

**WRIT PETITION NO: 26033 of 2021**

Sri Navya Teja Automobiles and others

...Petitioner(s)

Vs.

The City Union Bank and others

...Respondent(s)

**CORAM: HON'BLE MRS JUSTICE LISA GILL
HON'BLE MR JUSTICE TUHIN KUMAR GEDELA****DATE : 20th APRIL, 2026**

Present: Mr. Venkateswarlu Gadipudi, Advocate for Petitioners.
Mr. S. Satyanarayana Moorthy, Advocate for Respondent
Nos.1 to 5.
Mr. K. Narsi Reddy, Advocate for Respondent No.6.

LISA GILL, J.

1. This Writ Petition has been filed by petitioners for setting aside proceedings under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, "SARFAESI Act"), initiated against them by Respondent-Bank including setting aside Notice dated 21.04.2021 under Section 13(2), Possession Notice dated 05.08.2021 under Section 13(4) of SARFAESI Act, Sale Notice dated 25.08.2021 and any further proceedings.

2. Various grounds for challenging proceedings have been raised including the plea that petitioners' case for One Time Settlement (OTS) should have been considered on humanitarian grounds. On 09.11.2021, learned

counsel for petitioners had sought some time to seek instructions regarding approaching learned Debts Recovery Tribunal, Hyderabad (for short, 'DRT'). However, it is noted in order dated 29.11.2021 that application seeking withdrawal of Writ Petition, is permitted to be withdrawn because no Presiding Officer was in place at learned DRT, Visakhapatnam. On 10.12.2021, time was afforded to petitioners to file an additional affidavit, giving details of persons ready to buy property in question at a much higher rate, as compared to amount which auction purchaser tendered for property in question. It was further directed that no further steps be taken by Respondent-Bank till next date. An affidavit of a person was so filed, status quo was directed to be maintained for properties in question.

3. Counter was filed on behalf of Respondent No.4-City Union Bank, taking a plea that a fraud had been played in bank by petitioner and another charge over one of the properties mortgaged to Bank was created and that in fact said person was not actually ready to buy the property.

4. At this stage, it is brought to our notice that proceedings before learned Debts Recovery Tribunal-II, Hyderabad i.e., I.A.No.1915/21 in SAIR No.1023/21 are pending.

5. During the course of hearing, it is agreed between parties that this matter be decided by learned DRT on its merits thereof, keeping in view certain disputed questions of fact, as raised by parties.

6. Learned counsel for respondents however, submits that proceedings should be concluded by learned DRT in a time bound manner with no adjournment being sought by petitioners. Learned counsel for petitioners, in turn, states that no adjournment whatsoever shall be sought by petitioners at any point of time as such.

7. It is informed that matter is pending before learned DRT-II, Hyderabad for 24.04.2026. It is submitted that learned DRT-II, Hyderabad be directed to conclude the matter within a period of four (4) months thereafter and for the said period, interim order granted in favour of petitioners may be directed to enure. Learned counsel for respondents expresses no disagreement thereto.

8. Keeping in view the consensus arrived at between parties, it is directed that I.A.No.1915 of 2021 in SAIR No.1023 of 2021 pending before DRT-II, Hyderabad, be decided within a period of four (4) months from 24.04.2026 i.e. the date on which matter is stated to be listed before learned DRT. Parties are at liberty to raise all available pleas and prayers. Interim order afforded in this writ petition, directing status quo for properties in question shall enure for said period, however, there shall be no automatic extension of such interim order beyond said period of four (4) months.

9. Writ Petition is, accordingly disposed of with no expression of opinion on merits of the matter. No costs. Pending application(s), if any, stand(s) disposed of accordingly.

(LISA GILL)
JUDGE

(TUHIN KUMAR GEDELA)
JUDGE

Date: 20.04.2026
MS

THE HON'BLE MRS JUSTICE LISA GILL
THE HON'BLE MR JUSTICE TUHIN KUMAR GEDELA

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MS