DEBTS RECOVERY TRIBUNAL No.3, MUMBAI
At: DRT-II, Mumbai

I/c PRESIDING OFFICER: HARISH KUMAR KAUSHIK

SECURITISATION APPLICATION NO.196 OF 2026

Date of Institution: 06.04.2026
Date of Decision: 16.09.2026

Mr Sukhvinder Singh Samra Through Power of Attorney holder Mr Jagjit Singh Samra Having his officer at Akshar Business Park, Office No.3041, 'M' Wing, Vashi-Koparkhairne Road, Thane-400703 ... Applicant

Versus

1. Cholamandalam Investment and Finance Company Ltd. Through its Authorised Officer, Ravsaheb Rajaram Anuse, Branch Address-2nd Floor, Lotus IT Park, Office No.203, Village Road No.16, Wagle Estate, Panchpakhdi, Thane, Maharashtra-400604.
2. Ranjit Singh Samra Residing at Flat No.A-2501, Bhumiraj Heritage, Plot No.1/2, Sector 18, Navi Mumbai, Sanpada, Thane-400705. ...Respondents

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APPEARANCES

For the Applicant	:	Mr Rohit Gupta a/w Mr Vatshal Ghosaliya a/w Mr Chandresh Rao – Advocates
For Respondent No.1	:	Mr Alok Mishra a/w Ms Juilee Modak – Advocates
For Respondent No.2	:	Mr G. R. Kinkhabwala a/w Mr Siddharth Samantray a/w Mr Omkar Kanegaokar a/w Ms Anushree Talekar i/b Mr Nihal Lakhan – Advocates

Final Order

(1) The present Securitisation Application No.196 of 2026 is filed under Section 17 of the SARFARSI Act, 2002 challenging the measures taken by the Respondent under the provisions of the SARFAESI Act, 2002.

Factual matrix of the case:

(2) The Applicant is the owner of the immovable property being Ground Floor +1st to 2nd Floor in plot No.126, Sector 19-C, Zone No.5/207, Groma Marg, Vashi-400 703 (**for short, "the said property"**)

(3) The Applicant, together with the other borrowers, obtained a Loan Against Property facility of Rs.2.69 crore from Respondent No. 1. Loan and security documents were executed and the secured asset

was mortgaged. The creation of security, availing of the facility and subsequent default are not in dispute. The Applicant states that instalments were paid until the beginning of 2025 and attributes the subsequent defaults to inter se disputes among business partners.

(4) That the Respondent Bank issued demand notice dated 23.05.2025 demanding Rs.2,68,89,155 under section 13(2) of the SARFAESI Act, 2002. Respondent No. 1 dispatched the said notice to the addresses available in its record and published it in the English newspaper Active Times and the Marathi newspaper Mumbai Lakshadeep on 12.06.2025. The postal article addressed to the Applicant's disclosed address was returned with the endorsement 'left without instructions'.

(5) Upon non-payment, a possession notice dated 13.08.2025 was issued under Section 13(4) of the SARFARSI Act, 2002. The Applicant admits affixation of that notice upon the secured asset. Indeed, the Applicant had instituted Securitisation Application (L) No. 1596 of 2025 questioning the demand and possession notices. That proceeding was declined registration by the Registrar on 19.11.2025 for failure to remove office objections. The later Chamber Appeal and the accompanying delay application were not pressed and were disposed of without liberty to revive the challenge.

(6) Respondent No. 1 thereafter invoked Section 14 of the SARFAESI Act, 2002. By order dated 29.01.2026, the ld. Additional Chief Judicial Magistrate, Thane allowed the application and appointed an Advocate Commissioner. The Commissioner's notice dated 23.03.2026 fixed 17.04.2026 for taking physical possession. The present Securitisation Application was filed on 06.04.2026 mainly against that possession action.

(7) Further, the secured asset had been offered for sale on four occasions. The first auction notice dated 03.10.2025 fixed auction on 07.11.2025 with a reserve price of Rs.5.25 crore, the second notice dated 01.12.2025 fixed auction on 23.12.2025 with reserve of Rs.4.50 crore, and the third notice dated 12.01.2026 fixed auction on 03.02.2026 with reserve of Rs.4.05 crore. Those attempts did not yield a completed sale. The fourth notice dated 11.02.2026 was published on 12.02.2026, fixed reserve at Rs.3.40 crore and scheduled the e-auction on 27.02.2026. Respondent No. 2 emerged as successful bidder at Rs.4.09 crore, paid the sale consideration and was issued the sale certificate dated 27.02.2026.

(8) The Commissioner subsequently fixed 04.05.2026 and thereafter 25.05.2026 for possession. On 04.05.2026, the statement of Respondent No. 1 that possession would not be taken that day was

accepted by this Tribunal and I.A. No. 1471 of 2026 was disposed of as infructuous. On 25.05.2026, I.A. No. 1690 of 2026 was rejected without an examination on merits, in view of the order dated 07.05.2026 passed by the Hon'ble Bombay High Court in Writ Petition No. 6456 of 2026 directing police assistance.

(9) By order dated 11.06.2026 in Writ Petition No. 7156 of 2026 and Interim Application No. 3890 of 2026 in Writ Petition No. 6456 of 2026, the Hon'ble High Court set aside the order dated 25.05.2026, observing that its order dated 07.05.2026 expressed no view on merits. The Applicant was permitted to deposit Rs.2,90,65,150 with this Tribunal, to be kept in an interest-bearing fixed deposit subject to further orders. This Tribunal was directed to dispose of the S.A. expeditiously and preferably within twelve weeks, with all rights and contentions kept open.

Case of the Applicant:

(10) Applicant submits that the demand notice dated 23.05.2025 was neither personally served on the Applicant nor validly affixed and, consequently, the later possession and sale measures lack a lawful foundation. The Applicant submits that Respondent No. 1 could not rely upon mere publication or upon knowledge allegedly derived from the earlier unregistered S.A.

(11) That none of the sale notices was served or affixed in the manner required by Rules 8 and 9 of the Security Interest (Enforcement) Rules, 2002 ('2002 Rules'). As regards the fourth auction, the notice was published only on 12.02.2026 and the auction was conducted on 27.02.2026. It is urged that the statutory notice period was not available. The Applicant also alleges that publication in Active Times and Mumbai Lakshadeep did not constitute publication in leading newspapers having sufficient circulation in the locality, and that the sale notice was not made available on the secured creditor's website.

(12) That the photographs relied upon by Respondent No. 1 do not prove affixation at Plot No. 126. The location label generated by the GPS-camera application has a reference of Plot No. 127 and according to the Applicant, demonstrates pasting at an adjoining property. The Applicant further relies upon the family relationship between himself and Respondent No. 2, who is stated to be his nephew, and upon antecedent family disputes to allege a collusive sale.

(13) That the reduction of reserve price from Rs.5.25 crore to Rs.3.40 crore was arbitrary and resulted in sale at a gross undervalue. Two valuation reports obtained by the Applicant after the sale are relied upon, one of which assesses fair market value at

Rs.9.39 crore, realisable value at Rs.8.45 crore and distress value at Rs.7.51 crore. It is submitted that the auction should therefore be set aside, the sale certificate cancelled and the physical-possession notices quashed. The Applicant also relies upon the deposit made pursuant to the High Court's order and seeks an opportunity to redeem the secured asset. Therefore, prays that the present Application be allowed.

Case of the Respondent No. 1:

(14) That the facility, mortgage, default and service of the possession notice are admitted. The demand notice was sent to the same address furnished by the Applicant in the earlier proceedings. When the postal article was returned 'left without instructions', publication was done. The Applicant's earlier Securitisation Application, which specifically challenged the demand and possession notices, establishes actual knowledge to the borrowers. Respondent No. 1 submits that a party who allowed that proceeding to be rejected and abandoned the corrective proceedings without liberty cannot reopen stale measures through the present Application.

(15) That the Section 14 application under the SARFAESI Act, 2002 was allowed by the competent authority after scrutiny of the statutory material. Every auction notice was served through the modes

prescribed by law. Three earlier attempts to auction the said property failed, due to which the reserve price was successively reduced, and the fourth e-auction was conducted on the identified electronic platform after service, affixation and newspaper publication. The fourth sale followed the notice period applicable to a subsequent sale under the proviso to Rule 9(1).

(16) That the Applicant's private valuation reports were procured after completion of the auction and proceeded on assumptions different from the secured creditor's valuation. Further, the auction failed at three occasion, however, Respondent No. 2's bid of Rs.4.09 crore exceeded the reserve price by Rs.69 lakh. The allegation of collusion is denied as vague and unsupported.

(17) That the right of redemption stood extinguished upon publication of the auction notice, and in any event the sale was completed and the sale certificate issued after receipt of the entire consideration. Reliance is placed upon *CELIR LLP v. Bafna Motors (Mumbai) Private Limited*, (2024) 2 SCC 1. The Respondent Bank sought dismissal of the present application with costs.

Case of the Respondent No. 2:

(18) Respondent No. 2 submits that he participated in the e-auction, complied with the bidding conditions, paid the entire price and acquired

rights under the sale certificate. The auction notice and the newspaper publication were in the public domain. The bid was not at the reserve price but Rs.69 lakh above it. Relationship with the Applicant is not a statutory disqualification and cannot, without proof of manipulation of the auction, invalidate an otherwise legal public sale.

(19) That the Applicant was aware of the steps including the proposed sale taken by the Respondent No.1.He relies upon correspondence showing the Applicant's knowledge of the order under Section 14 of the SARFAESI Act, 2002 and visits by officials and prospective purchasers. It is submitted that the litigation and the post-sale valuation reports constitute a belated attempt to undo vested rights after the auction purchaser altered his position.

(20) That the sale cannot be displaced merely because the borrower subsequently offers the secured creditor's dues. The amended Section 13(8) of the SARFAESI Act, 2002, as authoritatively construed in CELIR LLP, fixes the statutory cut-off at publication of the sale notice. Respondent No. 2, therefore, seeks dismissal of the present application.

I have heard parties at length and perused the records.

(21) Under Section 17(2) of the SARFAESI Act, 2002, the Tribunal examines whether the measures taken

under Section 13(4) of the SARFAESI Act, 2002 are in accordance with the provisions of the SARFAESI Act and the 2002 Rules. A completed sale may be interfered with where a material statutory breach, fraud or prejudice is proved. Equally, the adjudication cannot travel beyond the operative pleadings or rest on suspicion, hindsight, or a more attractive valuation procured after the sale.

(22) I.A. No.1470 of 2026 seeking amendment of the S.A. was filed on 23.04.2026 and was allowed by order dated 29.04.2026, expressly keeping all issues and contentions open to the Respondents. The said order merely permitted the proposed pleadings and reliefs to be brought on record. It neither adjudicated nor rejected the objection of limitation raised by Respondent No.2, nor did it condone the delay in challenging the sale measures. The fourth sale notice was issued on 11.02.2026 and the e-auction was conducted on 27.02.2026. The relief challenging the said sale notice and completed auction was introduced through the amendment application filed on 23.04.2026, after expiry of forty-five days from both measures. As the amendment introduced a distinct challenge to the auction sale and the objection of limitation had expressly been kept open, the amended challenge cannot relate back to the date of institution of the S.A. so as to defeat

the accrued defence of limitation. Accordingly, the challenge to the sale notice dated 11.02.2026 and the e-auction conducted on 27.02.2026 is barred by limitation under Section 17(1) of the SARFAESI Act, 2002. Nevertheless, without prejudice to the aforesaid finding on limitation, the present application is also examined on merits hereinafter.

(23) A different position applies to the attempt to introduce an expanded and altogether fresh challenge through I.A. No.2281 of 2026. The order dated 11.08.2026 permitted only the two specified interim prayers. The proposed new grounds concerning the Section 14 proceedings, the rank of the Authorised Officer, detailed computation of interest, alleged ineligibility under the Insolvency and Bankruptcy Code, and the new final prayers against the demand and possession notices were not allowed. Those grounds and prayers do not form part of the S.A. and cannot be adjudicated in these proceedings. The sale grounds introduced through I.A. No.1470 of 2026, though held to be barred by limitation in the preceding paragraph, are also examined on merits, without prejudice to the said finding and only as an alternative ground.

(24) The Applicant admits the loan, execution of security documents, mortgage and defaults. The secured interest was registered with CERSAI. The minor discrepancy between the parties concerning

the precise date of NPA does not establish that classification was illegal. The Applicant has produced no account statement or any other document showing that the admitted default had been regularised or that the account could not be classified as NPA on the date asserted by Respondent No. 1.

(25) The plea that the Applicant is unaware of the demand notice and possession measures is contradicted by the record. The demand notice was dispatched to the address which the Applicant himself used in S.A. (L) No. 1596 of 2025. Its return with the endorsement 'left without instructions' cannot be equated with dispatch to a wrong address. Respondent No. 1 thereafter did publication in English and Marathi newspapers. More importantly, the Applicant admittedly instituted the earlier S.A. specifically challenging the Section 13(2) and Section 13(4) of the SARFAESI Act, 2002 notices. Thus, there was actual and effective knowledge in 2025, followed by an opportunity to challenge the measures. The earlier proceeding failed for the Applicant's own non-removal of objections, and the Chamber Appeal and delay application were later abandoned without liberty.

(26) The present S.A. cannot be used in April 2026 to revive a challenge to the possession measure of

13.08.2025 after the statutory period under Section 17(1) of the SARFAESI Act, 2002 had expired. In any event, on the proved dispatch to the admitted address, newspaper publication, affixation of the possession notice and the Applicant's earlier challenge in 2025, the bare plea of non-service does not establish a violation warranting nullification of every subsequent measure.

(27) The order dated 29.01.2026 under Section 14 records the Magistrate's satisfaction upon the secured creditor's application and material. The present pleading, as validly amended, discloses no admissible material to show absence of jurisdiction, non-existence of security or fraud in obtaining that order. The subsequent Commissioner's notices merely implemented the Section 14 order. Once the underlying measures are found lawful, the possession notice furnish no independent ground for relief.

(28) The first three auction attempts did not culminate into a sale. Their failure is nevertheless relevant to the fourth sale. The reserve was reduced in stages from Rs.5.25 crore to Rs.4.50 crore, then Rs.4.05 crore and finally Rs.3.40 crore. Without any proof, a reduction following three unsuccessful auction does not establish arbitrary or undervalued valuation.

(29) The fourth sale was a subsequent sale within the meaning of the second proviso to Rule 9(1). The said proviso requires the Authorised Officer to serve, affix and publish a notice of not less than fifteen days for any subsequent sale. The record establishes that the sale notice dated 11.02.2026 was served, affixed and published by 12.02.2026 and that the auction was fixed for 27.02.2026. In computing the statutory period, the initial date, namely 12.02.2026, is excluded and the terminal date, namely 27.02.2026, is included. The period from 13.02.2026 to 27.02.2026 thus comprises fifteen days. The notice consequently satisfies the second proviso to Rule 9(1). The Applicant's contention that the thirty-day period applicable to the first sale continued to govern every subsequent sale is contrary to the express proviso and is rejected.

(30) The sale notice was published in one English newspaper and one Marathi newspaper. The Applicant has contended that the newspapers selected by Respondent No.1 were not leading newspapers. Even if the figures relied upon by the Applicant are accepted, the Rules prescribe no minimum circulation figure or benchmark for determining whether a newspaper is "leading" or has "wide circulation in the locality." Nor do the Rules require publication only in the newspapers

having the highest circulation. No intending bidder has complained that the auction remained inaccessible or that participation was prevented because of inadequate publication. Moreover, the record establishes that the Applicant was already aware of the enforcement proceedings, the previous auction attempts and visits to the secured asset by officials and prospective purchasers. In these circumstances, the plea that the auction was rendered invalid merely because the Applicant considers some other newspapers to have a wider circulation is without substance and appears to have been raised as an afterthought to obstruct the recovery proceedings.

(31) The affixation objection also fails on evidence. The photographs dated 12.02.2026 depict the notices affixed at the site. The GPS-camera overlay gives coordinates and an address, such a consumer-generated map label is not a cadastral survey, title plan or municipal identification. The secured asset itself is bounded on one side by Plot No. 127. The photographs therefore cannot be displaced by the inference urged by the Applicant.

(32) The plea of undervaluation of the subject property is equally insufficient. The two valuation reports relied upon by the Applicant were procured after the auction and at his instance. They adopt assumptions as to use and potential which are not

shown to be identical to those adopted in the secured creditor's valuation report. A valuation is an opinion, not a guaranteed sale price. It is evident that the three auctions failed at the higher reserve price, whereas the fourth auction culminated at a price of Rs.4.09 crore, i.e. Rs. 69 lakhs above the reserve price of Rs.3.40 crore.

(33) The relationship between the Applicant and Respondent No. 2 is not concealed. But kinship is not, by itself, a prohibition against participation in a public auction under the SARFAESI Act or the 2002 Rules. Collusion requires facts showing suppression of competition, bid manipulation, or some corresponding involvement of the secured creditor with the bidder. None is proved. On the contrary, the sale price exceeded reserve price. Family discord may explain the Applicant's suspicion but it is not a proof of fraud.

(34) In *CELIR LLP v. Bafna Motors (Mumbai) Private Limited*, (2024) 2 SCC 1, the Hon'ble Supreme Court held that the borrower's right to redemption must be exercised before publication of the sale notice and the right cannot be revived after that cut-off merely because the conveyance or registration is yet to follow. The Hon'ble Court also emphasised the protection provided to an auction purchaser who has paid the entire bid

consideration and has done all that the auction terms require.

(35) In the present case, the fourth sale notice was published on 12.02.2026 and the Applicant did not tender the entire dues before the said publication. The amount of Rs.2,90,65,150 was deposited only in June 2026 pursuant to the directions of the Hon'ble High Court and was expressly made subject to further orders of this Tribunal. The High Court preserved every contention and expressed no opinion on merits. The ratio in CELIR LLP, therefore, applies with full force to the delayed request for redemption and to the attempt to unsettle the auction purchaser's completed rights on the strength of a later tender.

(36) Therefore, the Applicant is not entitled to cancellation of the sale certificate, restoration, redemption, or restraint against delivery of possession. The possession measures remain subject to the subsisting orders of the Hon'ble Bombay High Court in Writ Petition No. 6456 of 2026.

ORDER

(i) Securitisation Application No.196 of 2026 is dismissed.

(ii) The sum of Rs. 2,90,65,150 deposited with this Tribunal pursuant to the direction of the Hon'ble Bombay High Court, together with the interest

accrued on the fixed deposit, shall be returned to the Applicant as per law.

(iii) All pending IAs, if any, stands disposed of.

(iv) The parties shall bear their own costs.

Sd/-

(Harish Kumar Kaushik)
I/c Presiding Officer,
DRT-3, Mumbai
At: DRT-2, Mumbai

Tejas