DEBTS RECOVERY TRIBUNAL-I, CHANDIGARH

SA No. 278 of 2026

Bank of Baroda

Versus

UCO Bank and others

Dated: 06.08.2026

Item No. 21

Argued by: Mr.Iqbal Mohd. Counsel for Applicant/Bank of Baroda alongwith Mr. Rajneesh Kumar, Legal Manager and Ms. Amandeep Kaur, Nodal Officer, BOB.
Mr.SS Pathania, Counsel for Respondent No.1/UCO Bank alongwith Mr. Rishu Shukla, Chief Manager, UCO Bank, Branch Barotiwala.
None for Respondent No. 2 and 3.

Bank of Baroda (BOB) 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 UCO Bank and others (Respondents).

2. The case of BOB is that in the year 2012, Vijay Kumar Bassi (Respondent No.2) had approached its Nalagarh Branch for a Term Loan of Rs. 28 lacs. To secure the same, Vijay Kumar had created security interest in respect of the land measuring 147.32 Sq. meters, being 1/4 share out of total land measuring 589.26 Sq. meters, bearing Khasra No. 1115/501, comprised in Khata/Khatauni No. 84/88, situated at Mauja-Mini Secretariat, H.B. No. 139/3, Tehsil Nalagarh, District Solan, Himachal Pradesh, in its favour, by executing registered mortgage deed No. 2077, dated 28.12.2012. On the basis of mortgage-deed, mutation No. 51 was sanctioned in favour of BOB. Narinder Pal Singh (respondent No. 3) was the guarantor for this loan. Since, the borrowers did not make the repayment, BOB was constrained to file civil suit No. 08/1 of 2020, against respondent No. 2 and 3 in the court of Senior Civil Judge, Nalagarh. *Vide* judgment and decree dated 22.11.2023, Civil Court decreed the suit for Rs. 13,51,314.08p with interest @ 12.50% per annum with monthly rests, by the sale of mortgage property. It is alleged that at present a sum of Rs. 41,01,129.37 is due from Vijay Kumar Bassi and Narinder Pal Singh. BOB has alleged that to its utter shock, it came to know that UCO Bank, Barotiwala Branch had issued an advertisement, fixing the

auction of this property and an adjoining property, for 29.07.2026 to recover its dues. On coming to know of this, BOB sent a notice dated 13.07.2026 to UCO Bank, Barotiwala Branch, stating that Vijay Kumar Bassi (respondent No. 2) had created security interest in respect of this land by executing mortgage-deed in favour of BOB in the year 2012. On the basis of the same, BOB has also obtained decree from Civil Court, Nalagarh. Accordingly, BOB informed UCO Bank not to put the property for auction. It is alleged that despite the above notice, respondent No. 1 continued with the auction proceedings and fixed up the auction for 29.07.2026. The case of BOB is that it has prior charge over the secured asset. It had got the CERSAI registration done within the statutory time. The original title deed, dated 12.01.2012 and 24.01.2012 are also in possession of BOB. On these facts, BOB alleged that the SARFAESI action initiated by UCO Bank, on the basis of any documents, be set aside.

3. This SA was filed on 21.07.2026. UCO Bank had issued the sale notice on 20.06.2026, fixing the auction for 29.07.2026. On 28.07.2026, Mr. Iqbal Mohd. counsel for BOB made a statement before this Tribunal that he has no objection in case UCO Bank goes ahead with the auction. However, he stated that the BOB has the first charge on the secured asset. He further stated that in case BOB finds it proper, it may claim the money or may request for cancellation of auction.

4. On the other hand, the case of UCO Bank is that in the year 2013, Vijay Kumar Bassi (respondent No. 2) had created security interest of this very land, in its favour, to secure the loan of Rs. 70 lacs which was granted to M/s Shivalik Hi-tech, a proprietorship firm owned by Vijay Kumar Bassi. His son Ajay Kumar Bassi had also created security interest in respect of an adjoining land. UCO Bank has alleged that when it had granted the loan to Vijay Kumar Bassi, in the revenue record, there was no entry in respect of the charge alleged to have been created by Vijay Kumar Bassi, in favour of BOB. It is stated that had UCO Bank been aware of the fact that Vijay Kumar Bassi had already created security interest in favour of BOB, it would have not sanctioned the loan on the same security to him.

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Accordingly, it is stated that the charge of UCO Bank would have priority over the charge of BOB.

5. It is admitted on the record that the auction conducted by UCO Bank on 29.07.2026 was successful and one Mr. Janak Raj was the highest bidder, who purchased the property for Rs. 69.77 lacs. Today, Mr. Rishu Shukla, Chief Manager, UCO Bank has stated that though auction purchaser has deposited 25% of the sale consideration, yet, he has not deposited the remaining balance sale consideration and the auction purchaser has time till 14.08.2026 to deposit the remaining sale consideration.

6. I have heard Mr. Iqbal Mohd. counsel for BOB and Mr. SS Pathania, counsel for UCO Bank.

7. Mr.Iqbal Mohd. counsel for BOB has argued that BOB has in its possession the original title deed of the year 2012, executed by Rameshwar Dutt, in favour of Vijay Kumar Bassi. On the basis of the same, in the year 2012, Vijay Kumar Bassi had executed registered mortgaged deed, in favour of BOB. The mutation was also sanctioned in favour of BOB. Moreover, BOB had got the charge registered with the CERSAI portal in the year 2013. He further argued that BOB had filed civil suit against Vijay Kumar Bassi and Narinder Pal Singh, at Civil Court, Nalagarh. On 22.11.2023, Civil Court, Nalagarh had passed the decree in favour of BOB. Vide order dated 22.11.2023, Civil Court, Nalagargh also ordered that BOB can recover its dues by the sale of mortgage property. Mr. Iqbal further submitted that UCO Bank had sanctioned the loan to Vijay Kumar Bassi in the year 2013. Since, BOB had sanctioned the loan to Vijay Kumar Bassi prior in point of time, it has first charge over the property and UCO Bank has no right over the same. Accordingly, UCO Bank was not justified in putting up the property for auction. Mr. Iqbal further argued that BOB has produced on the record original sale deed, dated 24.01.2012 and the registered mortgage deed, dated 15.05.2013, which shows that BOB has the first charge over the property as it had sanctioned the loan prior in point of time. Mr.Iqbal submitted that UCO Bank did not exercise proper care while sanctioning the loan to Vijay Kumar

Bassi. Had UCO Bank inspected the record properly while sanctioning the loan, it would have come to know that Vijay Kumar Bassi had already executed mortgage deed in favour of BOB. It appears that UCO Bank did not look into the record of Sub Registrar, Nalagarh in respect of the mortgage. Accordingly, it is submitted that the SA be allowed. He further submitted that this Tribunal may not set aside the auction conducted by UCO Bank. However, UCO Bank may be directed to part with fifty percent of the sale consideration received by it from the auction purchaser, in respect of the property of Vijay Kumar Bassi and his son Ajay Kumar Bassi.

8. *Per contra*, Mr. Pathania, counsel for UCO Bank has argued that in the year 2013, UCO Bank had sanctioned the loan to Vijay Kumar Bassi, on the guarantee of his son Ajay Kumar Bassi. Both Vijay Kumar Bassi and Ajay Kumar Bassi had created security interest in respect of their shares, in favour of UCO Bank. Since, the borrowers did not make the payment, UCO Bank initiated the SARFAESI action and after issuing the notices under Section 13(2) and 13(4) of the SARFAESI Act, it had issued the auction notice on 20.06.2026, fixing the auction for 29.07.2026. The auction was successful and one Mr. Janak Raj was declared the highest bidder, who purchased the property and also deposited 25% of the sale consideration and sought time to deposit the remaining sale consideration till 14.08.2026. Mr. Pathania further submitted that when UCO Bank had sanctioned the loan to Vijay Kumar Bassi, there was no entry in the revenue record in respect of the loan sanctioned by BOB to Vijay Kumar Bassi. Accordingly, UCO Bank would have prior charge over the property.

9. I have considered the rival contentions.

10. Both, BOB and UCO Bank have produced on the record original title deed dated 24.01.2012 executed by Rameshwar Dutt, through his power of attorney, namely Robin Bohra. Both these title deeds agree with each other. It appears that Vijay Kumar Bassi had got prepared two title deeds of this property. He had handed over one title deed to BOB to secure the loan availed by him from BOB and the other title deed to UCO Bank to secure the loan availed by him from UCO Bank.

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11. Be that as it may, the fact remains that BOB has produced on the record mortgage-deed dated 28.12.2012, executed by Vijay Kumar Bassi, in favour of BOB. On the other hand, UCO Bank has produced on the record two registered mortgage-deeds, dated 15.05.2013 executed by Vijay Kumar Bassi and Ajay Kumar Bassi. As per these mortgage deeds, Vijay Kumar Bassi and Ajay Kumar Bassi had created security interest in respect of their respective shares in the secured asset, in favour of UCO Bank. I am of the considered view that mortgage deed of year 2012 produced by BOB, executed by Vijay Kumar Bassi, in favour of BOB cannot be disputed. It appears that the lawyer of UCO Bank did not inspect the record of Sub Registrar in respect of mortgage. Had he inspected the record, he would have come to know that Vijay Kumar Bassi had already executed a registered mortgage in favour of BOB.

12. In view of the above, it is hereby ordered that UCO Bank would part with half of the sale consideration of Rs. 69.77 lacs, in favour of BOB. On the full payment being made by the auction purchaser, UCO Bank would issue the sale certificate in favour of the auction purchaser. BOB would hand over all the documents of title in its possession in respect of this loan to UCO Bank, which in turn would hand over the same to the auction purchaser. UCO Bank would be entitled to appropriate 50% of the auction expenses from the part of sale proceeds payable by it to BOB. On the payment being made, BOB would have no right over the secured asset in this case. In case, any sale deed is required to be registered in favour of auction purchaser, both UCO Bank and BOB would execute the sale deed in favour of auction purchaser.

13. In view of the above, the present SA stands **disposed of**. 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.

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

Pronounced in open court
Dated: 06.08.2026
Manoj

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Mr.SS Pathania, Counsel for Respondent No.1/UCO Bank alongwith Mr. Rishu Shukla, Chief Manager, UCO Bank, Branch Barotiwala.
None for Respondent No. 2 and 3.

Mr. Iqbal Mohd., counsel for the BOB has made a statement at the Bar that the names of respondent No. 2 and 3 be deleted as they are not necessary party in this SA. Accordingly, the names of respondent No. 2 and 3 are hereby ordered to be deleted. Vide separate detailed order of even date, the SA has been **disposed of**.

File be consigned to the record room after due compliance.

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