENERAL OF INDIA**

Counsel for the Respondent No.2 & 4: GP FOR REVENUE

Counsel for the Respondent No.3: SRI V.ANEESH

The Court made the following: ORDER

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN**

WRIT PETITION No.29903 of 2023

DATED : 07.07.2026

Between:

Shri Aditya Infra, Hyderabad

... Petitioner

AND

**Union of India,
Ministry of Finance, New Delhi,
and three others**

... Respondents

ORDER:

Mr. G. Sai Prasen, learned counsel appears for the petitioner.

Mr. N. Bhujanga Rao, learned Deputy Solicitor General of India,
appears for respondent No.1.

Mr. V. Aneesh, learned counsel appears for respondent No.3.

2. This writ petition is preferred with the following prayer:

“...to issue an order, direction or Writ more particularly one in the nature of Writ of Mandamus or any other appropriate writ (i) declare the Sub Rule 5 of Rule 9 of the Security Interest (Enforcement) Rules 2002 to the extent of automatic forfeiture of 25 percentage of the amount paid towards Earnest Money Deposit (EMD) by auction purchaser, is illegal arbitrary against the principles of natural justice and violation of Fundamental Rule of the Article 14, 19 (1) (g) and 300-A of Constitution of India; and contrary to the provisions of Rule 9 (7) to 9 (9) of the Rules, 2002. (ii) declare the action of the 3rd Respondent in forfeiting the 25 percentage of the Earnest Money Deposit (EMD) paid by the Petitioner vide Notice dated 7.10.2023 for the security asset being agricultural land admeasuring Ac.5-00 in Sy Nos.607 and 611, situated at Kondamadugu Village Bibinagar Mandal Yadadri Bhuvanagiri District, as illegal and arbitrary and set aside the same. (iii) consequently direct the 3rd Respondent to refund the 25 percentage of Earnest Money Deposit (EMD) paid by the Petitioner amounting to Rs.1 ,87, 62,500/- or in the alternative direct the 3rd Respondent along with other Respondents to deliver clear and marketable title in favour of the Petitioner with respect to the land admeasuring Ac.5-00 in Sy Nos.607 and 611, situated at Kondamadugu Village Bibinagar Mandal, Yadadri Bhuvanagiri District and purchased in terms of the auction notice dated 15.06.2023...”

However, learned counsel for the petitioner does not press the challenge to the sub-rule (5) of Rule 9 of the Security Interest (Enforcement) Rules, 2002.

3. Today, when the matter has been called out, learned counsel appearing for respondent No.3 submits on instructions that since the financial institution-Respondent No.3 has entered into a settlement with the borrower, they are not inclined to retain the Earnest Money Deposit (EMD) made by the petitioner-auction purchaser. He submits that respondent No.3 shall release 25% of EMD within a period of four weeks, however, without any interest. The writ petition may be disposed of in view of the stand of respondent No.3.

4. Learned counsel for the petitioner submits that in view of the stand taken by respondent No.3 to release 25% of EMD, the writ petition may be disposed of.

5. Accordingly, the Writ Petition is disposed of. There shall be no order as to costs.

Miscellaneous applications, if any pending, shall stand closed.

//TRUE COPY//

SD/- A. JAYASREE
ASSISTANT REGISTRAR

SECTION OFFICER

To,

1. The Secretary, Ministry of Finance, New Delhi, Union of India.
2. The Principal Secretary, Revenue Department, Secretariat, Hyderabad, State of Telangana.
3. The Managing Partner, Phoenix ARC Private Limited., Having its Regd. Office at 5th Floor, Dani Corporate Park, 158, CST Road, Kalina Santha Cruise, East Mumbai- 500 098.
4. The Tahasildar, Bibinagar Mandal, Yadadri-Bhuvanagiri District.
5. One CC to SRI SAI PRASEN GUNDAVARAM, Advocate [OPUC]
6. One CC to SRI V.ANEESH, Advocate [OPUC]

PTO

7. One CC to SRI N.BHUVANGA RAO, DEPUTY SOLICITOR GENERAL OF INDIA, High Court for the State of Telangana at Hyderabad [OPUC]
8. Two CCs to GP FOR REVENUE, High Court for the State of Telangana at Hyderabad [OUT]
9. Two CD Copies

BSR

GJP
Pma.

HIGH COURT

DATED: 07/07/2026

ORDER

WP.No.29903 of 2023



**DISPOSING OF THE WRIT PETITION,
WITHOUT COSTS**

12 pmc.
17/7/26