DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

SA No. 487 of 2024

M/s Chugh Trading Company and others

Versus

Authorized Officer, Punjab National Bank and another

Dated: 23.07.2026

Item No. 31

Argued by: Mr.KPS Dhillon and Ms.Neha Arora, Counsel for Applicants.
Mr.Saurav Goyal and Gaurav Goyal, Counsel for Respondent Bank.
Mr.Manu Loona, Counsel for Auction Purchaser.

M/s Chugh Trading Company and others (Applicants) have 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, Punjab National Bank (PNB) and another (Respondents).

2. In brief, the case of the Applicants, as set up in the Securitization Application is that, Applicant No. 1 was enjoying CC Limit of Rs. 1.20 crores from PNB since 2008. PNB had also sanctioned Working Capital Term Loan GECL of Rs. 24 lacs and Working Capital GECL Extension of Rs. 12 lacs to them. To secure the same, Applicants No. 2 and 3 had created security interest in respect of the residential house measuring 4 marlas, bearing property No. 877 min (new property No. 877/1A), measuring 25' x 45' situated at Gagneja Street, PNB Road, Jalalabad, and commercial shop measuring 4 marla, bearing old property No. 1471/12 A-1, New Property No. 1471/110, measuring 21' x 45' feet, situated at PNB Road, Jalalabad. Applicants have alleged that they were regularly paying the interest. However, in 2020, they suffered huge financial loss. On 12.09.2023, Bank declared the account NPA. On 25.09.2023, Bank issued the notice under Section 13(2), demanding a sum of Rs. 1,43,17,586.85p (Annexure A-1). On 21.12.2023, PNB issued the notice under Section 13(4) of the SARFAESI Act (Annexure A-2). On receipt of the notice, they (Applicants) requested the Bank officials to give them reasonable time to repay the outstanding loan amount. However, without any result. On 29.01.2024, Bank issued the notice to take the

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

possession of the secured asset. Accordingly, on 05.02.2024, they (Applicants) filed a representation with the Bank and requested to settle the matter by OTS (Annexure A-3 and A-4). On 09.02.2024, Bank issued the auction notice, which was challenged by them by filing SA No. 87 of 2024. The said SA was listed for hearing on 13.03.2024, on which date, Applicants stated that they were ready to pay Rs. 43 lacs during the course of the day and the remaining sum in monthly installments by 31.07.2024. They also prayed that the auction fixed up for 15.03.2024 be stayed. Vide order dated 13.03.2024, subject to the payment of Rs. 43 lacs by 13.03.2024, this Tribunal stayed the auction notice, adjourned the case to 14.03.2024. In compliance of the order dated 13.03.2024, Applicants deposited Rs. 43 lacs and on 14.03.2024, SA No. 87 of 2024, they withdrawn SA No. 87 of 2024. Applicants allege that though DRT had not passed any order directing them to deposit any amount, yet, they deposited Rs. 3,35,908/- on 27.03.2024; Rs. 29,66,000/- on 30.05.2024; Rs. 15.00 lacs on 29.06.2024 and another Rs. 15.00 lacs on 01.07.2024. In this manner, they deposited Rs. 1,03,00,590/-. Applicants have alleged that as per the statement of account a sum of Rs. 31,20,329/- was due as on 01.07.2024. However, as per notice under Section 13(2) of the SARFAESI Act, Rs. 43.00 lacs was due. They wrote many letters to the Bank regarding this difference in the amount. However, the Bank did not give them any satisfactory reply. The Bank had been charging more interest from them than agreed by them. Moreover, they were short of funds. They moved an application before this Tribunal for seeking extension of time to make the payment of remaining sum of Rs. 31,20,329/-. The application was registered as MA No. 78 of 2024 (Annexure A-9). Though, MA No. 78 of 2024 was taken up for hearing on 26.07.2024, yet, it was adjourned to 29.07.2024. Again the matter was adjourned to 31.07.2024; 20.08.2024; 26.11.2024 and 05.12.2024. On none of these hearings, the matter was heard and was adjourned in a routine manner. Applicants have alleged that on 03.09.2024, Bank again issued the auction notice for e-auction of the property without application of mind. The Bank did not consider that they had already deposited Rs. 1.03 crores, out of total outstanding sum of Rs. 1.43 crores and also the fact that they had moved IA No. 931/2024 in MA No. 78 of 2024 in SA No. 87 of 2024, before the DRT for extension of time to deposit the remaining amount as well as stay on the sale notice. Applicants have alleged that the said application was never taken up for hearing and was adjourned in a routine manner. Accordingly, they (Applicants) filed CWP No. 26086 of 2024 for quashing the auction notice (Annexure A-11). The said writ petition was disposed of by the Hon'ble High Court *vide* order dated 04.10.2024 with the observation that during the course of hearing, parties have arrived at a consensus that Applicants would deposit Rs. 57,31,482.55/- with a sum of Rs. 5,00,000/- by way of demand draft today itself i.e. 04.10.2024 and Rs. 10.00 lacs by 05.10.2024 and the rest of the total amount due within 45 days i.e. till 20.11.2024. Hon'ble the High Court also ordered that in case Applicants deposit the money as agreed by them, the auction fixed up for 08.10.2024 shall not be confirmed till 21.11.2024. Hon'ble the High Court disposed of the writ petition as having been rendered infructuous (Copy of order passed by the Hon'ble High Court is Annexure A-13). It is alleged that in compliance of the order dated 04.10.2024, they deposited Rs. 15 lacs. However, the Bank did not supply the statement of account to them. Accordingly, on 18.11.2024, they moved CM No. 18773-2024 in CWP No. 26086-2024 for extension of time to pay the remaining sum (Annexure A-14). In the meanwhile, Bank issued yet another auction notice dated 22.11.2024 on similar terms as the earlier sale notice, without taking into consideration that they had already deposited Rs. 1.18 crores, out of the sum of Rs. 1.43 crores (approximately) (Annexure A-15). The application was taken up for hearing by the Hon'ble High Court on 26.11.2024 and was disposed of with the observations that there was no ground to entertain the said application as the earlier order dated 04.10.2024 had been passed on the consensus of the parties. However, the Hon'ble High Court gave liberty to the Applicants to avail appropriate remedy against the sale notice (Annexure A-15).

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

3. On these facts, Applicants filed the present SA on 19.12.2024 for setting aside the auction notice dated 22.11.2024.

4. Applicants alleged that the auction notice dated 22.11.2024 was bad in the eye of the law. The auction notice stated that the Bank had put up two properties worth Rs. 1.26 crores, to recover the dues of Rs. 45 lacs (approximately). The Bank had valued the residential house measuring 4 marlas for Rs. 46.16 lacs and the commercial shop for Rs. 79.61 lacs. It was alleged that the Bank could recover its dues by selling one property only and there was no need to put both the properties to auction. This showed that the Bank was only interested in selling the properties and not in getting the money back. Applicants further stated that they were ready and willing to pay the remaining outstanding sum in case the Bank applies reasonable rate of interest on the outstanding amount. They had already paid Rs. 1.18 crores from March 2024, till October 2024. Applicants alleged that the secured asset was the residential house of Applicant No. 2 and his family, which consisted of more than six members and in case the Bank succeeds in selling the same, all the family members will be on the road. Accordingly, it was stated that the application be allowed and the auction dated 26.12.2024 be set aside and the Bank be restrained from dispossessing the Applicants and alienating the property or creating any third party interest in the property.

5. *Vide* order dated 23.12.2024 passed by the Presiding Officer, DRT-III, Chandigarh (as Presiding Officer of DRT-I, Chandigarh was on leave), Bank was restrained from selling the residential property in the auction fixed up for 26.12.2024. However, the Tribunal ordered that the Bank may auction the commercial property as per sale notice dated 22.11.2024.

6. This SA was taken up for hearing on 15.03.2025 on the application of the Applicants for preponment as the Bank had again fixed up the auction for 19.03.2025. On 15.03.2025, counsel for the Applicants stated that a sum of Rs.44 lacs (approximately) was due from the Applicants. Counsel for the Applicants stated that they have no objection in case the Bank goes ahead with the auction and that they would deposit 25% of the total outstanding sum before 19.03.2025

and the remaining sum due by 30.04.2025. In view of the above statement, this Tribunal ordered that in case Applicants deposit 25% of the total amount due by 19.03.2025, the Bank would not confirm the auction till 30.04.2025. However, in case, Applicants fail to deposit 25% amount by 19.03.2025, Bank may confirm the auction. On 15.03.2025, the case was adjourned to 02.05.2025.

7. On 02.05.2025, counsel for the Applicants stated that though as per Applicants a sum of Rs. 8.29 lacs was due and regarding this they had written a letter to the Bank, yet, the Bank had not responded to the same. Counsel for Applicants stated that they were ready to deposit Rs. 9 lacs. In these circumstances, this Tribunal allowed the Applicants to deposit Rs. 9 lacs and also directed the Bank to inform the exact amount due from them.

7-A. It appears that the Bank again issued the auction notice, fixing the auction for 30.07.2025.

8. On 09.07.2025, counsel for the Applicants stated that the case be fixed for 16.07.2025, on which date he would make a statement as to how they (Applicants) intend to make the payment and the case was adjourned to 16.07.2025 and thereafter to 31.07.2025.

9. On 31.07.2025, despite the fact that the case was called many times, nobody appeared on behalf of the Applicants and this Tribunal dismissed the SA in default.

10. On 03.08.2025, Applicants filed MA No. 91 of 2025 for restoration of SA No. 487 of 2024. In the MA for restoration, it was alleged that counsel for the Applicants had made a call to the Applicants but Applicants were busy in arranging funds. The counsel was unable to appear on 31.07.2025 without instructions as the counsel had undertaken to make the statement as to how Applicants intended to make the payment of the remaining outstanding amount. Though, the Bank had sold the property on 30.07.2025, yet, considering the fact that Applicants had moved the application for restoration within two days, *vide*

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

order dated 09.12.2025, this Tribunal allowed MA No. 91 of 2025 and ordered the restoration of SA No. 487 of 2024.

11. In the SA, on 10.12.2025, counsel for the Applicants stated that he would move an application for amendment of the SA and the case was adjourned to 11.12.2025. On 11.12.2025, counsel for the Applicants stated that he had moved two IAs. One was for impleadment of auction purchaser and the other was for amendment of the SA. Whereas, the application for impleadment of auction purchaser was allowed on the statement made by counsel for the Respondent Bank; the Bank contested the application for amendment. *Vide* order dated 16.12.2025, the application for amendment was allowed, subject to all just exceptions that may be available to the parties. Notice of the amended SA was issued to the auction purchaser. This deserves to be mentioned that on 16.12.2025, counsel for the Bank pointed out that in the amended SA, applicants have raised more grounds, which had not been raised by them in the earlier SA. Counsel for the Bank further stated that the application is barred by limitation as far as auction was concerned.

12. In the application for amendment, Applicants alleged that in para No. 4 of the original SA, they intend to incorporate the fact that the Bank had issued the auction notice on 08.07.2025, for the auction to be held on 30.07.2025 and the Bank was now threatening dispossession. The Bank has issued the sale certificate on 30.09.2025. Bank has obtained the DM order under Section 14 of the SARFAESI Act on 09.10.2025. Applicants further alleged that in para No. 5.18, they intend to incorporate that the Bank in violation of the provisions of the SARFAESI Act and rules framed thereunder had issued the auction notice, fixing the auction for 30.07.2025. The said notice was neither served upon them nor affixed on the property. Further, the amount mentioned in the sale notice was wrong. The Bank had sold the property for Rs. 78.40 lacs against the reserve price of Rs. 78.30 lacs. The Bank has also issued the sale certificate in favour of Mr.Sunil Kumar on 30.09.2025. Applicants alleged that on the basis of false affidavit filed before CJM, Bank has issued the possession notice. Applicants

alleged that the action of the Bank is otherwise barred by Section 31(j) of the SARFAESI Act as the amount due is less than 20% of the principal amount. Applicants alleged that the auction notice was in violation of Rule 8(5) of the Rules, 2002. The Bank had failed to obtain valuation report. In fact, the market value of the property is much higher than the reserve price fixed by the Bank. Applicants also quoted different provisions of the SARFAESI Act and alleged that the auction notice is illegal and was never served upon the Applicants. Accordingly, auction conducted by the Bank is illegal and liable to be set aside.

13. In reply to the amended SA, Bank denied the case of the Applicants. Bank denied that it had not served the auction notice or that it was not affixed on the property. In substance, the Bank denied the whole claim of the Applicants and also stated that the SA is time-barred and is liable to be dismissed. It was also stated that the application for amendment has been filed at a highly belated stage. It is stated that the sale notice was issued on 08.07.2025 and was sent by registered post on 09.07.2025. The application for amendment was filed on 10.12.2025 i.e. after the limitation period of 45 days. Accordingly, it is submitted that there is no merit in the present SA and the same be dismissed.

14. I have heard Mr.KPS Dhillon, counsel for the Applicants; Mr.Saurav Goyal, counsel for the Respondent Bank and Mr. Manu Loona, counsel for the Auction Purchaser.

15. Mr.Dhillon, counsel for the Applicants has submitted that the whole of the action of the Bank is illegal, null and void. Mr.Dhillon submitted that earlier on 22.11.2024, Bank had issued the auction notice. Applicants had deposited the money. Again on 08.07.2025, Bank had issued the auction notice, fixing the auction on 30.07.2025. Applicants had again deposited some amount. However, this fact was not disclosed in the auction notice. Mr.Dhillon submitted that the Bank has not produced on the record any tracking report of the service of sale notice. There is no material on the record that the sale notice was ever affixed on the property. Bank has not produced on the record any photographs of the

affixation of the sale notice. Further, there is no proof of the service of possession notice. As per Section 31(j) of the SARFAESI Act, in case the amount is less than 20% of the principal sum, Bank is not entitled to take the SARFAESI action. However, Bank did not take this fact into consideration. Further, the Bank did not mention the factum of the pendency of the present SA in the auction notice. Mr.Dhillon submitted that on these grounds, the auction is liable to be set aside.

16. *Per contra*, Mr.Saurav Goyal, counsel for the Respondent Bank has submitted that the SA is time-barred. Mr.Goyal submitted that the auction had taken place on 30.07.2025. Applicants were aware of the fact that the Bank had fixed up the auction for 30.07.2025. In fact, on 09.07.2025, Mr. Yogesh Kumar, counsel for the Applicants had made a statement that the case be fixed for 16.07.2025 on which date he would make the statement as to how applicants intend to make the payment. On 16.07.2025, the case was adjourned to 31.07.2025. On 31.07.2025, nobody appeared on behalf of the Applicants and the SA was dismissed.

17. On 03.08.2025, Applicants had filed the application for restoration. In the application for restoration, Applicants alleged that SA No. 487 of 2024 was dismissed on 31.07.2025 due to non-appearance of the Applicants. Further, during the pendency of the SA, Applicants had deposited Rs. 1,29,45,690/-, till 23.04.2025. On 23.04.2025, they had written a letter to the Bank that as per their calculations, a sum of Rs. 8,82,110/- was due. Further, on 25.06.2025, Bank had informed the Applicants that a sum of Rs. 31,38,260.60p was due as on 31.05.2025 plus interest with effect from 01.06.2025. Again, on 09.07.2025, counsel for the Applicants had appeared and stated that after taking instructions from the Applicants, he would make the statement as to how Applicants intended to make the payment. It is stated that the Applicants failed to answer the call of their counsel as they were busy in arranging funds. Accordingly, counsel for the applicants was unable to appear on 31.07.2025 without instructions as counsel had undertaken that he would make statement as to how Applicants intended to make the payment of outstanding amount.

DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

18. Drawing my attention to the order dated 04.09.2025 passed in MA No. 91 of 2025, Mr. Goyal submitted that on 04.09.2025, he had made the statement that the Bank had sold the property on 30.07.2025 and the auction purchaser had deposited 25% amount of the sale consideration and the Bank had granted 45 days time to the auction purchaser for the remaining payment. Mr.Goyal submitted that despite this, the Applicants did not file fresh SA. In fact, they continued to pursue their application for restoration which they had filed on 03.08.2025. Mr.Goyal submitted that MA No. 91 of 2025 was allowed on 09.12.2025. Applicants could well file fresh SA challenging the auction. However, Applicants moved an application for impleadment of auction purchaser and amendment of SA on 11.12.2025. Counsel submitted that the auction had taken place on 30.07.2025 and Applicants challenged the same by filing application for amendment on 11.12.2025. Mr. Goyal submitted that the SARFAESI Act pro*vide*s strict timelines to challenge the SARFAESI action. The borrower cannot stretch the limitation by filing an SA and then getting it dismissed and again by filing an application for restoration. Mr.Goyal submitted that nothing debarred the applicants from challenging the auction dated 30.07.2025 by filing a separate SA soon after the auction by the Bank. Mr. Goyal submitted that the SA is time-barred and the same be dismissed.

19. Mr.Manu Loona, counsel for the auction purchaser endorsed the contentions of Mr.Goyal, counsel for the Respondent Bank and submitted that the SA is time-barred as far as auction is concerned. Accordingly, the SA be dismissed.

20. I have considered the rival contentions.

21. I have already given the chronology of events in the opening part of the judgment. In order to appreciate the contentions, the facts are restated here.

22. In the year 2008, PNB had sanctioned CC Limit of Rs. 1.20 crores to the Applicants. On 12.09.2023, Bank declared the account NPA. On 25.09.2023, Bank issued the notice under Section 13(2) of the SARFAESI Act, demanding a

sum of Rs. 1,43,17,586.85p. On 21.12.2023, Bank issued the notice under Section 13(4). On 09.02.2024, Bank issued the auction notice, fixing the auction for 15.03.2024. Applicants challenged the same by filing SA No. 87 of 2024. Applicants deposited Rs. 43 lacs on 13.03.2024. On 13.03.2024, Applicants also made the statement before this Tribunal that they would make the payment of remaining installment by 31.07.2024. *Vide* order dated 13.03.2024, the auction was stayed, subject to the payment of Rs 43 lacs by 13.03.2024. Since, Applicants had deposited Rs. 43 lacs on 13.03.2024, the Bank had withdrew the auction notice and on 14.03.2024, Applicants withdrew SA No. 87 of 2024. However, Applicants did not deposit the remaining sum before 31.07.2024 as undertaken by them on 13.03.2024. Applicant filed MA No. 78 of 2024 in SA No. 87 of 2024 for extension of time. While MA No. 78 of 2024 was pending, Bank issued another auction notice dated 03.09.2024. At this, Applicants filed CWP No. 26086-2024 before the Hon'ble High Court for quashing the auction notice dated 03.09.2024. On 04.10.2024, with the consent of the parties, Hon'ble the High Court ordered that Applicants would deposit Rs. 57,31,482.55p in all. Out of the said sum of Rs. 57,31,482.55p, Applicants would deposit Rs. 5 lacs on 04.10.2024; Rs. 10 lacs on 05.10.2024 and the rest of the money till 20.11.2024. Hon'ble the High Court also ordered that in case the Applicants deposit the money as undertaken by them, Bank would not confirm the auction dated 08.10.2024, till 21.11.2024. Admittedly, Applicants deposited Rs. 15 lacs in compliance of the order dated 04.10.2024 passed by the Hon'ble High Court. However, Applicants did not deposit the remaining sum and on 18.11.2024, they moved CM No. 18773-2024 in CWP No. 26086-2024 for extension of time. It appears that the auction fixed up for 08.10.2024 was not successful. In the meanwhile, Bank issued yet another notice dated 22.11.2024. To challenge the auction notice dated 22.11.2024, Applicants filed the present SA on 19.12.2024. In the meanwhile, on 26.11.2024, the Hon'ble High Court also dismissed CM No. 18773-2024 on the ground that no ground to entertain the said application exists as the order dated 04.10.2024 had been passed on the consensus of the parties. In the present SA, Applicants had challenged the auction notice dated 22.11.2024, fixing the auction for 26.12.2024. *Vide* order dated 23.12.2024, Presiding Officer, DRT-III, Chandigarh (as Presiding Officer, DRT-I, Chandigarh was on leave) restrained the Bank from selling the residential property. However, the Tribunal ordered that the Bank may auction the commercial property as per auction notice dated 22.11.2024. It appears that the auction dated 26.12.2024 was again not successful and the Bank issued another auction notice, fixing the auction for 19.03.2025. On 15.03.2025, counsel for the Applicants stated that a sum of Rs. 44 lacs was due from them. Counsel also stated that Applicants have no objection in case the Bank goes ahead with the auction and that they would deposit 25% of the total outstanding sum before 19.03.2025 and the remaining sum due by 30.04.2025. In view of the statement made by the Applicants, this Tribunal ordered that in case Applicants deposit 25% of the outstanding sum by 19.03.2025, Bank would not confirm the auction, till 30.04.2025 and adjourned the case to 02.05.2025. It appears that the auction fixed up for 19.03.2025 was again not successful. Later, Bank issued yet another auction notice on 8/9th July, 2025, fixing the auction for 30.07.2025. On 09.07.2025, counsel for the Applicants stated before the Tribunal that the case be fixed up for 16.07.2025, on which date, he would make the statement as to how Applicants intended to make the payment. On 16.07.2025, the case was adjourned to 31.07.2025. On 31.07.2025, nobody put in appearance on behalf of the Applicants and this Tribunal dismissed the SA in default. On 03.08.2025, Applicants filed MA No. 91 of 2025 for restoration of SA No. 487 of 2024 i.e. the present SA, wherein Applicants alleged that their counsel had made a call to the Applicants but Applicants were busy in arranging funds. The counsel was unable to appear on 31.07.2025 without instructions as the counsel had undertaken to make the statement as to how Applicants intended to make the payment of the remaining outstanding amount.

23. From these facts, it is abundantly clear that the Bank had put up the property for auction on number of occasions. Bank had put up the property for auction on 09.02.2024. However, on the payment of Rs. 43 lacs by the

Applicants, the auction was stayed. Applicants had undertaken to pay the whole of the sum due by 31.07.2024. Applicants did not make the payment by 31.07.2024. Instead of paying the amount, they filed MA No. 78 of 2024 for extension of time. In the meantime, Bank issued the auction notice on 03.09.2024. Applicants filed IA No. 931/2024 in MA No. 78 of 2024 in SA No. 87 of 2024 for extension of time and stay on the sale notice. Applicants also filed CWP No. 26086-2024 before the Hon'ble High Court challenging the auction notice dated 03.09.2024. Again there was settlement between the parties before the Hon'ble High Court on 04.10.2024. Applicants had undertaken to pay the whole of the sum by 21.11.2024. However, Applicants did not make the payment by 21.11.2024. It appears that in pursuance to the auction notice dated 03.09.2024, Bank did not receive any bid. On 18.11.2024, Applicants moved CM No. 18773-2024 in CWP No. 26086-2024 for extension of time before the Hon'ble High Court. *Vide* order dated 26.11.2024, Hon'ble the High Court dismissed the same. In the meanwhile, Bank issued another auction notice dated 22.11.2024, fixing the auction for 26.12.2024. Applicants filed the present SA on 19.12.2024. It appears that the auction fixed for 26.12.2024 was again not successful. Accordingly, Bank issued another auction notice, fixing the auction for 19.03.2025. Again Applicants had undertaken to deposit 25% of the outstanding sum. It appears that the auction fixed up for 19.03.2025 was not successful and the Bank issued another auction notice on 8/9th July, 2025, fixing the auction for 30.07.2025. This time the auction was successful. In pursuance to the auction dated 30.07.2025, the auction purchaser deposited the whole of the sale consideration and on 30.09.2025, Bank issued the sale certificate in his favour.

24. The purpose of narrating all these facts is that time and again Applicants had given undertaking to make the payment but they did not honour their commitment and the Bank was left with no other alternative, except to issue fresh auction notice.

25. Since 2024, Bank has been issuing the auction notices. This deserves to be mentioned that as far as challenge to the notices under Section 13(2) and 13(4) are concerned, Applicants are not entitled to challenge the same in this SA.

26. Earlier, Applicants had filed SA No. 87 of 2024 wherein they had challenged the notices under Section 13(2) and 13(4) of the SARFAESI Act. However, on 14.03.2024, they had withdrawn SA No. 87 of 2024. Since, Applicants themselves had withdrawn SA No. 87 of 2024, they are not entitled to challenge the notices under Section 13(2) and 13(4). In the present SA filed on 19.12.2024, Applicants had challenged the auction notice dated 22.11.2024. Admittedly, no bid was received in pursuance to the auction notice dated 22.11.2024.

27. The auction which is under challenge in the present SA is dated 30.07.2025, the auction notice for which had been issued on 09.07.2025. It has already been mentioned that the present SA was filed on 19.12.2024. The auction notice was issued by the Bank on 09.07.2025, fixing the auction for 30.07.2025. In these circumstances, the question of the Applicants challenging the auction notice dated 09.07.2025 in this SA did not arise. However, on 31.07.2025, nobody appeared on behalf of the Applicants and this Tribunal dismissed the SA. As mentioned earlier, on 03.08.2025, Applicants filed MA No. 91 of 2025 for restoration of the present SA. The averments made in MA No. 91 of 2025 are very relevant at this stage. In MA No. 91 of 2025, Applicants stated that their counsel had made a call to them but they were busy in arranging funds. The counsel was unable to appear on 31.07.2025 without instructions as the counsel had undertaken to make the statement as to how Applicants intended to make the payment of the remaining outstanding sum. From these averments, it is abundantly clear that the Applicants were fully aware of the fact that the case had been fixed for 31.07.2025. It is not the case of the Applicants that their counsel had noted down some other date. Despite the fact that Applicants were aware that their SA had been fixed for 31.07.2025, they did not appear and this Tribunal dismissed the SA. On 03.08.2025, Applicants filed MA No. 91 of 2025 for

restoration of the present SA. Interestingly, Applicants did not file any separate SA challenging the auction dated 30.07.2025. The Bank issued the sale certificate in respect of the auction held on 30.07.2025, on 30.09.2025. Applicants could challenge the same till 14.11.2025. However, Applicants did not file any separate SA till 14.11.2025.

28. I am of the considered view that Applicants simply wanted to buy time to make the payment. I am of the considered view that the Applicants cannot be allowed to stretch the limitation to challenge the auction dated 30.07.2025 by first getting their SA dismissed on 31.07.2025 and then filing the application for restoration of that SA. On 03.08.2025, Applicants filed MA No. 91 of 2025 for restoration of the present SA, which was allowed by this Tribunal vide order dated 09.12.2025. Applicants filed the application for amendment of the SA on 10.12.2025. It has already been mentioned that on 04.09.2025, Bank had duly informed the Applicants in the Court that the property had been sold on 30.07.2025 and the auction purchaser had been granted 45 days time to make the payment. I am of the considered view that the present SA is beyond limitation as far as auction held on 30.07.2025 is concerned.

29. The SARFAESI Act has been enacted with the object to expedite the recovery by the Banks. The Act gives strict timelines as to when the account would be declared NPA; within how much time the borrower would respond to the notice under Section 13(2); within what time the bank would decide the objections filed by the borrowers. Again, the Act provides strict timelines as to for how much days the notice of auction would be given to the mortgagors on first auction and for second auction and within how much time the borrower should file the SA. The Act again provides as within how much time the Tribunal shall dispose of the SA. In these circumstances, it is necessary that the borrowers should approach the Tribunal within the limitation mentioned in the Act. The borrower cannot be allowed to stretch the limitation by filing the SA; then by getting it dismissed and again by getting the SA restored. In case such a course is allowed, it would amount to give an edge to the borrowers who deliberately get

their case dismissed and then move the application for restoration and in the process gain time to challenge the auction.

30. I am of the considered view that the conduct of the Applicants in repeatedly giving undertakings to make the payment and then not honoring the same and again by not challenging the auction notice dated 8/9th July, 2025 within time and again by not challenging the auction dated 30.07.2025 within time despite the fact that on 04.09.2025 they had been informed in the Court that the property has been sold, disentitles them to the any relief. Accordingly, the present SA is hereby dismissed.

31. All the pending IAs, if any, are 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.

(A S Narang)
Presiding Officer
DRT-I, Chandigarh

Pronounced in open court
Dated: 23.07.2026
Manoj