Presented on: 22.03.2024
Registered on: 22.03.2024
Decided on: 18.08.2026
Duration: Y M D
2 4 27

# IN THE DEBTS RECOVERY TRIBUNAL AT PUNE

**(Before Shri Dilip G Murumkar, Presiding Officer)**

## SECURITISATION APPLICATION No.327/2024

1. Mr. Yogesh Vasant Satav
Age: Adult, Occ: Business
Prop: Rajvicky Constructions

2. Mrs. Rachana Yogesh Satav
Age: Adult, Occ: Business
Both R/at : Plot No.4, Sr. No.46/1/3 and 46/1/2, Cloud 9, Near NIBM Road, Kondhawa, Pune – 411 048.

**... Applicants**

Versus

1. The Authorized Officer,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Lower Parel, Mumbai – 400 013.
2. The Authorized Officer,
Capri Global Capital Limited
502, Tower A, Peninsula Business Park,
Lower Parel, Mumbai – 400 013.
3. Mrs. Manisha Harish Pamnani
4. Mr. Lokesh Harish Pamnani
5. Mrs. Menka Sachanand Ramchandani
All R/at: Mayfair, Eleganza, Row House No.16, NIBM Road, Kondhawa, Pune – 411 048.

**... Defendants**

| APPEARANCES | |
|---|---|
| For the Applicants | Mr. N.K. Khasbardar - Advocate |
| For Defendant No.1 & 2 Finance Company | Mrs. Rinku Agarwal – Advocate |
| For Defendant Nos.3 to 5 | Mr. Parikshit P. Parab - Advocate |

# JUDGMENT
## (Delivered on 18th August, 2026)

1. By the present Securitisation Application, the applicants have challenged the measures taken by defendant under The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act" for short) in respect of the mortgaged property i.e. All that piece and parcel of property being Plot No.4, area admeasuring about 341 Sq.Mtrs Cloud Nine, situated on land bearing No.46/1/2 and 46/1/3, Village Mohammadwadi, NIBM Road, Kondhawa, Tal. Haveli, Dist. Pune (hereinafter referred to as "suit property).

2. During the pendency of the Securitisation Application, the Securitisation Application was amended vide Order dated 3rd April, 2024 passed below IA No.833/2024 and Auction Purchasers were arrayed as defendant No.3.

   The averments made in the original and amended Securitisation Application can be summarized as under:

3. It is the case of the applicants that in the year 2017 applicants approached the defendant Company for takeover of loan facility availed by the applicants from Shriram Housing Finance Ltd. The said

proposal was considered by defendant and sanctioned MSME Term Loan to the applicants on 24th April, 2017. The suit property is mortgaged as security to the said loan.

4. It is further contended that due to financial loss in the business, the applicants could not repay the instalments as per agreed terms of sanction. Consequently, defendant issued Notice dated 16th January ,2023 u/s 13(2) of the SARFAESI Act to the applicants and thereby demanded Rs.2,20,62,976/-. By Reply dated 20th January, 2024 the applicants objected the said Notice which was replied by defendant on 1st February, 2024.

5. It is further stated that after issuance of Notice u/s 13(2) the applicants deposited huge amount with defendant. However, on 14th February, 2024 defendant forcibly took physical possession of the suit property.

6. It is further stated that defendant Finance Company published the Sale Notice in Daily "Free Press Journal" on 21st February, 2024 and thereby proposed to sell/auction the **suit** property on 27th March, 2024. The defendant Finance Company has kept the Reserve Price of Rs.1,98,00,000/- for sale of the suit property.

7. It is further stated that after getting the copy of sale notice, the applicants obtained the Valuation Report from the Govt. Approved Valuer of the suit property and issued legal notice to the defendant Finance Company and objected the sale and reserve price of the suit property. However, the defendant Finance Company did not reply the said Notice.

8. On this background, the applicants moved IA No.788/2024 for restraining the defendant Finance Company from conducting sale on 27th March, 2024. The matter was kept for hearing on 28th March, 2024. During hearing it was informed that the auction/sale has taken place and property has been sold at Rs.2.30 Crores to defendant Nos.3 to 5, Auction Purchasers.

9. It is further stated that the Auction Purchasers have demolished the structure and tried to renovate the same by undertaking structural changes. Despite giving Undertaking, the Auction Purchaser has done so. Further, the Auction Purchaser has not taken prior permission of the Competent Authority for the said purpose. It is contended that if Securitisation Application is decided in favour of the applicants, the Auction Purchaser shall pay compensation of Rs.2 Crores to the applicants.

10. Being aggrieved by the said action of Defendants the applicants have filed the present Securitisation Application on the grounds that the Notice issued u/s 13(2) is not in accordance with Section 13(3) of the SARFAESI Act. The applicants never received the Sale Notice from the defendant Finance Company. Further, the suit property is sold at throwaway price. The Market Value of the suit property is about Rs.5,08,40,000/-, whereas the defendant Finance Company has fixed the Reserve Price of Rs.1,98,00,000/-. There is violation of Rule8(6) of the Security Interest (Enforcement) Rules.

11. On these grounds the applicants have claimed following reliefs:

1) That the notice issued by Defendant Finance Company u/s 13(2) of the Securitisation Act dtd. 25.11.2023 may kindly be declared as null and void and consequently be quashed and set aside.
2) That the Defendant Finance Company may kindly be directed to handover the possession of the suit property to the Applicants, by declaring the possession notice dated 14.02.2024 as null and void.
3) That the Sale Notice published in the Newspaper on 21.02.2024 by the Defendant Finance Company may kindly be declared as illegal and void and the same may kindly be quashed and set aside.
4) That the Defendant Finance Company, its officers, agents, servants acting on its behalf may kindly be restrained permanently from taking any further action under the provisions of Securitization Act.

   4(a) – That the Defendant Finance Company may kindly be restrained from accepting the 75% amount from the Auction Purchaser, executing the Sale Certificate in their favour along with its registration.

   4(b) – That the Defendant Finance Company may kindly be restrained from handing over physical possession of the suit property to Defendant No.3 till the matter is heard finally by the Hon'ble Tribunal.

   4(c) – That the Sale Certificate executed and registered by the

Defendant Finance Company in favour of Defendant No.3 may kindly be declared as null and void and consequently, may kindly be quashed and set aside, and the Defendant No.3 may kindly be directed to handover the physical possession of the suit property to the Defendant Bank.

4(d) – That the Auction Purchaser i.e. Defendant No.3 may kindly be directed to pay compensation of Rs.2 Crores to the Applicants for damages caused by the Auction Purchaser to the suit property by undertaking structural changes thereto.

12. Defendant Nos.1 & 2 by filing Statement of Objection (Exhibit-21) and (Exhibit-22) resisted and denied the allegations made in the Securitisation Application. It is contended that applicants are trying to conceal the facts from the Tribunal. The applicants through representation dated 20th January, 2024 replied the Demand Notice dated 16th January, 2023 i.e. after a period of one year after issuance of Demand Notice.

13. Further, the defendant Finance Company issued Sale Notice dated 22nd February, 2024 to the applicants and also published the same in two leading newspapers detailing that the auction of the suit property on 27th March, 2024. Thus, defendant Finance Company has duly complied Rule 8(6) of the SARFAESI Act.

14. It is further contended that the valuation of the suit property has been obtained from independent approved Valuer and on the basis of value given by the Govt. approved Valuer the reserve price was fixed at

Rs.1,98,00,000/-. Further, the suit property has been sold at Rs.2,30,00,000/- to defendant Nos.3 to 5, Auction Purchasers being the highest bidder.

15. It is further contended that the amount paid by applicants after issuance of Demand Notice has been adjusted towards Loan. The grounds raised in the Securitisation Application are barred by limitation and bereft of merit. The defendant Finance Company has followed due process of law. They, therefore, pray for dismissal of the Securitisation Application.

16. Defendant Nos.3 to 5, Auction Purchasers by filing Statement of Objection (Exhibit-7) and Additional Statement of Objection (Exhibit-20) resisted the application. It is contended that the Securitisation Application filed by the applicants is not maintainable. It is contended that the suit property was purchased by defendant No.3 for the value of Rs.2,30,00,000/- as highest bidder in the Auction/sale conducted by defendant Finance Company on 27th March, 2024 pursuant to the Sale Notice dated 22nd February, 2024.

17. It is further contended that after getting physical possession of the suit property it was found that there was illegal construction in the suit property. The suit property was damaged and was like abandoned property. No Completion Certificate was issued by the PMC Authorities. After purchase of the suit property, the defendant Auction Purchaser have paid Rs.7,35,000/- towards Society Dues and transfer charges.

18. It is further contended that defendant Nos.3 to 5, Auction Purchasers are bonafide purchasers of the suit property who have paid the bid amount and acquired Sale Certificate and lawfully hold the possession of the suit. They have made entire payment in the year 2024 and since then are unable to enjoy the fruits of the property purchased by them. The applicants cannot claim compensation of Rs.2 Crores. On the contrary, the present defendant has made a huge expenditure. They therefore, pray for dismissal of the Securitisation Application. In the alternative prays that if present Securitisation Application is allowed, applicants/defendant Nos.1 and 2 compensate these defendants by refunding the amount of auction price and expenses incurred by them together with interest @ 12% per annum from the date of Sale Certificate till the amount is actually paid.

19. Though applicants have claimed various reliefs, they have not pressed/withdrawn following reliefs by filing Pursis (Exhibit-25):

> "2. That the Defendant Finance Company may kindly be directed to handover the possession of the suit property to the Applicants, by declaring the possession notice dated 14.02.2024 as null and void.
>
> 4(b) – That the Defendant Finance Company may kindly be restrained from handing over physical possession of the suit property to Defendant No.3 till the matter is heard finally by the Hon'ble Tribunal.
>
> 4(c) – That the Sale Certificate executed and registered by the

Defendant Finance Company in favour of Defendant No.3 may kindly be declared as null and void and consequently, may kindly be quashed and set aside, and the Defendant No.3 may kindly be directed to handover the physical possession of the suit property to the Defendant Bank."

Therefore, I deal with only remaining reliefs claimed and pressed by the applicants.

20. The following points arise for my determination and I record my findings thereon as under:

(1) Whether applicants prove that Demand Notice dated 25th November, 2023 (correct date 16th January, 2023) issued u/s 13(2) of the SARFAESI Act is null and void and hence liable to quash?

(2) Whether applicants prove that sale of suit property conducted on 27th March, 2024 in pursuance of Sale Notice dated 22nd February, 2024 is illegal and hence liable to set aside?

(3) Whether applicants are entitled for compensation of Rs.2 Crores from defendant Nos.3 to 5, Auction Purchasers for having caused damage to the structure of the suit property?

(4) What Order?

Findings:

Point No.1 – In the negative

Point No.2 – In the affirmative

Point No.3 – In the negative.

Point No.4 – As per final order

## REASONS

21. I have heard arguments of learned Advocate for applicants, defendant Finance Company and defendant Nos.3 to 5, Auction Purchasers. The learned Advocate appearing for the defendant Finance Company and defendant Nos.3 to 5, Auction Purchasers have filed Written Notes of arguments (Exhibit-23 and Exhibit-24) respectively.

I have also considered documents on which parties relied upon.

22. The learned Advocate appearing for applicants relied upon the following Judgements:

1. *M.R. Vasumathi Vs. The Authorised Officer & Ors.* reported in 2026 INSC 633.
2. *Sea Poly Plast India Pvt. Ltd. and Ors. Vs. Union of India and Ors.* reported in MANU/MH/1429/2011.

23. The learned Advocate appearing for defendant Nos.3 to 5, Auction Purchasers relied upon the following Judgment:

*(1) M/s. S.G.K. Industrial Corporation and Others Vs. Authorized Officer, Indian Bank and Others* [SA No.355 of 2024 decided by DRT-I, Chandigarh].

*(2) Govind Kumar Sharma Vs. Bank of Baroda* reported in 2024 INSC 326.

**Point No.1**

24. According to applicants, disputed Demand Notice dated 25$^{th}$ November, 2023 (correct date 16$^{th}$ January, 2023) was issued for Rs.2,20,00,000/- by mentioning overdue amount of Rs.13,52,740/- and the applicants on 25$^{th}$ January, 2023 deposited Rs.13,58,000/- more

than overdue amount. Thus, loan account had become standard. Therefore, further action taken by defendant Finance Company is illegal and Demand Notice is required to be quashed.

25. However, according to defendant Finance Company though in the Demand Notice overdue amount is written, the amount due from applicants was Rs.2,20,62,976/- and same was called from the applicants by giving bifurcation. Therefore, mere deposit of overdue amount would not make loan account standard.

26. On consideration of these contentions and perusal of Demand Notice, I do not find any illegality or irregularity therein and therefore, further action of defendant Finance Company could not be proved as illegal. So also, Demand Notice is not required to be quashed. Therefore, I answer this point in the negative.

**Point No.2**

27. Admittedly, disputed sale of suit property was first sale and therefore, as per Security Interest (Enforcement) Rules, 2002 clear thirty days' Notice is required to be served upon the **borrower** by the secured creditor.

It is also admitted fact that Sale Notice bears date 22nd February, 2024 and sale was conducted on 27th March, 2024.

28. According to applicants, they have not been served with Sale Notice as possession of the suit property was taken by defendant Finance Company on 14th February, 2024.

29. According to defendant Finance Company, applicants have not

provided new address after having taken possession of the suit property by defendant Finance Company. Therefore, Sale Notice was issued on the address of suit property which was last known address to the defendant Finance Company. Therefore, it is deemed to be served.

30. Admittedly, physical possession of the suit property was taken on 14th February, 2024 by defendant Finance Company. The Sale Notice was not served upon the applicants. Even, if contention of defendant Finance Company is accepted that Sale Notice was issued on the last known address of the applicant i.e. the suit property, the Track Report produced by the defendant Finance Company along with Statement of Objections (Exhibit-21) shows that Sale Notice was not served to the addressee i.e. applicants on 26th February, 2024 and therefore, returned to the defendant Finance Company with remark "**Item Returned Addressee cannot be located"**. Further, if we calculate thirty days between these two dates i.e. 26th February, 2024 (date of service of Sale Notice) and 27th March, 2024 (date of sale of suit property) it glaringly shows that there was no gap of clear thirty days.

31. Most pertinent is that in the Statement of Objections (Exhibit-21) the defendant Finance Company has candidly admitted in Paragraph No.5 that auction sale was communicated to the borrowers (applicants) over Whatsapp by defendant Finance Company. However, proof in that regard in the form of Screenshot has not been produced on record to corroborate its service of Sale Notice to the applicants.

32. Consequently, it is hard to digest the contention of the defendant Finance Company that Sale Notice was duly served upon the applicants. So also, there was no gap of clear thirty days between alleged date of service of Sale Notice to the applicants and date of sale of the suit property.

33. Though Sale Notice was pasted on the suit property and publication of same was made in two newspapers one in Marathi and one in English, the applicants have challenged disputed sale on the ground that it has been sold at lower price.

34. According to applicants, Valuation Report dated 20th March, 2024 obtained by applicants shows that Market Value of the suit property is Rs.5,08,40,000/- whereas the defendant Finance Company fixed the Reserve Price at Rs.1,98,00,000/- and sold at Rs.2,30,00,000/- to defendant Nos.3 to 5, Auction Purchasers.

35. The defendant Finance Company resisted the said allegation. However, the defendant Finance Company has produced two Valuation Reports along with Statement of Objections (Exhibit-21), one of Redhawk Valuers and Advisors Pvt. Ltd., which shows that Distress Value of the suit property is Rs.1,95,12,345/- and another is of Prudent Engineering and Valuation Services which shows Forced (Distress) Sale Value is Rs.2,00,84,625/-. Generally, the secured creditor fix Reserve Price by taking higher distress value quoted by Valuer if Valuation Report is taken from more than one Valuer. In the present case, Forced (Distress) Sale Value of the suit property mentioned in the

report of Prudent Engineering and Valuation Services is higher than mentioned in Report of Redhawk Valuers and Advisors Pvt. Ltd.

36. It is surprised to note that defendant Finance Company fixed the Reserve Price of the suit property at Rs.1,98,00,000/- though Forced (Distress) Sale Value mentioned in the Report of Prudent Engineering and Valuation Services is Rs.2,00,84,625/-. It means that defendant Finance Company has not fixed Reserve Price as Distress Value mentioned in the report of Prudent Engineering and Valuation Services but has fixed at value less than it. Therefore, it is illegality occurred on part of defendant Finance Company. On this count also, sale is required to be declared as illegal.

37. In view of above mentioned observations, I hold that defendant Finance Company has breached Rule 8(6) of the Security Interest (Enforcement) Rules, 2002 and there are procedural lapses in conducting disputed sale of the suit property. Therefore, disputed sale is required to be set aside and quashed. Therefore, I answer this point in affirmative.

**Point No.3**

38. By referring Section 19 of the SARFAESI Act the applicants have claimed compensation of Rs.2 Crores from defendant Nos.3 to 5, Auction Purchasers for having caused damage to the structure of the suit property. Whereas defendant Nos.3 to 5, Auction Purchasers in Additional Statement of Objections (Exhibit-20) resisted the same.

39. Perused the documents produced by both the parties in support of

their contentions.

40. Admittedly, after sale, the possession of the suit property was handed over to defendant Nos.3 to 5, Auction Purchasers by defendant No.2 Finance Company**.** When defendant Nos.3 to 5, Auction Purchasers started to renovate the suit property by demolishing some part of it, the applicants have moved IA No.1934/2024 claiming relief of restraining defendant Nos.3 to 5, Auction Purchasers from demolishing the suit property. At the time of hearing of that Interlocutory Application the applicants by filing Pursis (Exhibit-14) candidly rendered consent to defendant Nos.3 to 5, Auction Purchasers for carrying out necessary repairs/renovation of the suit property without damaging the structure of the suit property and further contended in the said Pursis that if SA is decided in favour of the applicants, the Auction Purchaser shall not claim any compensation. The defendant No.3, Auction Purchaser also gave an Undertaking below the Pursis that they would renovate the suit property without structural changes.

41. The applicants and defendant Nos.3 to 5, Auction Purchasers have produced photographs of demolishing/renovation of the suit property. On perusal of photographs at a glance it appears that only Partition Walls and Window portions have been removed and structural changes have not been made.

42. Per contra, according to defendant Nos.3 to 5, Auction Purchasers they have made huge expenses towards renovation as well as payment of

Government dues and Housing Society dues apart from registration and Stamp Duty for registration of Sale Certificate.

43. The applicants have produced estimate of costs/expenses given by Architect required for restructure of suit property along with Pursis (Exhibit-19) which show that about Rs.2,26,63,125/- is estimated cost. However, considering work of renovation/demolition of the suit property shown in the photographs, I am of opinion that estimated cost is not reasonable and therefore, difficult to rely upon it.

44. Anyhow, the applicants are claiming compensation from defendant Nos.3 to 5, Auction Purchaser by relying on Section 19 of the SARFAESI Act. However, as per provision of this Section, the applicants can claim compensation from secured creditor, in case secured creditor's action is not in accordance with provisions of Securitisation Act or Rules made therein. Therefore, I am of opinion that applicants are not entitled for compensation from defendant Nos.3 to 5 Auction Purchasers. If applicants wish to claim compensation for alleged tortious act of defendant Nos.3 to 5, Auction Purchasers, they can invoke remedy provided under Law from other Forums.

45. In view of these observations, I hold that applicants are not entitled to claim compensation from defendant Nos.3 to 5, Auction Purchasers for having caused damage to the structure of the suit property. Hence, I answer this issue in the negative.

**Point No.4**

46. In view of aforementioned findings, I hold that applicants are entitled for relief of setting aside and quashing sale of the suit property conducted on 27th March, 2024 in pursuance of Sale Notice dated 22nd February, 2024, though not entitled to claim compensation from defendant Nos.3 to 5, Auction Purchasers for having caused damage to the suit property. Therefore, application deserves to be partly allowed. Hence, I answer this point accordingly.

47. Before parting with Judgment, it is necessary to mention that initially the applicants have claimed restoration of suit property but later on withdraw/not pressed the same by filing Pursis (Exhibit-25). Therefore, at present defendant Finance Company is entitled to take back vacant possession of the suit property from defendant Nos.3 to 5, Auction Purchasers as sale has been set aside.

48. Further, defendant Nos.3 to 5, Auction Purchasers have invested huge amount of Rs.2,30,00,000/- for purchasing the suit property in Auction Sale dated 27th March, 2024 and today sale has been set aside by this order. Therefore, defendant Nos.3 to 5, Auction Purchasers are entitled for interest on the said amount of Rs.2,30,00,000/- from the date of Sale Certificate till full realization of the said amount from defendant Finance Company.

Therefore, by answering these points accordingly, I proceed to pass the following order:

## ORDER

A. Securitisation Application No.327/2024 is partly allowed.

B. Auction Sale of suit property conducted by defendant Capri Global Capital Limited, Finance Company on 27th March, 2024 in pursuance of Sale Notice dated 22nd February, 2024 is hereby quashed and set aside. Sale Certificate, if any, issued and registered be cancelled.

C. Defendant Nos.3 to 5, Auction Purchasers shall handback vacant possession of suit property to defendant Capri Global Capital Limited, Finance Company within three (03) weeks from today.

D. Defendant Capri Global Capital Limited, Finance Company shall refund amount of Rs.2,30,00,000/- to defendant Nos.3 to 5 Auction Purchasers with simple interest @9% per annum from the date of Sale Certificate i.e. 16th April, 2024 till full payment of the amount within three (03) weeks from today.

E. Claim of compensation made by applicants is hereby dismissed.

Pronounced in open Court.

**Sd/-**
**(Dilip G. Murumkar)**
**Presiding Officer**
**Debts Recovery Tribunal, Pune**

**Place: Pune**
**Date: 18.08.2026**