IN THE DEBTS RECOVERY TRIBUNAL – II AT HYDERABAD

DATED THIS THE 06TH DAY OF OCTOBER, 2026

PRESENT: SH. RAMESHWAR KOTHE, B.Com, L.LB. (Hons.), M.A.
PRESIDING OFFICER

Securitization Application No. 1420 OF 2017

M/s. Altec ISYS Private Limited.,
(Formerly known as M/s. Altec HPC Private Limited)
Represented by its Managing Director Mohammed Abdul Hafeez
Having its registered office at #6-1-1059/1/9, Habeeb Mansion,
Khairatabad, Hyderabad .....Applicant

Versus

1) The Authorized Officer
Invent Assets Securitization & Reconstruction Private Limited.,
Office at # 107, 10th Floor, Jolly Maker Chambers-II,
225, Nariman Point, Mumbai, 400 021

2) M/s. Bombay Mercantile Co Operative Bank Limited
Represented by its Authorised Officer
Having its office at # 5-5-59/1 Hussain Complex,
MJ Market Road, Hyderabad-1

3) Mr. Syed Mustafa, (Died)
4) Mrs. Ahmedunnisa Begum,
5) Mr. Syed Noorul Mujtaba,
6) Mrs. Samra Nazneen Syed,

(The Respondents No. 3 to 6 are residing at H.No.8-1-523/92A,
B Block, Brindavan Colony, Tolichowky, Hyderabad-80)

(The Respondents No. 3 to 6 are impleaded as per the
Orders of this Hon'ble Tribunal dated 08.06.2018
In I.A. No. 466 of 2018)

7) Maria Jabeen
D/o. Syed Mustafa
H.No. 16-5-219, Farhat Nagar,
Dabooppura Chaminar,
Hyderabad-500023

8) Sabia Jabeen
D/o. Syed Mustafa

H.No. 8-2-608/46,
Gaffar Khan Colony
Road No.10, Banjarahills,
Hyderabad-500034

9) Syed Suvaibah
D/o. Syed Mustafa
H.No. 14-879/C, Bakaram,
Musheerabad, Hyderabad

10) Shaik Mohammed Hassan
S/o. Shaik Abdul Rahim
H.No.8-1-523/92, Brindavan Colony,
Tolichowky, Hyderabad -500 008

11) Wasiyah Fatima
D/o. Shaik Abdul Rahim
H.No.8-1-523/92, Brindavan Colony,
Tolichowky, Hyderabad -500 008

(Respondent No. 7 to 11 are the legal heirs
of the Respondent No.3)

(The Respondents No. 7 to 11 are impleaded as per the
Orders of this Hon'ble Tribunal dated 18.06.2025
In I.A. No. 375 of 2025) .....Respondents

Counsel for the Applicant : Mr. B. Sreenivasa Reddy
Counsel for Respondent Nos.1 & 2 : Mr. Rusheek Reddy K.V.
Counsel for Respondent Nos.3 to 11 : Mr. V. Sethu Madhava Rao

-: O R D E R :-

1. The present Securitization Application is filed by the Applicant u/s.17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Act" hereinafter for short) assailing Sale Notice dated 13.09.2017, fixing the auction on 16.10.2017 in respect of the S.A. Schedule immovable properties, and the subsequent Redemption Notice dated 23.07.2019 and Sale Notice dated 04.09.2019, fixing the auction on 10.10.2019, in respect of the S.A. Schedule movable assets.

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2. The averments of the Application, in brief, are that applicant upon securing various projects, it approached the 2nd Respondent Bank for financial assistance and were sanctioned term loan and overdraft facilities against mortgage of the schedule property belonging to its Directors/shareholder. The Applicant contends that, despite seeking substantial working capital assistance, the Bank failed to sanction the same, resulting in financial difficulties and inability to execute the projects. It is further stated that the Applicant thereafter sought takeover of the existing liability by the erstwhile State Bank of Hyderabad and subsequently requested restructuring of the loan, but alleges that the Respondent Bank failed to extend the requisite cooperation. The Applicant challenges the Demand Notice dated 04.08.2015 issued under Section 13(2) of the Act and the subsequent measures under Section 13(4), including the Possession Notice dated 01.03.2016, which, according to the Applicant, did not result in actual possession, followed by another notice dated 29.06.2016. The Applicant alleges that the Respondents failed to duly serve the notices contemplated under Rules 8 and 9 of the Security Interest (Enforcement) Rules, 2002 upon the Directors, shareholders and guarantors, as required in law. Reliance is placed upon the judgment of the Hon'ble Supreme Court in *Mathew Varghese v. M. Amritha Kumar, (2014) 5 SCC 610,* in support of the contention that strict compliance with the statutory procedure governing sale of the secured assets is mandatory. The Applicant further alleges that the Respondent Company arbitrarily obtained an improper valuation report in purported compliance with Rule 8(5) of the Rules, 2002, and contends that the valuer who furnished the said report does not satisfy the requirements of an "approved valuer" as defined under Rule 2(d) of the Rules. It is further alleged that the subsequent Sale Notice dated 23.07.2019 was issued without obtaining appropriate permission from the Tribunal and in disregard of pending judicial

proceedings. The Applicant accordingly contends that the Respondents failed to comply with the SARFAESI Act and the Rules, 2002, acted in violation of judicial orders and sought to sell the secured asset at an undervalued price, and therefore seeks setting aside of the Sale Notices dated 13.09.2017 and 23.07.2019, the consequential sale proceedings including the alleged sale dated 10.10.2017, and all consequential actions in respect of the schedule property.

3. The Respondent Nos.1 & 2 filed its reply and additional reply statements along with supporting documents. The averments thereof, in brief, are that the Applicant, M/s. Altec ISYS Private Limited, had availed loan facilities aggregating to Rs.6.75 Crores from Respondent No.2 Bank, secured by mortgage of the S.A. Schedule Property, and, upon persistent default, the account were classified as NPA. It is contended that, pursuant thereto, the Respondent Bank issued the Demand Notice dated 04.08.2015 under Section 13(2) of the Act and, upon failure to discharge the liability, initiated measures under Section 13(4), followed by proceedings under Section 14, pursuant to which physical possession of the secured asset was taken and handed over to the Bank under Panchanama dated 16.12.2016. The Respondents further state that, though the Applicant challenged the subsequent Sale Notice dated 16.02.2017 in S.A. No.1114 of 2017 and was granted conditional relief subject to deposit of the stipulated amount, the Applicant failed to comply with the said condition and the application for extension was also dismissed. It is further submitted that, upon assignment of the loan account to Respondent No.1, Invent Assets Securitisation & Reconstruction Pvt. Ltd., a fresh Sale Notice dated 13.09.2017 was issued, which was challenged in the present S.A., wherein similar conditional relief was granted, but the Applicant again failed to comply with the deposit condition. The Respondents contend that, consequently, the sale was confirmed in

favour of the successful purchaser and the Sale Certificate was issued, rendering the present S.A. infructuous. The Respondents deny the allegations regarding any assurance of higher financial assistance, improper service of notices, unauthorized taking of possession, undervaluation or procedural irregularities, and contend that all statutory notices were duly served and published and that the Advocate Commissioner had issued prior notice before taking physical possession. It is further submitted that the subsequent notices dated 23.07.2019 and 04.09.2019 relating to sale of movable assets were issued in accordance with law, the movable assets having been inventoried at the time of taking possession, and the notices having been duly affixed and published. Relying upon the definition of "property" under Section 2(t) of the SARFAESI Act, the Respondents contend that the movable assets were also liable to enforcement. The Respondents accordingly assert that the Applicant, having committed persistent defaults and repeatedly failed to comply with the conditions imposed by the Tribunal, has approached the Tribunal with a lack of bona fides and is attempting to delay recovery proceedings, and therefore pray for dismissal of the S.A. with costs.

4. The respondent No. 5 filed reply statement adopted by Respondent Nos. 3, 4 & 6. The averments thereof, briefly, are that Respondents for want of knowledge deny the allegations relating to the transactions between the Applicant and Respondent Nos.1 and 2 and submit that the Applicant be put to strict proof thereof. They further contend that the alleged valuation of the secured property at Rs.11.50 Crores or Rs.14.65 Crores is incorrect, asserting that the market value certificate issued by the Sub-Registrar, S.R. Nagar, reflected a value of about Rs.6.38 Crores, whereas Respondent Nos.3 to 6, pursuant to the Sale Notice dated 13.09.2017, participated in the auction and offered Rs.8.15 Crores against the reserve price of Rs.8 Crores. It is submitted that the entire sale consideration was

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duly paid, whereafter the Sale Certificate dated 11.01.2018 was issued and registered as Document No.120 of 2018, and possession was delivered to them. The Respondents deny any allegation of collusion or benami transaction with the secured creditor and assert that they are bona fide purchasers for valuable consideration, having mobilised substantial funds for purchase, registration and subsequent development of the property. It is further contended that the Applicant had earlier challenged the SARFAESI measures in S.A. No.1114 of 2017 and, despite conditional interim relief, failed to comply with the deposit conditions; similarly, the conditional relief granted in the present S.A. was also not complied with, pursuant to which the sale was confirmed. The Respondents further contend that the Applicant, having knowledge of the sale and having approached the Tribunal, cannot subsequently allege non-service of the sale notice, and reliance is placed upon *Prestige Lights Ltd. v. State Bank of India, (2007) 8 SCC 449,* to contend that a party failing to comply with an interim order is not entitled to equitable relief. On these grounds, the Respondents assert that the Applicant has no subsisting right or interest in the S.A. Schedule Property, that Respondent Nos.3 to 6 are bona fide purchasers, and accordingly pray for dismissal of the S.A. with exemplary costs.

5. Respondent Nos.7 to 11, stated to be the legal heirs of the Respondent No.3, filed their reply statement opposing the S.A. and contending that the same is not maintainable and amounts to an abuse of process. They submit that, pursuant to the default committed by the Applicant-borrower, the Respondent Bank initiated measures under the SARFAESI Act by issuing the requisite Demand and Possession Notices and thereafter proceeded with the auction of the secured asset. It is contended that the auction purchasers duly complied with the statutory requirements and remitted the bid amount within the prescribed time in terms of Rule 9(3) and (4) of

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the Rules, 2002, pursuant to which the sale was confirmed and the Sale Certificate was issued. The Respondents further allege suppression of material facts by the Applicant, including the agreed rate of interest, and contend that the statutory procedure was duly followed by the Bank. Reliance is placed upon the judgment of the Hon'ble Supreme Court in *M. Rajendran & Ors. v. M/s. KPR Oils and Proteins India Pvt. Ltd. & Ors., 2025 INSC 1137*, to contend that the notice of sale under the Rules constitutes a composite statutory process involving service and publication, and that the Applicant's contention regarding separate notices is therefore untenable. It is further contended that mere technical or inconsequential irregularities, in the absence of fraud, collusion or substantial prejudice, cannot be a ground to unsettle a concluded and confirmed auction sale. Accordingly, the Respondents contend that the Applicant is not entitled to reopen the concluded sale proceedings and pray for dismissal of the S.A. as devoid of merit.

6. Heard learned counsel for the applicant and learned counsel for the respondents. Perused the written arguments filed by the applicant, respondent and also perused the material brought on record.

7. Learned counsel for the Applicant by placing reliance upon judgement of Hon'ble Madras High Court in *M. Rajendran v. M/s. The Authorized Officer, Corporation Bank and Ors., AIR 2012 Mad 21;* and *Mathew Varghese v. M. Amritha Kumar, (2014) 5 SCC 610* contended that individual service of the 30-day Sale Notice, as contemplated under Rules 8(6) and 9(1) of the Rules, was not effected upon the Applicant and that newspaper publication or constructive knowledge cannot substitute such mandatory service. It is further contended that the Respondent Bank failed to comply with the prescribed procedure for taking physical possession under Section

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14 of the SARFAESI Act and Rules 4 and 8 of the Rules, including furnishing the requisite inventory and panchanama. Learned counsel further challenges the valuation and fixation of the reserve price, contending that the property valued at Rs.14,65,66,000/- in 2015 and Rs.21,06,08,000/- in 2016 was brought to auction in 2017 at a reserve price of Rs.8,00,00,000/- without obtaining a fresh valuation, thereby resulting in sale at a substantially undervalued price; reliance placed upon judgement of Hon'ble High Court of A.P. in *M/s GSR Global Exim Pvt Ltd v. Andhra Bank in WPMP No.24896 of 2016 and Hon'ble Supreme Court in J. Rajiv Subramaniam v. Pandiyas, (2014) 5 SCC 651; and Ram Kishun v. State of U.P. & Ors., AIR 2012 SC 2288*. It is also contended that the Sale Notice did not contain a complete description of the secured asset, particularly omitting the extent of the superstructures measuring 22,267 sq. ft., in violation of Rule 8(6)(a), placing reliance upon decision of Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh in *Kwality Agro Products vs. Canara Bank, Madikonda Branch and Ors., 2019(1)ALD 157*. The Applicant further alleges that the Sale Notice was published in 'Sanchalana Vartha', which has a limited circulation in Visakhapatnam, instead of a leading local newspaper having sufficient circulation in Hyderabad, and that the mandatory affixture contemplated under Rule 8(7) was also not complied with. In support of his contention learned counsel referred to para 20 of the judgement of Hon'ble High Court of State of Telangana in *Habeebunnisa Begum v. Manidhari Metal Pvt. Ltd & Ors., AIR 2020 45* wherein it was held that the intention of the Legislature in employing the language in the proviso to Rule 8 (6) of the Rules that public notice should be published in two 'leading newspapers, one in vernacular language having sufficient circulation in the locality, is to ensure that there is good publicity for the sale, good competition for its purchase, and the borrower gets a good price on sale of his

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property. The learned counsel also asserts that the guarantor/brother has *locus standi* to challenge the sale and alleges non-compliance with the post-sale requirements. Reliance placed on the judgement of Hon'ble High Court of High Court for the State of Telangana in *Sanjay Kumar Agarwal v. Punjab National Bank and others in WP No.28105 of 2019 decided on 15.12.2021*; with specific reference to paras 40 and 41, to contend that the Applicant has every right to protect the guarantor and his properties.

8. On the aforesaid grounds, learned counsel sought for setting aside all the measures initiated by Respondent Nos.1 and 2, including the Sale Certificates issued in favour of Respondent Nos.3 to 6, and for restoration of the S.A. Schedule Property to the Applicant, with costs.

9. Per contra, learned counsel for the Respondent Bank while reiterating the contents of its reply statement, would submit that the Applicant had availed financial facilities aggregating to Rs.6.75 Crores, secured by mortgage of the S.A. Schedule Property and movable assets, and, upon persistent default, the loan account was classified as NPA. It is submitted that the Demand Notice dated 04.08.2015 under Section 13(2) of the SARFAESI Act was issued and, upon failure to discharge the liability, symbolic possession was taken under Section 13(4), followed by issuance of the Possession Notice dated 29.06.2016 under Rule 8(1). The Respondents further state that, pursuant to proceedings under Section 14 in Crl.M.P.No.2361 of 2016, physical possession of the secured asset was taken by the Advocate Commissioner and handed over to Respondent No.2 under Panchnama dated 16.12.2016. It is further submitted that, after an earlier Sale Notice dated 16.02.2017 was challenged in S.A. No.1114 of 2017, wherein the Applicant failed to comply with the conditional order requiring deposit of 30% of the outstanding dues, the debt and

underlying security were assigned by Respondent No.2 to Respondent No.1. Thereafter, Respondent No.1 issued the Sale Notice dated 13.09.2017 fixing the auction on 16.10.2017, which was challenged in the present S.A.; however, the Applicant again failed to comply with the conditional order requiring deposit of 40% of the outstanding dues. The Respondents deny the allegations of non-service of the Sale Notice and violation of Rules 8 and 9 of the Rules, contending that the Applicant had full knowledge of the proceedings and that the Sale Notice was published in Business Standard, Hyderabad Edition, and Sanchalana Vartha Patrika, Hyderabad Edition. With regard to valuation, the Respondents submit that the reserve price of Rs.8 Crores was fixed on the basis of a valuation obtained from a Government-approved valuer and rely upon the valuation report dated 31.07.2017. In respect of the subsequent sale of movable assets, the Respondents contend that such assets had already been taken into possession and recorded in the Panchanama and inventory, and that, in view of Section 2(t)(ii) of the SARFAESI Act and Rule 6(1) of the Rules, the same could be brought to sale in accordance with law. It is stated that the Auction Notice dated 04.09.2019 was duly affixed and published in Financial Express and Nava Telangana and the auction was scheduled for 10.10.2019. The Respondents deny the allegations regarding non-taking of possession of movable assets, improper valuation or irregularity in the sale process and contend that an independent valuation of the movable assets was obtained before fixing the reserve price. They further point out that the Applicant had earlier offered to purchase the movable/hypothecated goods for Rs.2,00,000/- and thereafter failed to remove the non-hypothecated goods despite communications. The Respondents accordingly contend that the Applicant has repeatedly challenged the SARFAESI measures without complying with the conditional orders or making substantial payments towards the

outstanding liability and that the present S.A. is intended to delay recovery. On these grounds, they assert that all measures were undertaken in accordance with the SARFAESI Act and the Rules and pray for dismissal of the S.A. with costs.

10. The learned counsel for Respondent Nos.4 to 11 submitted that Respondent Nos.3 to 11, principally being auction purchasers, oppose the S.A. and contend that the Applicant has initiated the present proceedings after unsuccessfully pursuing S.A. No.1114 of 2017 and W.P. No.15764 of 2017, and that the Applicant repeatedly failed to comply with the conditional interim orders requiring deposit of 30% and 40% of the outstanding dues. It is contended that such deliberate non-compliance disentitles the Applicant from claiming equitable relief, reliance placed upon Hon'ble Supreme Court in *Prestige Lights Ltd. v. State Bank of India, 2007 (4) 3761 (SC)* and *Varimadugu Obi Reddy v. B. Sreenivasulu, (2023) 2 SCC 168*. The Respondents submit that Respondent Nos.3 to 6 participated in the auction pursuant to the Sale Notice dated 13.09.2017 and offered Rs.8.15 Crores against the reserve price of Rs.8 Crores, paid the entire consideration within the stipulated period, and obtained the Sale Certificate dated 11.01.2018, registered as Document No.120 of 2018, followed by delivery of possession. It is further contended that they are bona fide purchasers for valuable consideration, having mobilised funds by sale of their assets and borrowings and thereafter incurred substantial expenditure towards stamp duty, registration, taxes, repairs and development of the property. The Respondents assert that reopening the concluded sale would seriously prejudice their vested rights and undermine confidence in SARFAESI auctions. On law, they rely upon the principles of waiver and estoppel, citing judgments of Hon'ble Supreme Court in *Arce Polymers Pvt. Ltd. v. Alphine Pharmaceuticals Pvt. Ltd., AIR 2022 SC 545* and *Celir LLP v. Mr. Sumati Prasad Bafna & Ors., in Contempt Petition (C) No.s.158-*

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159 of 2024 in Civil Appeal Nos.5542-5543 of 2023 decided on 13.12.2024, and contended that a concluded auction sale cannot be unsettled on grounds which could have been raised earlier, of absence of fraud, collusion or substantial injury. It is further contended that the Applicant's right of redemption stood extinguished upon publication of the Sale Notice in terms of Section 13(8) of the SARFAESI Act, as considered in *Celir LLP v. Bafna Motors*. The Respondents also question the Applicant's locus under Section 17 of the SARFAESI Act, relying upon *M/s. Prince Corrugated Packaging v. Andhra Bank and ors in WP Nos.5685, 8240 and 11618 of 2019 decided on 26.09.2019*. With regard to the alleged defects in the Sale Notice, reliance is placed upon judgment of Hon'ble Supreme Court in *M. Rajendran v. M/s. KPK Oils and Proteins India Pvt. Ltd.*, 2025 INSC 1137 to contend that the Rules contemplate a composite sale notice and that the Applicant, having approached the Tribunal with full knowledge of the auction, cannot subsequently plead want of service. In respect of the movable assets, Respondent Nos.3 to 6 state that they are purchasers only of the immovable property and have no concern with the alleged sale of movable assets or the allegations relating thereto. The Respondents accordingly pray for dismissal of the S.A. with costs.

11. Vide docket order dated 22.09.2026, this Tribunal directed the R1 and R2 to file copy of sale notice dated 30.09.2017 by serving copy on other side.

12. Now, the points for consideration are as follows : –

i) Whether Applicant made out any valid ground to quash any of the measures initiated by the respondent against the SA schedule property as prayed for?

ii) To what relief?

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Point No. (i):

13. The principal challenge of the Applicant is to the Sale Notice dated 13.09.2017, the auction conducted pursuant thereto, the Sale Certificate issued in favour of Respondent Nos.3 to 6, and the subsequent proceedings concerning the movable assets. The Applicant alleges non-service of notice, violation of Rules 8 and 9 of the Security Interest (Enforcement) Rules, 2002, improper valuation and reserve price, defective description and publication of the Sale Notice, improper taking of physical possession, and violation of its right of redemption.

14. It is undisputed that the Applicant had availed financial facilities from Respondent No.2 and that the account was classified as NPA. A Demand Notice dated 04.08.2015 under Section 13(2) of the SARFAESI Act was issued, followed by measures under Section 13(4). Physical possession of the secured asset was thereafter taken pursuant to proceedings under Section 14, as evidenced by the proceedings in Crl.M.P. No.2361 of 2016 and the Panchanama dated 16.12.2016. The Applicant has not established that the initiation of proceedings under Sections 13(2) and 13(4) was without jurisdiction or that the secured creditor lacked an enforceable security interest. The dispute essentially concerns the subsequent sale process.

15. The Applicant contends that the mandatory thirty-day Sale Notice under Rules 8(6) and 9(1) was not individually served and relies upon *Mathew Varghese v. M. Amritha Kumar*, (2014) 5 SCC 610. There is no dispute that the statutory safeguards governing sale of secured property are mandatory. However, the issue is whether the Applicant has established, on the evidence, a violation sufficient to vitiate the concluded sale. The record shows that the Applicant had actual knowledge of the proposed auction. It had earlier challenged the Sale Notice dated 16.02.2017 in S.A. No.1114 of 2017 and

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subsequently challenged the Sale Notice dated 13.09.2017 in the present S.A. The Respondents have also stated that the Sale Notice was published in *Business Standard*, Hyderabad Edition, and *Sanchalana Vartha*, Hyderabad Edition. The Applicant has not produced cogent material establishing that the publications were insufficient in law or that the prescribed affixation was not carried out.

16. The judgment in *M. Rajendran & Ors. v. M/s. KPK Oils and Proteins India Pvt. Ltd. & Ors.*, 2025, is also relevant. The Supreme Court, while considering Rules 8(6), 8(7) and 9(1), held that service, publication, affixation and other prescribed modes form components of a composite notice-of-sale process and do not constitute separate sale notices. Therefore, the Applicant cannot succeed merely by alleging absence of an independent notice apart from newspaper publication. What is required is proof that the statutory notice was not duly effectuated and that the violation caused legally material prejudice. No such prejudice has been established.

17. The Applicant had also earlier challenged the Sale Notice dated 16.02.2017 and failed to comply with the conditional order requiring deposit of the stipulated amount. In the present S.A. also, conditional relief requiring deposit of 40% of the outstanding dues was not complied with. Such conduct is relevant while considering discretionary and equitable relief. The principle stated in *Prestige Lights Ltd. v. State Bank of India* supports the requirement that a party seeking equitable relief must approach the Court with candour and comply with its orders. The Applicant cannot obtain indirectly a relief which it failed to secure by complying with the conditions imposed upon it.

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18. The Applicant next alleges undervaluation, relying upon valuations of Rs.14,65,66,000/- in 2015 and Rs.21,06,08,000/- in 2016, as against the reserve price of Rs.8 Crores in 2017. An earlier valuation cannot, by itself, be treated as the prevailing market value for a subsequent auction. The Respondents rely upon the valuation report dated 31.07.2017 and contend that the reserve price was fixed on the basis of an approved valuer's report. The Applicant has not produced any contemporaneous valuation establishing that the said valuation was erroneous or that the property could have fetched the amounts alleged by it. Nor has fraud, collusion or material irregularity in fixing the reserve price been established. The authorities relied upon by the Applicant require fairness and proper conduct of auction but do not render a sale void merely because an earlier valuation was higher.

19. The objection regarding the competence of the valuer is equally unsupported by convincing evidence. A mere pleading that the valuer was not competent cannot displace the valuation report in the absence of proof.

20. The Applicant further contends that the Sale Notice did not contain the complete description of the property, particularly the superstructures measuring 22,267 sq. ft., and relies upon *Kwality Agro Products v. Canara Bank, Madikonda Branch & Ors.* The purpose of adequate description is to enable identification of the property offered for sale. The Applicant has not established that the description was so defective as to create uncertainty regarding the identity of the property or prejudice the auction. Respondent Nos.3 to 6 participated in the auction, offered Rs.8.15 Crores against the reserve price of Rs.8 Crores, paid the entire consideration, obtained registration of the Sale Certificate and took possession. No substantial prejudice has therefore been demonstrated.

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21. The challenge to publication and affixation also fails. The Applicant has not produced reliable circulation figures or other evidence showing that *Sanchalana Vartha* was incapable of satisfying the statutory requirement, nor has it established that the Sale Notice was not affixed at the secured asset. The fact that the auction was conducted and a bid above the reserve price was received also militates against the contention that the alleged defect suppressed the sale from prospective purchasers. The principle concerning adequate publicity recognised in *Habeebunnisa Begum v. Manidhari Metal Pvt. Ltd. & Ors.* is not disputed; however, its factual foundation for setting aside this auction has not been established.

22. The Applicant has also challenged the taking of physical possession. The Respondents rely upon the proceedings in Crl.M.P. No.2361 of 2016 and the Panchanama dated 16.12.2016 evidencing possession through the Advocate Commissioner. The Applicant has not shown that the Section 14 order was set aside or that the possession proceedings were declared illegal. The challenge to physical possession therefore fails.

23. Even assuming that the Applicant has the requisite locus to invoke Section 17, locus by itself does not establish the merits of the challenge. The Applicant must demonstrate that a measure taken by the secured creditor is contrary to the SARFAESI Act or the Rules. No such substantive illegality has been established.

24. It is admitted that Respondent Nos.3 to 6 purchased the property pursuant to the Sale Notice dated 13.09.2017 for Rs.8.15 Crores, paid the entire consideration, and obtained the Sale Certificate dated 11.01.2018, registered as Document No.120 of 2018, followed by delivery of possession. Their rights, having been acquired through a concluded statutory auction, cannot be lightly

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disturbed in the absence of fraud or collusion. The principles concerning finality of concluded SARFAESI sales and protection of bona fide auction purchasers, as recognised in *Arce Polymers Pvt. Ltd. v. Alphine Pharmaceuticals Pvt. Ltd.*, AIR 2022 SC 545, and *Celir LLP v. Mr. Sumati Prasad Bafna & Ors.*, 2024 INSC 978, are applicable. No convincing material establishes fraud, collusion or other misconduct attributable to Respondent Nos.3 to 6.

25. As regards redemption, the judgment in *M. Rajendran* recognises the significance of valid publication/effectuation of the sale notice and expiry of the statutory period under Section 13(8) read with Rules 8 and 9. In the present case, the sale was completed, the entire consideration was paid, the Sale Certificate was issued and registered, and possession was delivered. The Applicant has not established any valid and statutory ground warranting interference with the concluded transaction.

26. In respect of the subsequent Redemption Notice dated 23.07.2019 and Sale Notice dated 04.09.2019 concerning the movable assets, the Respondents state that the assets were inventoried at the time of possession and independently valued before fixing the reserve price. The Applicant has not established that the movable assets were not secured assets or that the Respondents lacked authority to proceed against them. Section 2(t) of the SARFAESI Act includes movable and immovable property within the expression "property", subject to the statutory requirements governing enforcement. Nor has the Applicant established violation of any order restraining such proceedings.

27. In view of the findings above, the Applicant is not entitled to any of the reliefs sought in the Securitization Application. The challenge to the Sale Notice dated 13.09.2017, the consequential

auction sale, the Sale Certificate dated 11.01.2018 and the subsequent proceedings concerning the movable assets fails. Accordingly, SA is liable to be dismissed.

Point No. (ii):

28. In the result, the present Securitization Application fails and is hereby dismissed.

29. Consequently, Interlocutory Applications pending, if any, shall stand closed.

30. No order as to costs.

31. Communicate a copy of this order to the parties concerned and upload in the official website.

(Typed to my dictation by the steno, corrected, signed and pronounced by me in the open court on this the 06TH day of October, 2026).

06.10.2026

(RAMESHWAR KOTHE)
PRESIDING OFFICER