IN THE DEBTS RECOVERY TRIBUNAL - I AT HYDERABAD

DATED THIS THE 30TH DAY OF JUNE, 2026

PRESENT: GUMMADI GOPICHAND, PRESIDING OFFICER

SA.No.111/2020

M/s. Ranjeet Seeds,
Rep. by its Proprietor Sri Katturi Gangadhar,
S/o. late Katturi Sudarshan, aged 62 years,
Occ: Business, R/o. H.No.4-3-71/4/2,
Dwaraka Nagar, Adilabad, Adilabad Mandal
and District, Telangana State – 504 001. *Applicant.*

Versus

1. State Bank of India,
Rep. by its Authorized Officer,
Stressed Assets Recovery Branch-2,
H.No.1-8-563/1, 1st Floor,
Opp: Sandhya Theatre, RTC X Roads,
Chikkadpally, Hyderabad – 500020.

2. Mr. Ameer Ali Dharani,
S/o. Mr. Pyar Ali Dharani, aged 51 yrs.,
Occ: Business, R/o. H.No.4-112/5,
Khoja Colony, Echoda, Adilabad Dist. *Respondents.*

(Respondent No.2 is impleaded as per Order dt.16.09.2022 in IA.No.950/2022)

Counsel for the Applicant	:	*Sri T. Sridhar.*
Counsel for Respondent No.1	:	*Sri G. Prabhakar Sarma.*
Counsel for Respondent No.2	:	*Sri V. Ddharma Suri.*

-: ORDER :-

1. This application is filed by the Applicant u/s.17 of the SARFAESI Act, 2002, for declaring the e-Auction Sale Notice dt.03.08.2020, issued by the 1st Respondent Bank, for sale of the application schedule property as null and void and to set-aside the said sale notice, including all the proceedings initiated by the 1st Respondent Bank u/s.13(4) of the SARFAESI Act against the application schedule property.

2. The averments made in the application, in brief, are as follows:-

i) The Applicant is a proprietary concern and has initially i.e., in the year 2011, availed Cash Credit facility of Rs.1.50 crores from the 1st Respondent Bank by mortgaging the application schedules 'A' & 'B' properties, which are worth of Rs.3.00 crores. Subsequently, based on the business transactions and repayment track of the Applicant, the Respondent Bank has increased the credit limit to Rs.2.00 crores. After availing the said loan, the Applicant made payments towards the loan account regularly till March, 2019 and, however, thereafter, due to financial crunch in the business of the Applicant, demonetization etc., the business of the Applicant went into losses, forcing the Applicant in committing defaults in the repayment of the loan amount. Despite requests made by the Applicant for granting time for repayment of the overdue amount, the 1st Respondent Bank classified the loan account of the Applicant as NPA. The Applicant sent OTS letter to the 1st Respondent Bank on 07.01.2020 for settlement of the dues but, the 1st Respondent Bank never replied to the same. The Applicant paid an amount of Rs.1.97 crores to the 1st Respondent Bank towards interest only. The 1st Respondent Bank is claiming Rs.2.46 crores as outstanding dues whereas the actual outstanding amount is Rs.2.10 crores only.

ii) The 1st Respondent Bank did not serve Demand Notice and Possession Notice before issuing e-Auction Sale Notice dt.03.08.2020. The 1st Respondent Bank has also failed to publish the notices in the newspapers. The market value of the schedule properties is approximately Rs.3.50 crores but, the 1st Respondent Bank has fixed the reserve price of the properties at a very low price of Rs.1.08 crores only. The 1st Respondent Bank has also failed to serve e-Auction Notice dt.03.08.2020 on the Applicant. The 1st Respondent Bank has proceeded with the sale of the properties and the 2nd Respondent was declared as successful bidder in the e-auction conducted on 09.09.2020 for a bid amount of

Rs.1,09,00,000/-. The 2nd Respondent impleaded himself in the present SA The 1st Respondent Bank has failed to follow the procedure laid down under the SARFAESI Act and the Rules, 2002, while proceeding against the schedule property and so the e-Auction Sale Notice dt.03.08.2020 and all the proceedings initiated against the schedule properties by the 1st Respondent Bank under the provisions of the SARFAESI Act are liable to be set-aside.

3. The 1st Respondent Bank filed its Reply Statement denying all the adverse allegations made in the application. The contentions of the 1st Respondent Bank, in brief, are as under:-

i) The Applicant availed various credit facilities from the 1st Respondent Bank by mortgaging application schedules 'A' & 'B' properties. The Applicant is a chronic defaulter and failed to liquidate the loan dues so, the loan account has become NPA. In response to the OTS letter dt.07.01.2020, issued by the Applicant, the 1st Respondent Bank sent a suitable reply for non-acceptance of the OTS. The Applicant in his aforesaid letter dt.07.01.2020, has admitted that he has received all the notices under the SARFAESI Act.

ii) The 1st Respondent Bank issued Demand Notice dt.14.11.2019 u/s.13(2) of the SARFAESI Act and same was served on the Applicant. The 1st Respondent Bank has given several opportunities to the Applicant to liquidate the loan dues but, the Applicant did not choose to repay the outstanding loan amount. The 1st Respondent Bank has issued Possession Notice and same is received by the Applicant personally. The 1st Respondent Bank has affixed the notice on the conspicuous place of the schedule properties. The market value of the schedule properties shown by the Applicant is exaggerated and doesn't fetch the said value as alleged by the Applicant. The 1st Respondent Bank obtained the actual market value of the schedule properties from the registered and approved valuers. The 1st Respondent Bank issued e-Auction

Notice to the Applicant and the Applicant is very much following the steps taken by the 1st Respondent Bank under the SARFAESI Act. The 1st Respondent Bank has already filed the OA before this Tribunal and same is pending. It is false to allege by the Applicant that the due amount is Rs.2.10 crores only. The Applicant approached this Tribunal by suppressing the true facts and to frustrate the recovery proceedings initiated by the Bank and so the present SA is liable to be dismissed.

4. The 2nd Respondent filed his Reply Statement contending that, he stood as successful bidder in the e-auction of the application 'A' schedule property conducted by the 1st Respondent Bank on 09.09.2020 for a bid amount of Rs.1,09,00,000/- and out of the said amount he paid Rs.27,25,000/- by 10.09.2020. He also submitted that as the Applicant herein was not evincing interest and was seeking several adjournments, this Tribunal dismissed the present SA for default on 10.11.2021. After dismissal of the SA, the 1st Respondent Bank issued Sale Confirmation Advice dt.16.11.2021 advising the 2nd Respondent to pay the balance sale consideration of Rs.81,75,000/- on or before 25.11.2021 and accordingly, the 2nd Respondent deposited the said balance sale consideration with the 1st Respondent Bank on 23.11.2021. He further submitted that later, on an application filed by the Applicant herein vide MA.No.36 of 2021, this Tribunal restored the SA to file vide order dt.21.10.2022. He contended that since the sale is confirmed in his favour, certain rights accrued on his as auction purchaser and the said rights cannot be extinguished except in exception cases such as fraud. He further contended that since the confirmation of sale was issued in his favour after dismissal of the SA for default and the present SA was restored to file after lapse of 9 months from the date of confirmation of sale, the relief sought in the present SA became *in fructuous* and so, SA is liable to be dismissed.

5. This Tribunal, after duly considering the pleadings, submissions made by the respective Ld. Counsels and the material brought on record by

the parties on both sides, had allowed the instant Securitization Application by setting aside the Possession Notice dt.11.02.2020, e-Auction Sale Notice dt.03.08.2020 and the consequent e-auction of the schedule 'A' property conducted by the 1st Respondent Bank on 09.09.2020 and also the Sale Certificate dt.15.06.2022, issued by the 1st Respondent Bank in favour of the 2nd Respondent-auction purchaser. For better appreciation, I would deem it proper to extract relevant portions of the order dt.09.05.2023, passed by this Tribunal in the instant application, which read as under:-

> *"7. Ld. Counsel for the Applicant, in his written arguments, while reiterating the version of the Applicant, as stated supra, argued that, the 1st Respondent bank in its material documents filed a copy of the Demand Notice, which is served on the guarantor i.e., Smt Katturi Jayasri and as per the postal track report filed by the 1st Respondent bank, the Demand Notice sent to the Applicant returned with postal endorsement as 'item returned insufficient address'. So, as per Rule 3 of the Security Interest (Enforcement) Rules, 2002, the 1st Respondent bank is expected to publish the Demand Notice in two newspapers and affix the said notice on the outer door or at conspicuous part of the house where the Applicant herein carries on its business but, the 1st Respondent bank failed to follow the said Rule. So, the Ld. Counsel contends that, once there is a violation of Sec.13(2) r/w. Rule 3, all the subsequent measures taken out by the 1st Respondent bank are liable to set-aside. He further argued that as per the material documents filed by the 1st Respondent bank, the Possession Notice dt.11.02.2020 was published in Hans India, Warangal & Hyderabad editions and Nava Telangana, Hyderabad edition, all dated 15.02.2020 and whereas the schedule property is situated at Adilabad so, there is a clear violation committed by the 1st Respondent bank in respect of Rule 8(1) of the Rules, 2002, which stipulates that publication of Possession Notice has to be carried out in two leading newspapers, including one in vernacular language having sufficient circulation in that locality. Ld. Counsel by placing his reliance on the judgement of the Hon'ble Supreme Court in the case of "Mathew Varghese Vs. M. Amrutha Kumar", reported in (2014) 5 SCC 610, submitted that, in the said case, it is categorically held that the provisions of Rule 8(1), 8(2) and 8(3) of the Rules have to be scrupulously followed as the law mandates. Ld. Counsel further argued that, the 1st Respondent bank has not filed any proof with respect to obtaining valuation of the schedule properties from the approved valuer, service of sale notice on the Applicant and affixture of Sale Notice on the schedule property so, there is a violation of Rules 8(5), 8(6) and 8(7) of the Rules, 2002. He further submitted that as per the Valuation Report dt.24.03.2023, obtained by the Applicant from Er. Vinod Kumar Ambhula, Govt. Approved valuer, the fair market value of the*

application schedule 'A' property is Rs.2,15,13,000/- whereas the 1st Respondent bank sold the said property for a meagre price of Rs.1,09,00,000/-, which is just over a lakh above the reserve price of Rs.1,08,00,000/-. Ld. Counsel further submits that the Hon'ble High Court of Andhra Pradesh in "R. Vimala Vs. State bank of India, rep. by its Authorized Officer and another", reported in 2016 SCC Online Hyd 276, has held that, "in fact, if at all there is any equity, it must weigh in favour of the borrower from the expression of the Apex Court in this regard in N. Padmamma Vs. S. Ramakrishna Reddy that the procedure laid down under the SARFAESI Act and the Rules made thereunder must be scrupulously followed by the creditor bank as it is the procedure laid down that results in deprivation of a person's constitutional and human right to property." So, Ld. Counsel for the Applicant prayed for setting aside all the measures initiated by the 1st Respondent bank, including the auction sale of the application schedule property held on 09.09.2020, pursuant to the e-Auction Sale Notice dt.03.08.2020.

8. *Per contra, Ld. Counsel for the 1st Respondent argued that, the Applicant addressed a letter dt.07.01.2020 to the 1st Respondent bank for settling the matter under OTS, wherein it is admitted by the Applicant about the outstanding dues of Rs.2,05,44,616/- as on 29.08.2019 and also the receipt of Demand Notice and Possession Notice, issued by the 1st Respondent bank. He also argued that the Applicant admitted that the Demand Notice was served on Smt Katturi Jayasree, who is none other than the wife of the Proprietor of the Applicant viz., Katturi Gangadhar and so, it cannot be said that the Applicant has not been served with Demand Notice and Possession Notice. He further argued that the Possession Notice was duly affixed on the schedule property and was also published in English as well as in Telugu newspapers. He further argued that, the Notice prior to sale dt.18.03.2020 and Notice dt.05.08.2020, intimating about sale of properties through e-auction on 09.09.2020 were sent to the Applicant by registered post and thereafter the e-auction notice was published in the newspapers dt.04.08.2020, fixing the auction of the schedule properties on 09.09.2020. He also submitted that in the auction conducted on 09.09.2020, the 2nd Respondent herein stood as successful bidder for Rs.1,09,00,000/- in respect of schedule 'A' property and upon payment of entire sale consideration, the Sale Certificate dt.15.06.2022 was also issued in favour of the 2nd Respondent. So, Ld. Counsel submitted that the 1st Respondent bank has duly followed the procedure laid down under the SARFAESI Act and the Rules made thereunder and accordingly prayed for the dismissal of the present SA.*

9. *Ld. Counsel for the 2nd Respondent-auction purchaser, in his written arguments, reiterated the version of the 2nd Respondent, as stated supra. He further argued that, as per the established principle of law, the right of the third party bonafide auction purchaser of the property purchased by him in a sale, cannot be extinguished except in cases where the said purchase can be*

assailed on ground of fraud or collusion and the 2nd Respondent being a stranger and bonafide purchaser of the schedule property he must be afforded protection by the court because he is not connected with the decree. In support of his arguments, Ld. Counsel placed his reliance on the decisions of the Hon'ble Supreme Court in (1) "S.P. Chengalvaraya Naidu (dead) by LRs., Vs. Jagannath (dead) by LRs and others", reported in (1994) 1 SCC 1; (2) "Valji Khimji & Company Vs. The Official Liquidator of Hindustan Nitro Products (Gujarat) Limited and others", reported in (2008) 9 SCC 299; (3) "Jantha Textiles and others Vs. Tax Recovery Officer and another", reported in (2008) 12 SCC 582; and (4) "Sadashiv Prasad Singh Vs. Harender Singh and another", reported in (2015) 5 SCC 574.

10. *The undisputed facts of the case are that the Applicant availed credit facilities from the 1st Respondent bank by mortgaging the application schedule properties as security for the said credit facilities and though he paid some loan instalments for some time but later he could not pay the loan amount, which resulted in the classification of the loan account as NPA. The 1st Respondent bank invoked the measures under the SARFAESI Act for the recovery of the outstanding dues from the Applicant by issuing Demand Notice u/s.13(2), Possession Notice u/s.13(4) of the SARFAESI Act, followed by Notice prior to sale under Rule 8(6) and e-Auction Sale Notice dt.03.08.2020 and finally conducted the auction of the application 'A' schedule property on 09.09.2020, wherein the 2nd Respondent stood as successful bidder for a bid amount of Rs.1,09,00,000/- and the Sale Certificate was also issued in his favour by the 1st Respondent bank on 15.06.2022.*

11. *As can be seen from the pleadings, the Applicant raised various contentions that, the Demand Notice, Possession Notice and Notice prior to sale were not served on it, that the Possession Notice was not published in the locality where the property is situated and that the 1st Respondent bank has not obtained valuation of the schedule properties before proceeding for the sale and also that the sale notice was not affixed on the schedule property so, the 1st Respondent bank has violated Rules 8(2), 8(5), 8(6) & 8(7) of the Security Interest (Enforcement) Rules, 2002.*

12. *Whereas, the 1st Respondent bank contended that it has duly followed the procedure laid down under the SARFAESI Act and the Rules made thereunder while proceeding for the sale of the secured asset and in support of its contention, it has filed certain documents along with its Reply Statement.*

13. *It is an admitted fact that the Applicant addressed a letter dt.07.01.2020 to the 1st Respondent bank for the settlement of the dues under OTS, wherein it has been admitted that as they are unable to pay regular payments to bank, the loan account has been classified as NPA and the present outstanding is Rs.2,05,44,616/- as on 29.08.2019 and that they have received a notice from SbI, Adilabad branch and also Possession Notice*

dt.29.08.2019. There is also no dispute regarding the fact that the Demand Notice dt.14.11.2019, issued u/s.13(2) of the SARFAESI Act, by the 1st Respondent bank was received by the guarantor Smt Katturi Jayasree, who is none other than the wife of Sri Katturi Gangadhar i.e., the Proprietor of Applicant. Further, the 1st Respondent bank in its material documents filed postal acknowledgements in respect of the Possession Notice dt.11.02.2020, which clearly establish that the Possession Notice was duly served on the Applicant. So, I do not find any merits in the contention of the Applicant that the Demand Notice u/s.13(2) and the Possession Notice u/s.13(4) were not served to the Applicant.

14. *The 1st Respondent bank in its material documents filed copies of photographs showing affixture of the Possession Notice dt.11.02.2020 on the schedule properties and also copies of publication of the said Possession Notice in 'Mana Telangana' newspaper Nizamabad and Hyderabad editions and 'Hans India' newspaper Warangal and Hyderabad editions dated 15.02.2020. Admittedly, the application schedule properties are situated at Adilabad. As rightly pointed out by the Ld. Counsel for the Applicant, the 1st Respondent bank has not filed any document to show that the Possession Notice was published in the locality where the property is situated i.e., Adilabad. As per Rule 8(2) of the Security Interest (Enforcement) Rules, 2002, the Possession Notice shall be published within seven days from the date of taking possession in two leading newspapers, one in vernacular language having sufficient circulation in that locality, by the authorized officer. As stated supra, no proof has been filed by the 1st Respondent bank to establish that Possession Notice was published in the newspapers of the locality i.e., Adilabad where the secured assets are situated and so, there is a clear violation of Rule 8(2) of the Rules, 2002 by the 1st Respondent bank.*

15. *The specific contention of the Applicant is that, as per the valuation report dt.24.03.2023 obtained by it from Er. Vinod Kumar Ambhula, the fair market value of the application 'A' schedule property is Rs.2,15,13,000/- but, the 1st Respondent bank has fixed the reserve price of the said property as Rs.1,08,00,000/- without any basis and sold the said property in the auction conducted on 09.09.2020 for a meagre amount of Rs.1,09,00,000/- in favour of the 2nd Respondent with a hike of just Rs.1.00 lakh over the reserve price. The 2nd Respondent contended that, the auction of the property was conducted in the year 2020 and the valuation report obtained by the Applicant in the year 2023 cannot be a basis for deciding the value of the property in the year 2020. I do agree with the said contention of the 2nd Respondent. The 1st Respondent bank has not filed any valuation report said to have obtained by it for fixing the reserve price of the property. The 1st Respondent bank has failed to explain as to how it has arrived at the reserve price fixed by it for the sale of the schedule property. As per Rule 8(5) of the Rules, 2002, before effecting sale of the immovable property, the*

authorized officer shall obtain valuation of the property from an approved valuer and in consultation with the secured creditor, fix the reserve price of the property. As stated supra, the 1st Respondent bank has failed to file any valuation report and in the absence of the same, it has to be held that there is a clear violation of Rule 8(5) of the Rules, 2002.

16. *Insofar as the Rule 8(6) notice is concerned, the 1st Respondent Bank filed a copy of the Notice prior to sale dt.18.03.2020 along with postal receipts and also a copy of the Notice intimating sale of properties through e-auction on 09.09.2020, dated 05.08.2020, issued to the Applicant and other guarantors, along with postal receipts and a copy of the returned postal cover in respect of the Applicant with postal endorsement as "Addressee Left". The 1st Respondent Bank has also filed copies of publication of e-Auction Sale Notice dt.03.08.2020, published in Namasthe Telangana and Hans India, Adilabad editions and Hans India, Hyderabad edition, all dated 04.08.2020. However, the 1st Respondent Bank has not filed any proof showing affixture of Sale Notice on the schedule properties, as contemplated under Rule 8(7) of the Rules, 2002. So, it has to be concluded that the 1st Respondent Bank has failed to comply with Rule 8(7) of the Rules, 2002.*

17. *So, in view of the above, it has to be concluded that, the 1st Respondent Bank has failed to comply with Rule 8(2) in publishing the Possession Notice dt.11.02.2020 in the newspapers having circulation in the locality where the application schedule properties are situated, has also failed to comply with Rule 8(5) in obtaining valuation of the properties before proceeding for the sale of the schedule properties and also failed to comply with Rule 8(7) of the Security Interest (Enforcement) Rules, 2002, in affixing the Sale Notice on the application schedule properties. The decisions relied upon by the Ld. Counsel for the 2nd Respondent, cited supra, do not apply to the facts and circumstances of the case on hand.*

18. *So, considering all the circumstances, I hold that the Applicant has established valid grounds for setting aside the Possession Notice dt.11.02.2020, e-Auction Sale Notice dt.03.08.2020 and the consequent e-auction of the schedule 'A' property conducted by the 1st Respondent Bank on 09.09.2020 and also the Sale Certificate dt.15.06.2022, issued by the 1st Respondent Bank in favour of the 2nd Respondent-auction purchaser. Accordingly, this point is answered in favour of the Applicant and against the 1st Respondent Bank."*

6. Aggrieved by the aforesaid order of this Tribunal dt.09.05.2023 in the instant Securitization Application, the 1st Respondent Bank preferred an appeal vide Appeal No.84 of 2023 before the Hon'ble Debts Recovery Appellate Tribunal, Kolkata, and the Hon'ble DRAT, Kolkata vide order

dt.24.01.2025 had disposed of the said appeal by remanding back the matter to this Tribunal to decide it afresh in view of the documents filed by the Appellant Bank after affording an opportunity of hearing to the parties. The relevant portion of the order dt.24.01.2025, passed by the Hon'ble DRAT, Kolkata is extracted below:-

> "*O R D E R*
>
> *Appeal is allowed. The impugned judgment and order dated 09.05.2023 passed by Learned DRT-1, Hyderabad in SA.No.111 of 2020 is set aside.*
>
> *Matter is remanded back to the learned DRT-1, Hyderabad to decide it afresh after taking into consideration the additional evidence filed by the Bank. Learned DRT would also allow the SARFAESI Applicant to file evidence in rebuttal thereafter Learned DRT would decide the matter afresh after affording opportunity of hearing to the parties in accordance with law."*

7. In pursuance of the aforesaid orders of the Hon'ble DRAT, Kolkata, the matter has been reopened and the 1st Respondent Bank has filed additional documents in evidence and same are taken on record. However, the Applicant did not file any evidence in rebuttal.

8. Heard arguments advanced by the Ld. Counsels appearing for the parties on both sides afresh. Ld. Counsel for the Applicant reiterated the version of the Applicant as stated supra. Ld. Counsel for the 1st Respondent Bank by inviting the attention of this Tribunal to the additional documents filed in evidence, argued that, the 1st Respondent Bank has duly complied with Rule 8(2), 8(5) and 8(7) of the Security Interest (Enforcement) Rules, 2002, while proceeding against the schedule property and so the present SA is liable to be dismissed. Ld. Counsel for 2nd Respondent-auction purchaser filed his written arguments, wherein it has been argued that, as per the additional documents filed by the 1st Respondent Bank, it is very clear that the 1st Respondent Bank has duly followed the procedure and so the present SA is liable to be dismissed.

9. As can be seen from the extracted portions of the order of this Tribunal dt.09.05.2026 in the instant SA, this Tribunal had held that, the 1st

Respondent Bank has duly complied with Sec.13(2) r/w. Rule 3 of the Act & Rules, 2002, the 1st Respondent has duly complied with Rule 8(1) of the Rules, 2002, in serving the Possession Notice on the Applicant and affixing the said notice on the secured asset, the 1st Respondent Bank has duly complied with Rule 8(6) and 9(1) of the Rules, 2002, while issuing e-Auction Sale Notice dt.03.08.2020. While passing the aforesaid order dt.09.05.2026, this Tribunal came to the conclusion that, the 1st Respondent Bank has failed to comply with Rule 8(2) in publishing the Possession Notice dt.11.02.2020 in the newspapers having circulation in the locality where the application schedule properties are situated, has also failed to comply with Rule 8(5) in obtaining valuation of the properties before proceeding for the sale of the schedule properties and also failed to comply with Rule 8(7) of the Security Interest (Enforcement) Rules, 2002, in affixing the Sale Notice on the application schedule properties.

10. Now, that the 1st Respondent Bank has filed additional documents in evidence, the only points that remain to be adjudicated in the present SA are as under:-

i) Whether the 1st Respondent Bank has complied with Rule 8(2) of the Security Interest (Enforcement) Rules, 2002 (in short "Rules, 2002) in publishing the Possession Notice dt.11.02.2020 in the newspapers having circulation in the locality where the application schedule properties are situated?

ii) Whether the 1st Respondent Bank has complied with Rule 8(5) of the Rules, 2002, in obtaining valuation of the properties before proceeding for the sale of the schedule properties?

iii) Whether the 1st Respondent Bank has complied with Rule 8(7) of the Rules, 2002, in affixing the Sale Notice on the application schedule properties?

iv) To what relief?

Point No.(i):-

11. The contention of the Ld. Counsel for the Applicant was that, the Possession Notice dt.11.02.2020 was published in Hans India, Warangal & Hyderabad editions and Nava Telangana, Hyderabad edition, all dated 15.02.2020 and whereas the schedule property is situated at Adilabad so, there is a clear violation committed by the 1st Respondent bank in respect of Rule 8(1) of the Rules, 2002, which stipulates that publication of Possession Notice has to be carried out in two leading newspapers, including one in vernacular language having sufficient circulation in that locality.

12. To negate the said contention of the Ld. Counsel for the Applicant, Ld. Counsel for the 1st Respondent Bank submitted that the Possession Notice dt.11.02.2020, which was published in "The Hans India" English daily, Warangal edition covers Adilabad area/district also. Ld. Counsel for the 1st Respondent Bank further submitted that, the Possession Notice dt.11.02.2020 was not published in "Nava Telangana" Telugu daily as contended by the Ld. Counsel for the Applicant and it was published in "Mana Telangana" Telugu daily, Nizambad edition, which also covers the Adilabad region. To substantiate his submissions, Ld. Counsel for the 1st Respondent Bank has filed two documents i.e., letter from The Hans India dt.12.12.2025, addressed to the Asst. General Manager, State Bank of India, SARB, Chikkadpally, Hyderabad, i.e., the 1st Respondent Bank herein and a copy of the letter dt.19.05.2023, issued by "Mana Telangana" Telugu daily, addressed to the 1st Respondent herein. In the letter issued by the Hans India, it is stated that "The Hans India" English daily published from Warangal edition is distributed to "Warangal, Hanumakonda, Khazipet, Nizam,abad, Bodhan, Kamareddy, Karimnagar, Jagityal, Peddapalli, Mancherial, Nirmal and Adilabad". Similarly, in the letter issued by Mana Telangana, it is stated that "Mana Telangana" it is stated that the Nizamabad edition of the said newspaper will cover Adilabad also. So, from the said letters filed by the 1st Respondent Bank, it is clear that

the Possession Notice dt.11.02.2020, which was published by the 1st Respondent Bank in the "The Hans India" English daily, Warangal edition, and "Mana Telangana" Telugu daily, Nizamabad edition covers the area of Adilabad, wherein the subject property is situated. In that view of the matter it has to be held that, the 1st Respondent Bank has duly complied with Rule 8(2) of the Rules, 2002, in publishing the Possession Notice is the locality where the secured asset/property is sitated. Accordingly, this point is answered against the Applicant and in favour of the 1st Respondent Bank.

Point No.(ii):-

13. It was the contention of the Applicant that the 1st Respondent Bank has fixed the reserve price of the property at very low price of Rs.1,08,00,000/- without any basis and sold the property in the auction conducted on 09.09.2020 for a meagre price of Rs.1,09,00,000/- and whereas as per the valuation report obtained by the Applicant in the year 24.03.2023, the fair market value of the application 'A' schedule property is Rs.2,15,13,000/-. So, Ld. Counsel for the Applicant contended that the 1st Respondent Bank has failed to explain on which basis the reserve price of the property was fixed.

14. In the aforesaid order dt.09.05.2023, this Tribunal opined that, the valuation report obtained by the Applicant in the year 2023 cannot be a basis for deciding the value of the property, which was sold in the year 2020. However, since no valuation reports were filed by the 1st Respondent Bank, this Tribunal came to a conclusion that the 1st Respondent Bank has failed to explain as to how it has arrived at the reserve price fixed for sale of property and held that there is a violation of Rule 8(5) of the Rules, 2002, committed by the 1st Respondent Bank.

15. Now, in the additional documents, the 1st Respondent Bank has filed two valuation reports obtained by it before proceeding for the sale of the subject property. As per the Valuation Report dt.17.06.2020, issued by M/s. N & N Engineering Associates, the fair market value of the

property is Rs.1,17,20,000/-; realizable value of the property is Rs.1,05,48,000/-, distress value of the property is Rs.93,76,000/-; and Registrar Office value of the property is Rs.25,29,450/-. The 1st Respondent has fixed the reserve price of the property as Rs.1,08,00,000/-, which is over and above the realizable value of the property as given in the valuation report.

16. As per the valuation report dt.28.06.2020, given by Mr. Y.V.N.N. Sarma of M/s. Nava Nirman Associates, fair market value of the property is Rs.1,26,57,012/-; realizable value of the property is Rs.1,07,58,450/- and forced/distress sale value of the property is Rs.88,59,900/-. The 1st Respondent has fixed the reserve price of the property as Rs.1,08,00,000/-, which is over and above the realizable value of the property as given in the valuation report.

17. So, I do not find any defect/lacunae in the reserve price fixed by the 1st Respondent Bank for the sale of the subject property and it has to be held that, there is due compliance of Rule 8(5) of the Rules, 2002, by the 1st Respondent Bank. Accordingly, this point is answered against the Applicant and in favour of the 1st Respondent Bank.

Point No.(iii):-

18. As regards the affixture of sale notice on the schedule property/secured asset is concerned, the 1st Respondent Bank in its additional documents filed copies of photographs depicting affixture of sale notice on the schedule property. Under such circumstance, it has to be held that, there is a due compliance of Rule 8(7) of the Rules, 2002, by the 1st Respondent Bank. Accordingly, this point is answered against the Applicant and in favour of the 1st Respondent Bank.

19. In view of the facts and circumstances stated above and having answered all the points for consideration (i) to (iii) affirmative in favour of the 1st Respondent Bank, I conclude that, the 1st Respondent Bank

has duly followed the procedure laid down under the SARFAESI Act and the Rules made thereunder, while proceeding for the sale of the schedule property to recover its legitimate dues from the Applicant-borrower. As such the present Securitization Application filed by the Applicant is devoid of merits and same is liable to be dismissed.

Point No.(iv)

20. In the result, the present Securitization Application is dismissed. Consequently, the Interlocutory Applications, pending if any, shall stand disposed of. No order as to costs.

21. Communicate a copy of this order to the parties concerned.

(Dictated to the Private Secretary, transcribed by him, corrected, signed and pronounced by me in the open court on this the 30th day of June, 2026).

ऋण वसूली अधिकरण
30 JUN 2026
DEBTS RECOVERY TRIBUNAL-I
हैदराबाद / HYDERABAD

Sd/-
(G. GOPICHAND)
Presiding Officer

TRUE COPY
30.6.26
Asst. Registrar
DRT-I, HYDERABAD.