

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

THE HONOURABLE JUSTICE MOUSHUMI BHATTACHARYA

THE HONOURABLE SMT. JUSTICE RENUKA YARA

WRIT PETITION No.38060 of 2025
(CNR No.HBHC010761212025)

Date: 17.09.2026

Reserved on: 09.09.2026

Pronounced on: 17.09.2026

Uploaded on: 17.09.2026

Between:

B. Anand and three others.

...Petitioners

AND

M/s. The Agrasen Co-operative Urban Bank Limited.

...Respondent

Ms. Hamsha Durga Ponna, learned counsel representing Mr. P. Giri Krishna, learned counsel appearing for the petitioners.

Mr. P. Ramachandran, learned counsel appearing for the respondent.

ORDER: *(Per Smt.Justice Renuka Yara)*

1. The writ petition is filed with the following prayer:

“...to issue a writ order or direction more particularly one in the nature of Writ of Mandamus declaring the docket order dated 21.11.2025 in I.A.No.2515 of 2025 in O.A.No.322 of 2024 as illegal, arbitrary and violative of principles of natural justice, and consequently set aside the said docket order and direct the Debt Recovery Tribunal, Hyderabad, to allow writ petitioners to file written statement and to pass such other order or orders...”

2. The brief facts of the case are that the respondent-M/s.Agrasen Co-operative Urban Bank Limited filed O.A.No.322 of 2024 before the Debts

Recovery Tribunal (DRT)-I, Hyderabad, ('Tribunal') against the writ petitioners and others for recovery of Rs.5,22,50,399/- with interest at 18% per annum compounded at monthly rates from the date of filing of the O.A. till the date of realization and other reliefs. In said O.A., as per docket order dated 05.05.2025, it is recorded that summons are served on D1 to D3 and D7 through publications. Summons is served on D9 and D10. Defendants D1 to D3, D7, D9 and D10 were called absent set *ex-parte*. Further, at request of Defendant Counsel for filing WS of D4 to D6 and D8 as last chance, time was extended till 30.06.2026. On 30.06.2025, the learned Tribunal directed the defendants to pay costs and to submit the written statement by 28.07.2024. On 28.07.2024, the defendant Nos.4 to 6 and 8 have paid costs but did not file the written statement and therefore, their right to file written statement was forfeited. Aggrieved by the same, the writ petitioners herein have filed I.A.No.2515 of 2025 in O.A.No.322 of 2024 to set aside the forfeiture order dated 28.07.2025 and to permit them to file written statement. Said I.A. was dismissed *vide* docket order dated 21.11.2025 leading to filing of the present writ petition.

Grounds of writ petition:

3. In the grounds of writ petition, it is pleaded that the Original Application is filed against M/s. Surya Agencies and others including the

writ petitioners herein by the respondent herein. In the O.A., it is alleged that M/s. Surya Agencies (R1) and one B. Sunitha (R3) have obtained loan from the respondent herein on 31.03.2024 and they became due of Rs.5,22,50,399/-. It is also alleged that one B. Chandrashekar (R2) and B. Sunitha (R3) obtained loan of Rs.30,00,000/- on 15.12.2011 and the writ petitioners stood as guarantors for said amount. The bank also alleged that overdraft of Rs.75,00,000/- was sanctioned for which the writ petitioners stood as guarantors. After the O.A. was filed the writ petitioners have engaged an advocate, but could not file written statement within 30 days of stipulated time and the extended time of 15 days. Therefore, the right to file written statement was forfeited. As per docket order dated 05.05.2025, the written statement was to be filed on or before 30.06.2025. There was delay of 80 days and the written statement was filed on 18.09.2025. According to writ petitioners, said delay occurred due to communication gap between the counsel and the writ petitioners and there is no intentional or wanton delay caused by them. Whereas, the Tribunal has dismissed the I.A. filed under Section 19 (5) of The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 ('Act'). The writ petitioners have pleaded that the Tribunal is empowered to extend the time beyond 45 days as it is not bound by the procedure laid down in CPC and that principles of natural justice have to be followed by relaxing the period of limitation. Reference is made

to Sections 19(5) and 22 of the Act to plead that the Tribunal and Appellate Tribunal are not bound by the procedure laid down in CPC, but are guided by principles of natural justice. Therefore, it is pleaded that the Tribunal erred in holding that it has no power to extend the time for filing written statement beyond 45 days, as such prayed that the Writ of Mandamus be issued declaring the docket order dated 21.11.2025 in I.A.No.2515 of 2025 in O.A.No.322 of 24 as illegal and to permit the writ petitioners to file their written statement.

Contentions of the writ petitioners:

4. The learned counsel appearing for the writ petitioners submits that the writ petitioners are defendants in O.A.No.322 of 2024. They were served with summons. But could not file the written statement within the stipulated period of 30 days and were also unable to file the written statement during the extended time period of 15 days i.e., total of 45 days and thereafter, when the written statement was filed along with the I.A.No.2515 of 2025, the said I.A. was dismissed holding that the writ petitioners cannot be permitted to file written statement after a lapse of 45 days as per provisions of the Act. It is submitted that the Tribunal has power to extend the time as the Tribunal is not bound by the procedure laid down in CPC, but is guided by principles of natural justice.

5. In that context, reliance is placed upon an order passed by Division Bench of this Court in W.P.No.27639 of 2021 dated 11.11.2021, wherein it is held that in a proceeding under 1993 Act, the borrower may lose his valuable right over the secured asset as a consequence of forfeiture to file written statement and therefore, there is limited relaxation *vis-à-vis* compliance of principles of natural justice as envisaged under Section 22 of the Act. It is urged that Sections 19 and 22 of the Act have to be read harmoniously to meet the ends of justice. It is held that there is an error in the holding that Tribunal does not have power to extend the time beyond 45 days for filing written statement. This Court held that whether the delay can be condoned or not, in the given facts and circumstances of the case, is a matter to be considered. By referring to said order, it is urged that impugned order be set aside, time be extended and the writ petitioners be permitted to file the written statement.

Contentions of the respondent:

6. The learned counsel appearing for respondent opposed the writ petition, submitting that sufficient opportunity was given for filing the written statement, but there is failure on the part of writ petitioners in filing the written statement. Reference is made to the docket orders filed along with the writ petition showing that on 05.05.2025, time was extended upto

30.06.2025 for filing written statement and thereafter, time was extended upto 28.07.2025 for filing of written statement on payment of costs. Despite extension of time the writ petitioners have paid costs, but failed to file written statement and therefore, their right to file written statement is forfeited. It is argued that the writ petitioners had ample opportunity to file the written statement but have deliberately chosen not to file the written statement despite giving more than two months of time period for filing the written statement, as such opposed the writ petition.

Findings of the Court:

7. To ascertain the merits of the writ petitioners' case, there is a need to peruse Section 19(5) (i) and Section 22 of the Act. Relevant Sections are extracted and perused below:

Section 19: Application to the Tribunal

(1) to (4)...

(5) (i) the defendant shall within a period of thirty days from the date of service of summons, present a written statement of his defence including claim for set-off under sub-section (6) or a counter-claim under sub-section (8), if any, and such written statement shall be accompanied with original documents or true copies thereof with the leave of the Tribunal, relied on by the defendant in his defence:

Provided that where the defendant fails to file the written statement within the said period of thirty days, the Presiding Officer may, in exceptional cases and in special circumstances to be recorded in writing, extend the said period by such further period not exceeding fifteen days to file the written statement of his defence;

Section 22 Procedure and powers of the Tribunal and the Appellate Tribunal.

(1) The Tribunal and the Appellate Tribunal shall not be bound the procedure laid down by the Code of Civil Procedure, 1908 (5 of 1908), but shall be guided by the principles of natural justice and, subject to the other provisions of this Act and of any rules, the Tribunal and the Appellate Tribunal shall have powers to regulate their own procedure including the places at which they shall have their sittings.

8. A Division Bench of this Court in W.P.No.27639 of 2021 has held that the Tribunal and the Appellate Tribunal, i.e. the DRT and the DRAT had power to extend the limitation period beyond 45 days, but the reasons cited thereof have to be considered on a case-to-case basis and relegated the matter back to the Tribunal for considering the interlocutory application seeking extension of filing written statement.

9. During the same period, the High Court of Delhi in the case of *Anita Garg v. State Bank of India*¹, in a similar case, arising out of relief sought for extension of time under Section 19(5) of the Act, held as follows:

“30. ...The use of the pre-emptory words “not exceeding fifteen days” in the proviso of Section 19 (5) (i), limits the discretion of the DRT to extend the time for filing the written-statement/counter claim, not beyond fifteen days and that too, in strict compliance of the conditions viz, ‘**in exceptional cases and in special circumstances to be recorded in writing**’. The condition has been laid down, so as to guide the DRT not to condone the delay in a routine manner, liberally or casually only ‘in the interest of justice’. The bar set by the Parliament for exercise of discretion by the Presiding Officer to condone delay in filing the written statement/counter-claim/set-off is higher than mere existence of ‘sufficient cause’.”

¹ 2021 SCC OnLine Del 4311

10. In the case of *Anita Garg* (supra), it is further held as follows:

“32. ...The intention of the Parliament can be gathered not only from the Statement of Objects and Reasons set out hereinabove, but also from the outer limit of time, for which extension may, in a deserving case – by following the guideline laid down in the Section, be granted. The proceedings before the DRT are also proceedings arising out of commercial dealings and the disputes are commercial disputes. It would not stand to reason, that while the Parliament sought to enforce strict timelines for expeditious disposals of commercial disputes by enacting the Commercial Courts Act, it did not do so in respect of disputes of the same kind, decided by the Debt Recovery Tribunals. The only reason for not incorporating the forfeiture clause in Section 19 is that the existing provision contained in Section 19 leads to the same conclusion.”

11. Further, the Punjab and Haryana High Court in *M/s. Kaur Sain Spinners Limited v. Debts Recovery Tribunal-III, Chandigarh*², held as under:

“27. ... Thus, keeping in view the object and purpose of the statute, we find that written statement was required to be filed within 30 days from the date of receipt of summons which could in exceptional cases or in special circumstances be extended by the Tribunal by another 15 days. Since, claim of the Bank is for recovery of an amount of ` 49,44,65,248/-, therefore, the provisions of the 1993 Act have to be assigned the meaning which is keeping in view the objective of the Act rather than to frustrate the object. So, we are of the considered view that the petitioners have lost their right to file written statement, having failed to do so within 30 days.

28. ...However, in our opinion, the present contention raised by the petitioner is misconceived as the Tribunal dismissed IAs on the ground that sufficient opportunity had been granted to file written statement but same was not filed. Accordingly petitioners were proceeded against ex parte. Since IAs were not filed within the prescribed period and Tribunal did not find any exceptional cases or special circumstances to allow the same. Thus, in our view, no

² 2021 AIR CC 2593 (P&H)

arbitrary orders were passed by the Tribunal and the orders being well reasoned are in compliance with procedure established by law.”

12. In the backdrop of the above findings of the Delhi High Court and the Punjab and Haryana High Court, the case of the writ petitioners seeking permission to file written statement in the instant case has to be examined, more particularly whether exceptional case or special circumstances are pleaded for extension of time for the extra period of 15 days and more i.e., upto 80 days. In that context, when the affidavit filed in support of the interlocutory application is perused, it is seen that except for citing communication gap between the counsel and the writ petitioners, no other reason is cited. Relevant pleading is extracted and produced below:

“2. I humbly submit that, I am defendant No.4 and I am giving this affidavit on my behalf and on behalf of resp/defendant No.5, 6 and 8. Respondent/plaintiff filed above O.A. against us with a false claim and allegations. In the above matter, we engaged counsel and got vakalat filed on our behalf. On 24.01.2025, we could not file written statement in the above O.A. due to communication gap between our counsel and us and also in health of my mother who is defendant No.6. The Hon'ble Court was pleased to forfeit our right to file written statement. The said lapse is not intentional. Now we are ready to file our written statement.”

13. The above pleadings show that the writ petitioners herein have filed vakalat on 24.01.2025, but have not filed the written statement upto 18.09.2025 i.e. the writ petitioners have taken more than nine months time period to file the written statement. Further, online proceedings show that

after appearance of the writ petitioners, the matter was posted for written statement on 28.02.2025, 17.03.2025 24.03.2025, 04.04.2025, 29.04.2025, 05.05.2025 and 30.06.2025. On the aforementioned dates, sometimes the counsel for the writ petitioners was present and sometimes absent. In any case, the Tribunal has extended time for filing of written statement from 28.02.2025 onwards upto 14.07.2025. On 14.07.2025, time was extended upto 28.07.2025 for filing written statement on payment of costs of Rs.500/-. On 28.07.2025, the writ petitioners herein have paid costs but did not file written statements, were set *ex parte* and therefore, came up with the I.A.No.2515 of 2025 to file the written statement.

14. The aforementioned proceedings before the Tribunal show that the writ petitioners herein had time from 24.01.2025 onwards to file written statement. On 21.04.2025, they have reported that material papers are not served and have sought extension of time for filing written statement. Thereafter, time was extended upto 14.07.2025 for filing written statement. Then, on said date on imposition of costs time was extended upto 28.07.2025. This entire sequence of events shows laches on the part of the writ petitioners and total disregard for the time granted by the Tribunal for filing written statement. After having consumed more than seven months time period for filing written statement, it does not stand to reason that

further extension of time is sought to file written statement on the ground of communication gap between the counsel and the petitioners. There are absolutely no details as to what kind of communication gap might lead to non-filing of the written statement by the writ petitioners in the face of timelines stipulated in the Act.

15. A perusal of the number of adjournments given liberally in violation of the timelines stipulated under Act, shows that the Tribunal has observed the principles of natural justice far exceeding the timelines stipulated and object and reasons cited in the Act. The strict conditions laid down in the Act for extension of time for a period of 15 days on showing exceptional case or special circumstances is not applicable to the present case. The writ petitioners were granted not 45 days but seven months of time period to file the written statement. The pleadings in the affidavit supporting petition filed seeking extension of time does not disclose anything about the instant case being an exceptional case or special circumstances that warrant extension of time. The singular ground cited for extension of time is communication gap between the writ petitioners and their counsel. Said ground does not qualify as an exceptional case or special circumstance. Therefore, no fault can be found with the impugned order passed by the Tribunal dismissing the plea of writ petitioners for filing written statement.

There are no merits in the writ petition and the same is liable to be dismissed.

16. In the result, the writ petition is dismissed. There shall be no order as to costs. Miscellaneous applications, if any, pending shall stand closed.

MOUSHUMI BHATTACHARYA, J

RENUKA YARA, J

Date: 17.09.2026
GVR

8

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