IN THE DEBTS RECOVERY TRIBUNAL-2, KERALA
AT ERNAKULAM

PRESENT: SRI.SOVAN KUMAR DASH
PRESIDING OFFICER

Dated this the 27th day of August, 2026

SECURITIZATION APPLICATION No.84/2021

Between

1. Afsal B.,
Firdouse,
Thalayolaparambu,
Kottayam.

2. Shamla Ummerkhan,
Firdouse,
Thalayolaparambu,
Kottayam …Applicants

And

The Authorised Officer,
Standard Chartered Bank,
1st Floor,
HDFC House,
M.G. Road,
Ravipuram Junction,
Ernakulam. …Defendant

This Securitization Application having been heard on 03.08.2026 in the presence of Advocate Mr.Jithendran representing counsel for Advocate Mr.Sasi.N for the applicants and stood over to this day for consideration, the Tribunal delivered the following:

F I N A L O R D E R

Challenging the securitization proceedings initiated by the defendant under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as 'the SARFAESI Act'), the applicants/borrowers have filed this SA under S.17(1) of the SARFAESI Act seeking relief to set aside the sale.

Brief facts of the case:

2.1 The applicants availed housing loan from the defendant by mortgaging an extent of 7.91 Ares of land with a building in Survey No.387/10/1 described in detail in the SA. Previously the defendant initiated securitization proceedings and filed application before the Chief Judicial Magistrate to take physical possession of the secured assets.

2.2 The applicants filed two securitization applications bearing SA No.749/2012 and S.A.65/2014 which were disposed by the Tribunal permitting the applicants to regularize the account. But the applicants did not regularize the loans.

2.3 Subsequently, when the defendant informed the applicants that the property is sold in auction on 12.01.2021, the present SA is filed by the applicants challenging the sale claiming non-service of sale notice on him and there was no clear 15 days' notice prior to date of the sale. All the statutory measures in the sale proceeding were not duly complied. It is also contended that there was also no affixture of the sale notice at the conspicuous part of the secured assets. The paper publications were also not issued properly before the date of the sale.

2.4 The applicants have also claimed that before putting the property, the defendant has not obtained the valuation report from the approved valuer. In such premises the sale is vitiated, and the applicants claim for setting aside the sale.

3. After filing the SA, summons was issued to the defendant by registered post which was duly served but the defendant did not appear to contest the case nor filed any written statement in denying the claim of the applicants.

4. On perusal of the materials and after hearing the counsel for the applicants, it is noticed that there is material error in the sale notice published on 25.12.2020 by the defendant marked Annexure A2 showing the date of issuance of sale notice on

28.12.2020 fixing the sale date on 18.11.2020 and in the terms and conditions it is stated that the property can be examined in between 11.00 am morning and 2.00 pm afternoon on 12th January, 2021 and also in the column No.3 of the terms and conditions last date for accepting of bid is mentioned at 5.00 pm on 18th January, 2021. The sale notice published in vernacular language in a newspaper marked Annexure-A2 is totally defective and erroneous.

5. The defendant did not appear nor filed any material showing compliance of the statutory requirements in putting the property for sale. So also, no valuation report of the secured asset obtained from the approved valuer is produced by the defendant. Before fixing the reserve price, obtaining valuation report from approved valuer is mandatory. In absence of any valuation report it can be concluded that the reserve price of the secured asset was not properly fixed which renders the sale as illegal. It is true that the secured creditor has right to sell the secured assets to realize the outstanding public money, but it must be in accordance with the statutory provision and the secured creditor cannot sell the secured asset arbitrarily or illegally which is not acceptable under the law. Th defendant, having failed to establish due compliance of

the statutory requirement in putting the property for sale, the applicants are entitled to get the relief in setting aside the impugned sale notice.

Hence it is ordered:-

ORDER

6. In view of the foregoing reasons, SA is allowed and the sale notice dated 28.12.2020 marked Annexure-A2 is hereby set aside, but in the circumstances without costs.

(Dictated to my steno, corrected and pronounced by me in the open Tribunal on this 27th day of August, 2026)

[SOVAN KUMAR DASH]
PRESIDING OFFICER

Documents on the part of the applicant

Annexures	Date	Particulars of documents
A1	08.12.2020	True copy of the Onetime settlement letter.
A2	25.12.2020	True copy of the paper publication with its English Translation.

Documents on the part of the defendants

Nil

PRESIDING OFFICER

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& Another. …Applicants

And

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1st Floor,
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M.G. Road,
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F I N A L O R D E R