DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

SA No. 253 of 2025

Suresh Kumar

Versus

Authorized Officer, Indian Bank and others

Dated: 12.05.2026

Item No. 13

Argued by: Mr.RS Bhatia & Mr.Lovish Kukkar, Counsel for the Applicant.
Mr.Saurav Goyal, Counsel for Respondent No.1 and 2/Bank.
Ms.Sonal Chhabra, Counsel for Respondent No. 3 to 5.
Mr.Manu Loona, Counsel for Respondent No. 6/Auction Purchaser.

Suresh Kumar (Applicant) has filed this Securitization Application under Section 17 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), against the Authorized Officer, Indian Bank and others (Respondents).

2. Admittedly, sometime in the year 2017, Indian Bank sanctioned the following credit facilities to M/s Juneja Enterprises, a proprietorship firm, owned by Raghav Juneja:-

(a)	Cash Credit Limit:	Rs. 20 lakh
(b)	SME Term Loan:	Rs. 12.50 lakh
(c)	WCTL	Rs. 1.88 lakh
(d)	FITL	Rs. 0.54 lakh

3. To secure the same, Raghav Juneja (Respondent No.3) and his brother Gaurav Juenja (Respondent No. 4) created security interest in respect of approximately 20 marlas of land, in favour of the Bank, by depositing the title deeds of their property, in favour of the Bank. Apart from this, the father of Respondent No. 3 and 4, namely Naresh Kumar Juneja (deceased) also stood surety for this loan. In fact, earlier Naresh Kumar Juneja (father of Respondent No. 3 and 4) and his brother Suresh Kumar (Applicant) had jointly purchased 2 kanals of land, *vide* sale-deed No. 855, dated 28.05.1982. However, *vide* transfer deed No. 1231, dated 09.06.2016, Naresh Kumar Juneja transferred 10

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

½ marlas of land, out of the above-mentioned 2 kanals land, to Respondent No. 3 (Raghav Juneja). The mutation on the basis of this transfer deed was also executed. Again, Naresh Kumar executed the tatima deed, bearing serial No. 3031, dated 26.10.2016 in respect of this very land, in favour of Respondent No. 3. In the transfer deed, the dimensions of the property have been given as 22 foot 8 inch x 125 foot = 2832 sq. foot i.e. 10 ½ marlas. Similarly, Naresh Kumar Juneja transferred approximately 10 marlas of land, in favour of Respondent No. 4 (Gaurav Juneja), *vide* transfer deed No. 1230, dated 09.06.2016. The tatima deed was also executed by late Naresh Kumar Juneja in favour of Respondent No. 4, on 26.10.2016 (copies of transfer deeds and tatima deeds are Annexure R-6 and R-7). Later, Naresh Kumar died on 28.10.2022. Since, Respondent No. 3, 4 and Naresh Kumar failed to make the repayment the loan of M/s Juneja Enterprises, the Bank initiated the SARFAESI action. On 28.06.2021, Bank declared the account NPA. On 02.07.2021, Bank issued the demand notice under Section 13(2) of the SARFAESI Act to Respondent No. 3, 4 and late Naresh Kumar Juneja, which was followed by the possession notice on 14.09.2021. Finally, on 12.05.2022, Bank issued the sale notice. However, it appears that there was no bidder. Accordingly, on 31.08.2022, Bank issued another auction notice and fixed up the auction on 23.09.2022. The Bank fixed up the reserve price at Rs. 41.58 lacs. Respondent No. 6 participated in this auction. Respondent No. 6 gave the highest bid of Rs. 41.68 lacs. On 29.09.2022, Bank issued the sale certificate in respect of the secured asset, in favour of Respondent No. 6.

4. Applicant is the real brother of Naresh Kumar Juneja and the uncle of Respondent No. 3 and 4. Earlier, Applicant had filed civil suit challenging the transfer deeds, against the Respondents. However, on 06.10.2022, Applicant withdrew that suit by making a statement that he has entered into a compromise with the defendants. Thereafter, Applicant filed CWP No. 23291 of 2022, before the Hon'ble High Court, wherein he challenged the auction.

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

Vide order dated 11.10.2022, the Hon'ble High Court restrained the Bank from registering the sale certificate in favour of the auction purchaser and also from taking the physical possession of the property. Hon'ble the High Court also ordered that the Applicant would pay the amount due within two weeks. Despite the orders of the Hon'ble High Court, the Bank did not accept the money. Accordingly, Applicant filed CM No. 16984 of 2022 in CWP No. 23291 of 2022. *Vide* order dated 27.10.2022, the Hon'ble High Court directed the Bank to accept the money. Accordingly, Applicant deposited Rs. 35.50 lacs *vide* DD No. 882839, dated 17.10.2022. Ultimately, *vide* order dated 19.08.2025, Hon'ble the High Court disposed of the writ petition with the following observations:

> *Xxx*
> *5. The petitioner is relegated to avail the appropriate statutory remedy under the SARFAESI Act before the DRT and thereafter before DRAT. In case the petitioner prefers an application under Section 17 of SARFAESI Act within a period of 30 days from today along with copy of this order, the same shall be considered and decided on its own merits, without being dismissed on limitation alone.*
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> *6. Since interim relief has already been granted in the present petition, the same will continue till the DRT takes fresh decision on the question of interim relief, provided the petitioner approaches the DRT within 30 days, failing which the interim relief shall lose its effect.*
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> *7. Accordingly, the writ petition stands disposed of with aforesaid liberty without commenting on merits, without cost.*
> *XXX'*

5. On 10.09.2025, Applicant filed the present SA, inter alia, with the averments that he (Applicant) is a joint owner of 2 kanals of land, which had been jointly purchased by him alongwith his brother Naresh Kumar Juneja, *vide* sale deed No. 855, dated 28.05.1982. However, his brother Naresh Kumar had transferred around 20 marlas of land out of this 2 kanal land, to his sons, namely Raghav Juneja and Gaurav Juneja (Respondent No. 3 and 4), *vide* transfer deeds No. 1230 and 1231, dated 09.06.2016. Again, Naresh Kumar

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had executed tatima deeds, in favour of Respondent No. 3 and 4, on 26.10.2016. Applicant alleged that in fact, the land measuring 2 kanal is part of 5 kanals 8 marlas of land, which is also joint. Accordingly, Naresh Kumar could not transfer 1 kanal of land to his sons without his consent. He has also alleged that he is in joint possession of this land. The Bank had not served the notices under Section 13(2) and 13(4) to Respondent No. 3, 4 and Naresh Kumar Juneja. He (Applicant) was also not served with the notices under Section 13(2) and 13(4) and auction notice. The notices were not affixed on the property. The notices were not published in two newspapers having wide circulation in the area. The Bank had not fixed the reserve price properly. Applicant alleged that in fact, *vide* valuation report dated 28.11.2016, the approved valuer of the Bank had valued the property at Rs. 64,65,000/-. However, on 10.05.2022, the same valuer valued the property at Rs. 46,20,000/-. This shows that the Bank had grossly undervalued the property. Applicant alleged that the market value of the property is around Rs. 1 crore. Further, Applicant had also got conducted the valuation, from his valuer, who valued the property at Rs. 1.14 crores. Further, during this period the collector rate of the property has also increased. *Vide* letter dated 23.01.2024, (he) Applicant had requested Tehsildar, Fazilka to intimate whether the property has been partitioned or not. The Tehsildar has informed that the property is still joint and has not been partitioned. Accordingly, the Bank could not sell the property in auction. Applicant states that he came to know from the family members that the property has been sold in auction by the Bank. He immediately contacted the Authorized Officer of the Bank on 26.09.2022 and requested him to accept the dues and not to sell the property. However, the Bank did not agree. Accordingly, on 10.10.2022, he (Applicant) filed CWP No. 23291 of 2022. Applicant has already deposited the amount to the Bank as per the orders of the Hon'ble High Court. He had also filed a complaint with the Vigilance Department of the Bank for investigation. Applicant had also

sought information under the RTI and he was informed that the inquiry is still pending. Applicant has alleged that the whole of the SARFAESI action is illegal, *null and void*. Accordingly, the auction conducted by the Bank be set aside.

6. Respondent No. 1 and 2, in reply to the Securitization Application, have denied the case of the Applicant. They have alleged that the SA is time-barred. Earlier, Applicant had filed Civil Suit No. 1380 of 2022, before the Civil Judge, Senior Division, Fazilka, for declaration that transfer deed No. 3031 and 3032, dated 26.10.2016 are illegal, null and void. Later, he himself withdrew the suit stating that there has been compromise between the parties. Bank alleged that it had advanced the loan to Respondent No. 3. To secure the same, Respondent No. 3, 4 and Naresh Kumar Juneja had created security interest in favour of the Bank. Since, Respondent No. 3 failed to make the payment, Bank initiated the SARFAESI action and issued the notices under Section 13(2) and 13(4) and ultimately sold the property in auction on 23.09.2022. On 29.09.2022, Bank issued the sale certificate in favour of Respondent No. 6. Respondent No. 1 and 2 also denied the other averments of the Applicant. Accordingly, it is stated that there is no merit in the present SA and the same be dismissed.

7. Respondent No. 6 in the reply, has also denied the case of the Applicant. He has submitted that after the death of Naresh Kumar, Applicant and Respondent No. 3 to 5 had a lodged false FIR under Section 306 IPC against him. However, after inquiry it was found false. It is stated that the present SA is an abuse of the process of law. Respondent No. 6 is a *bona fide* purchaser. Accordingly, it is stated that there is no merit in the present SA and the same be dismissed.

8. Applicant in the replication has reiterated his case as set up in the Securitization Application and denied the case of Respondents.

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

9. I have heard Mr.RS Bhatia, counsel for the Applicant; Mr.Saurav Goyal, counsel for Respondent Bank and Mr.Manu Loona, counsel for auction purchaser.

10. Mr.Bhatia, counsel for the Applicant has argued that under the law Naresh Kumar Juneja could not transfer 20 marlas of land to his sons, namely Raghav Juneja and Gaurav Juneja (Respondent No. 3 and 4). Mr. Bhatia submitted that in fact, *vide* sale deed No. 855, dated 28.05.1982, Applicant and his brother Naresh Kumar Juneja had purchased 2 kanals of land. Accordingly, Naresh Kumar Juneja could not unilaterally transfer 20 marlas of land to his sons, without his consent. Accordingly, the transfer by Naresh Kumar Juneja, in favour of his sons, is subject to the rights of the Applicant. Bank had sold the property in auction on 23.09.2022. On 10.10.2022, Applicant had filed CWP No. 23291 of 2022, before the Hon'ble High Court, which *vide* order dated 11.10.2022, directed the Applicant to deposit the dues to the Bank within two weeks. As per the orders of the Hon'ble High Court, he had deposited the money with the Bank. Despite that the Bank did not accept the money. Accordingly, Applicant had filed CM No. 16984-2022 in CWP No. 23291-2022. *Vide* order dated 27.10.2022, the Hon'ble High Court had directed the Bank to accept the money. Accordingly, the Bank had accepted the money. Ultimately, *vide* order dated 19.08.2025, the Hon'ble High Court directed the Applicant to approach the Debts Recovery Tribunal. Mr.Bhatia submitted that this is strange that the Bank after having accepting the money from the Applicant, under the orders of the Hon'ble High Court, has not cancelled the auction. The action of the Bank is totally illegal. Mr.Bhatia submitted that the Applicant is a co-owner in the property in question. Accordingly, he is the aggrieved person. Mr.Bhatia submitted that in fact, the Bank should not have accepted the transfer deed by Naresh Kumar Juneja, in favour of his sons, without the consent of the Applicant. Applicant had not

executed the transfer deed. Accordingly, the mortage by Respondent No. 3 and 4, in favour of Bank is illegal. Mr.Bhatia submitted that the Bank has also committed other illegality in this case. The Bank did not serve the notices under Section 13(2), 13(4) as well auction notice to Respondent No. 3, 4 and Naresh Kumar Juenja. Bank did not publish the notices in the newspapers having wide circulation in the area. Bank did not value the property properly. In fact, the value of the property is much more. Mr.Bhatia submitted that in fact, Applicant is ready to compensate Respondent No. 6 also. Mr.Bhatia highlighted that in the year 2016, Mr. Rajesh Midha, the approved valuer of the Bank, had valued the property at Rs. 64,65,000/-. However, in the year 2022, he had valued the property at Rs. 46,20,000/-. Mr. Bhatia submitted that in fact, the Bank had valued the property below the collector rate. Mr.Bhatia submitted that he has also moved an application for placing on record the sale deeds, which shows that the collector rate of the property is much more. Mr.Bhatia also filed an application for transposing Respondent No. 3 to 5 as Applicants in the present SA. Ms.Sonal Chhabra, counsel for Respondent No. 3 to 5 has also made a statement that they have no objection in case they are transposed as Applicants in the present SA. Mr. Bhatia submitted that the SARFAESI action be set aside and the auction conducted on 23.09.2022 be set aside.

11. *Per contra*, Mr.Saurav Goyal, counsel for Respondent No.1 and 2/Bank has submitted that the Bank had advanced the loan to Respondent No. 3. Respondent No. 4 had stood surety alongwith his father late Naresh Kumar Juneja. Respondent No. 3 and 4 had created equitable mortgage by deposit of title deeds. Since, Respondent No. 3 failed to make the repayment of the loan, Bank declared the account NPA. On 02.07.2021, Bank issued the notice under Section 13(2) of the SARFAESI Act, which was followed by the notice under Section 13(4) dated 14.09.2021. Finally, Bank issued the auction notice and sold the property on 23.09.2022. Respondent No. 6 was the highest bidder.

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who gave the highest bid of Rs. 41.68 lacs against the reserve price of Rs. 41.58 lacs. Mr.Goyal submitted that the law is well settled that a borrower has the right of redemption only till the publication of the auction notice. In the case in hand, Applicant is not the borrower. The payment was made to the Bank after the Bank had sold the property to Respondent No. 6. The Hon'ble Supreme Court in Bafna's case has held that the borrower has no right of redemption after the date of publication. Mr.Goyal submitted that in the present case Applicant has also concealed material facts. Applicant has not disclosed in the SA that he had also filed civil suit, which he had withdrawn on the ground that there had been compromise between the parties. Mr.Goyal further submitted that the SA is time-barred. The auction had taken place on 23.09.2022 and the present SA was filed on 10.09.2025. Accordingly, the SA is beyond limitation. Mr. Goyal submitted that there is no merit in the present SA and the same be dismissed.

12. Mr.Manu Loona, counsel for Respondent No. 6/Auction Purchaser endorsed the contentions of Mr.Goyal. Mr.Loona submitted that he is a *bona fide* purchaser. He has also deposited the whole of the sale consideration. Accordingly, it is submitted that there is no merit in the present SA and the same be dismissed.

13. I have considered the rival contentions.

14. I have already given the chronology of events in the opening part of the order. Admittedly, in the year 2017, Indian Bank had sanctioned the following credit facilities to Respondent No. 3:-

(a)	Cash Credit Limit:	Rs. 20 lakh
(b)	SME Term Loan:	Rs. 12.50 lakh
(c)	WCTL	Rs. 1.88 lakh
(d)	FITL	Rs. 0.54 lakh

15. To secure the loan, Respondent No. 3 and 4 had created security interest in respect of 20 marlas of land, in favour of the Bank. In fact, *vide* sale deed No. 855, dated 28.05.1982, Applicant and his brother Naresh Kumar

Juneja (father of Respondent No.3 and 4), had jointly purchased 2 kanals of land. Naresh Kumar Juneja, v*ide* transfer deed Nos. 1230 and 1231, dated 09.06.2016, had transferred 10 marlas of land each, to Respondent No. 3 and 4. Later, Naresh Kumar Juneja had also executed tatima deed on 28.06.2016. As mentioned earlier, Respondent No. 3 and 4, did not make the repayment of the loan and Bank initiated the SARFAESI action and sold the property in auction on 23.09.2022, to Respondent No. 6, for Rs. 41.68 lacs, against the reserve price of Rs. 41.58 lacs. The sale certificate was also issued on 27.09.2022.

16. The first and foremost question which arises for consideration is, 'Whether the Applicant has the *locus standi* to challenge the SARFAESI action ?

17. Admittedly, Applicant is neither the borrower nor the guarantor. From the e*vide*nce on the record, it is apparent that he is a joint owner of 2 kanals of land, out of which 20 marlas of land had been transferred by his brother Naresh Kumar Juneja, in favour of his sons Respondent No. 3 and 4. Admittedly, *vide* sale deed No. 855, dated 28.05.1982, Applicant and his brother Naresh Kumar Juneja had jointly purchased 2 kanals of land. As mentioned earlier, Naresh Kumar Juneja, *vide* transfer deed Nos. 1230 and 1231, dated 09.06.2016, had transferred 10 marlas of land each, to his sons Respondent No. 3 and 4. Admittedly, Applicant is not a signatory to the transfer deed. It is also admitted on the record that the Bank did not obtain the consent of the Applicant when Respondent No. 3 and 4 had created security interest in respect of 20 marlas of land, in favour of the Bank. For all intents and purposes, Applicant is a co-owner in joint possession of 20 marlas of land. In these circumstances, I am of the considered view that the Bank was not justified in accepting the security interest in respect of 20 marlas of land, by Respondent No. 3 and 4, without the consent of the Applicant. In fact, the Bank should have obtained the consent of the Applicant to the effect that

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

Respondent No. 3 and 4 are in exclusive possession of a particular portion of the property and he has no objection to the creation of security interest by respondent No. 3 and 4 in favour of the Bank. It appears from the evidence on the record that the Bank was fully alive to the situation that the secured asset is a joint property. The Bank was also aware to the fact that the sale-deed dated 28.05.1982 is in the joint name of Applicant and Naresh Kumar Juneja. However, in order to give it a colour that respondent No. 3 and 4 are exclusive owners and in exclusive possession of 10 marlas each, Naresh Kumar Juneja executed transfer-deeds wherein he gave specific dimensions of the property transferred by him in favour of Respondent No. 3 and 4. Since, total 2 kanals of land was a joint property of Applicant and Naresh Kumar Juneja, the latter could not transfer specific portion to anybody. I have also perused the legal opinion of Mr. Mohinder Loona, Advocate, who had given the legal opinion in this case. Though, Mr.Mohinder Loona, Advocate, in his legal opinion, has mentioned that the secured asset is part of 2 kanals of land, yet, he failed to appreciate that the transfer deed has been executed by Naresh Kumar Juneja only and not by Applicant and Naresh Kumar Juneja jointly. In these circumstances, the secured asset can be said to be joint property of the Applicant; Respondent No.3 and 4. Since, the Applicant is a co-owner and in joint possession of the secured asset, he has the *locus standi* to file the present SA. I am of the considered view that this SA cannot be said to be time-barred as the Applicant had filed CWP No. 23291-2022 before the Hon'ble High Court, on 10.10.2022 and the Hon'ble High Court had directed him to make the payment to the Bank, which the Applicant had eventually made to the Bank. *Vide* order dated 19.08.2025, the Hon'ble High Court also ordered that this SA would be heard and decided on merits and would not be treated it beyond limitation. That apart, Mr.Bhatia has drawn my attention to the site plan which shows that there is a common gate to the property measuring 2 kanals. I am of the considered view that the Bank again committed a grave illegality by selling 20 marlas of land as one unit. In this case, as per Bank, respondent No. 3 and 4 were owners of 10 marlas each. Accordingly, the Bank should have put up the property

for auction of respondent No. 3 and 4 separately and not jointly. Though, counsel for the Applicant raised many grounds to the effect that the notices under Section 13(2), 13(4) and auction notices were not served upon him; the property was not valued properly etc., yet, I am of the considered view that the Applicant is not entitled to raise the same as he is neither the borrower nor the guarantor. All these grounds are not available to him. Let me also advert to a contention raised on behalf of the auction purchaser. Mr.Manu Loona submitted that the Applicant has concealed the facts as he did not disclose in the SA that he had filed Civil Suit. In that suit, Applicant had only prayed for cancellation of transfer deed. In the present SA, Applicant has challenged the SARFAESI action. In these circumstances, I am of the considered view that non-mentioning of the above suit is of no consequence. Accordingly, the present SA is **allowed** and the auction held on 23.09.2022 is hereby set aside.

18. At the time of arguments, Mr.Bhatia, counsel for the Applicant submitted that the Applicant is ready to compensate Respondent No. 6. Accordingly, it is hereby ordered that the Bank would refund the auction money to Respondent No. 6 with interest @ 6% per annum from the date of deposit, till the date of payment, within 15 days from today. Applicant would also deposit Rs. 10 lacs with the Bank as compensation to Respondent No. 6, within 15 days. The Bank would make the payment of Rs. 10 lacs deposited by the Applicant, to the auction purchaser within 15 days from today. Bank would get the sale certificate cancelled. The auction purchaser would also return all the documents of title given by the Bank to him.

19. All the pending IAs, if any, are also disposed of, accordingly.

Registrar is directed to send a copy of this order to all the parties, as per rule. Thereafter, file be consigned to record room after due compliance.

Pre
DRT-I

Pronounced in open court
Dated: 12.05.2026
Manoj

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

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Mr.Saurav Goyal, Counsel for Respondent No.1 and 2/Bank.
Ms.Sonal Chhabra, Counsel for Respondent No. 3 to 5.
Mr.Manu Loona, Counsel for Respondent No. 6/Auction Purchaser.

Heard on the application for transposing filed by the Applicant.

Though, counsel for respondent No. 3 to 5 states that they be transposed as Applicants, yet, the Bank and the auction purchaser have objected to the same. It is stated that respondent No. 3 to 5 be transposed as Applicants in the present case. Admittedly, respondent No. 3 and 4 have not filed the SA. They had also not filed the writ petition before the Hon'ble High Court. It appears that Applicant wants to show that respondent No. 3 and 4 also challenge the SARFAESI action. I am of the considered view that the application is wholly misconceived. First of all this application has been filed much belatedly. That apart, the purpose for filing the application is to show that respondent No. 3 and 4 also challenge the SARFAESI action. I am of the considered view that at this stage, after a period of four years, Applicant cannot be allowed to transpose them. The application is hereby dismissed.

Heard on the application for production of documents.

The application has been filed to produce on the record some title deeds recently executed in the locality. The purpose of filing this application is to show that the market value of the property is much higher than the sale price. Applicant is neither the borrower nor the guarantor. Accordingly, he cannot be

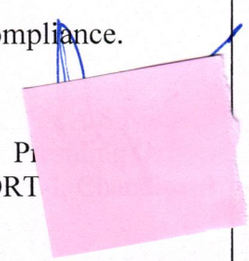
DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

allowed to raise this ground. This ground can be raised by the borrower only. The application is misconceived. The same is hereby dismissed.

SA No. 253 of 2025

Vide separate order of even date, the present SA has been allowed.

Registrar is directed to send a copy of this order to all the parties, as per rule. Thereafter, file be consigned to record room after due compliance.



Pr
DRT

Pronounced in open court
Dated: 12.05.2026
Manoj