DEBTS RECOVERY TRIBUNAL-III, CHANDIGARH

PRESIDED OVER: SH. MRIDULESH KUMAR SINGH

SECURITIZATION APPLICATION NO.240/2025

Date of Institution: 07.08.2025

Date of Decision: 07.09.2026

Smt. Swaranjit Kaur, W/o Sh. Lakhvir Singh, R/o Village Siahar, Post Office Sihar, District Ludhiana, Punjab- 141117

--Applicant

Versus

1. Authum Investment & Infrastructure Ltd. through its Authorized Officer having its Registered Office: 707, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai- 400021
2. Authum Investment & Infrastructure Ltd., Branch Office through its Authorized Officer, 4th Floor, SCO 32-33-34, Sector 17-C, Chandigarh- 160017

--Respondents

Argued by: Sh. Shubham Chandel, Advocate for Applicant

Sh. Vipul Dharmani, Advocate for Respondents

FINAL ORDER

(1) This Securitization Application was filed under Section 17 (1) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as 'the Act' for brevity) to set aside possession notice 29.07.2025 (Annexure A-1); direct the respondents to consider the restructuring proposal in terms of Reserve Bank of India guidelines dated 01.07.2015 and declare that the action of the respondents taken under the Act is illegal, arbitrary and without jurisdiction.

(2) It was stated in the application that applicant being co-borrower in respect of Loan Account nos. RALUD0003943 and RALUD0003647 availed from the respondents and mortgagor of the secured asset; that property in question is a residential dwelling property measuring 01K-04M situated at Village Siahar, Tehsil Payal, District Ludhiana, Punjab; that respondents issued possession notice dated 29.07.2025 purportedly under Section 13(4) of the Act, alleging symbolic possession of the above said property without following the mandatory procedures prescribed under the Act and Security Interest (Enforcement) Rules, 2002 (hereinafter referred to as 'Rules' for brevity); that no valid or legal notice under Section 13(2) of the Act was ever received by the applicant and no opportunity was provided to file objections under Section 13(3-A) of the Act; that applicant is entitled to reside in the said residential property and the respondents cannot dispossess her without due process of law; that the applicant was never served with any communication about the outstanding dues or given any restructuring offer or settlement opportunity, despite being willing to cooperate and resolve the matter; that no physical possession has been taken nor has any Authorized Officer visited the site with notice; that prior to the said notice under Section 13(4) of the Act, the applicant was never served with any notice under the Act; that respondents had failed to publish the said notice in two leading newspapers as per Rules; that the property in question is not registered with the Central Registry as per Section 26-D of the Act; that all the actions taken by respondents under the Act are in violation of the

provision of law. Therefore, it was prayed that present SA may kindly be allowed.

(3) Reply filed by Respondents.

(4) It is stated in the reply that the present SA is not maintainable in present form as the same is highly misconceived and the applicant has tried to misconstrue and misrepresent facts of the present case; that the respondents have duly followed all the procedures as envisaged under the Act; that the loan account has been rightly classified as NPA in strict adherence to the Guidelines and Circulars issued by RBI in this regard and the same is in consonance with the orders passed by the Hon'ble Supreme Court of India; that the applicant has filed the present SA with the sole intention to delay the SARFAESI proceedings validly initiated by the respondents to enforce their security interest over the mortgaged property; that Sh. Lakhbir Singh Pandher is the Principal Borrower and Smt. Swaranjit Kaur (SA applicant) & Sh. Bhajan Singh are the Co-borrowers; that borrowers had availed loan facility to the tune of Rs.20 Lacs from Reliance Commercial Finance Division of Reliance Capital Limited, which was duly sanctioned on 26.08.2016; that the said borrowers had also availed another loan facility of Rs.10 Lacs from Reliance Commercial Finance Limited, which was sanctioned on 29.11.2017; that in order to secure the said loan facilities, applicant had created mortgage in favour of the RCFL by way of deposit of Title Deeds of the immovable property i.e., Residential property measuring 01K-4M situated at Village Siahar, Tehsil Payal, Ludhiana, Punjab; that secured creditor had duly registered its security interest over the secured asset with Central Registry qua the

loan facilities as per Section 26-D of the Act; that borrowers had failed to follow the financial discipline as stipulated in the loan documents and gravely defaulted in repayment of the loan amounts as per terms and conditions enshrined in the loan documents; that due to said default, loan accounts of applicant were classified as NPA on 08.03.2021 as per guidelines issued by Reserve Bank of India; that in the meanwhile, Reliance Capital Ltd. was transferred to Reliance Commercial Finance Ltd. and further RCFL has demerged with answering respondents i.e., Authum Investment & Infrastructure Ltd.; that thereafter, respondents had issued demand notice under Section 13(2) of the Act dated 06.02.2025 calling upon the borrowers to pay the outstanding amount of Rs.41,48,165/- due as on 29.01.2025 within the statutory period of 60 days; that the said demand notice was duly served upon all the borrowers in accordance with the provisions of the Act; that despite service of the said demand notice, neither the borrowers had repay the outstanding dues nor any objections were raised under Section 13(3-A) of the Act; that therefore respondents had issued possession notice under Section 13(4) of the Act dated 29.07.2025; that said possession notice was duly served upon all the borrowers in accordance with law as the said notice was duly served upon applicant through registered post and was published in the two newspapers having wide circulation in the area i.e., The Tribune (English) & Punjabi Tribune (Punjabi) both dated 31.07.2025; that the said notice was also affixed on the conspicuous place of the property/secured asset; that applicants are trying to delay the entire proceedings so as to defeat the rights of the

respondents; that in fact, borrowers are chronic defaulters and have never adhered to the repayment schedule voluntarily agreed upon by them at the time of sanction of the said loan facilities; that as on 15.12.2025, huge amount of Rs.47,16,038/- is outstanding and payable by the applicant towards both loan accounts in question; that applicant is not entitled to any relief, since the borrowers are chronic defaulters and had not point out any illegality in the proceedings initiated by respondents against applicant. Therefore, it was prayed that present SA may kindly be dismissed being devoid of any merits.

(5) No replication was filed by applicant to the reply filed by respondents.

(6) I have heard arguments advanced by Sh. Shubham Chandel and Sh. Vipul Dharmani, Advocates and gone through the record carefully.

(7) Sh. Shubham Chandel, Advocate argued that notice under Section 13(2) of the Act dated 06.02.2025 was not served upon applicant as per Rules and no opportunity was provided to applicant to file objections under Section 13(3-A) of the Act.

(8) *Per contra*, Sh. Vipul Dharmani, Advocate argued that notice under Section 13(2) of the Act dated 06.02.2025 was duly served upon all the borrowers as per Rules. It was further argued that copy of said notice is annexed as Annexure R-3 (Colly) to the reply along with receipts of registered post as well as tracking reports, which shows that notices were served upon borrowers as per Rules.

(9) In light of above factual position, it is established that notice under Section 13(2) of the Act was validly issued and also served upon applicants as

per Rules. There is no illegality/irregularity in the issuance of above notice.

(10) Sh. Shubham Chandel, Advocate further argued that possession notice under Section 13(4) of the Act dated 29.07.2025 was not served in compliance of Rules. It was further argued that the said notice was not published in leading newspapers.

(11) *Per contra*, Sh. Vipul Dharmani, Advocate argued that possession notice under Section 13(4) of the Act dated 29.07.2025 was served strictly in accordance with law. It was further argued that the said notice was served through registered post, through affixation as well as through publication in the two leading newspapers i.e., one in The Tribune (English) & one in Vernacular as per Rules and copies of the same are annexed as Annexure R-4 (Colly).

(12) Possession notice was required to be served through personal service, through pasting and through publication in two leading newspapers.

(13) Copy of possession notice under Section 13(4) of the Act dated 29.07.2025, receipts of registered post and copy of affixation of the said notice on the conspicuous place of the property as well as copies of publication in two newspapers i.e., The Tribune (English) & Punjabi Tribune (Punjabi) both dated 31.07.2025 are annexed as Annexure R-4 Colly.

(14) In fact, it reveals from record that notice under Section 13(4) of the Act was issued and sent on the same address as was mentioned in the notice under Section 13(2) of the Act. As discussed above, notice under Section 13(2) of the Act was served upon applicant then it may be safely presumed that the notice under Section 13(4) of the Act was served

through registered post, through affixation and through publication.

(15) In light of above factual position and evidence on record, this Tribunal is of the considered opinion that the possession notice was prepared and served upon applicant as per Rules. Nothing is on record which can show that possession notice was defective or not served according to Rules.

(16) Sh. Shubham Chandel, Advocate further argued that respondents had never created its charge against the property in question with CERSAI as per Section 26-D of the Act.

(17) *Per contra*, Sh. Vipul Dharmani, Advocate argued that respondents had duly created its charge against the property in question with CERSAI on 31.10.2018 and copy of CERSAI Registration Certificate is annexed as Annexure R-2 to the reply.

(18) In the considered opinion of this Tribunal, as per CERSAI Registration Certificate, the secured asset is duly registered with Central Registry as per Section 26-D of the Act.

(19) Sh. Shubham Chandel, Advocate further argued that despite willingness of applicant, respondents are not ready for the settlement/OTS.

(20) *Per contra*, Sh. Vipul Dharmani, Advocate argued that applicant never made any request for settlement or restructuring or demonstrated any willingness to resolve or make payment of the loan amounts.

(21) Settlement of any loan account under OTS or otherwise is the sole prerogative of secured creditor i.e., Bank/FI. Any borrower has no right to compel the

secured creditor to settle the loan account under OTS or otherwise.

(22) During my day-to-day work in the Tribunal, it has came in the knowledge that every second borrower wants for settlement under OTS and not for deposit of total outstanding amount. Since Banks/FIs accepts the OTS proposals at very low amount in comparison to the total outstanding, this ailment is growing on day by day.

(23) As per established law this Tribunal has no authority for issuance of directions to Banks/FI for settlement of loan accounts of borrowers.

(24) In the Act nowhere it is provided that on the ground of non-settlement of loan under OTS by secured creditor this Tribunal can set aside the SARFAESI proceedings. In fact, it is settled law that any borrower cannot claim as a right that OTS proposal submitted by him/her/it must be accepted by the Bank/FI.

(25) Sh. Vipul Dharmani, Advocate argued that a huge amount of Rs.47,16,038/- is outstanding due as on 15.12.2025 in the loan accounts and applicant had never deposited even a single penny in her loan accounts after classification of loan accounts as NPA. It was further argued that applicant is chronic defaulter. Therefore, applicant is not entitled to get any relief from this Tribunal in her favour.

(26) In the Act, nowhere it is provided that applicant has any right not to deposit his/her outstanding dues. It appears applicant is not interested in deposit of her dues (public money) rather she is interested in the One Time Settlement and for that purpose this SA was filed without showing any *bona*

fide as well as applicant is only interested in dragging the Bank in the litigations.

(27) No other point was argued/pressed.

(28) After the consideration of all facts, circumstances as well as after perusal of record, there is no case made out in favour of applicant and this SA deserves to be dismissed.

(29) Accordingly, this **SA is dismissed.**

Record be consigned to record room after due compliance.

Date: 07.09.2026

Pronounced by me in the open Tribunal.

(MRIDULESH KUMAR SINGH)
Presiding Officer,
DRT-III, Chandigarh