DEBTS RECOVERY TRIBUNAL, JAIPUR

PRESIDING OFFICER: SH. VIMAL GUPTA

SA No.- 228/2026

Rekha Saxena w/o Arun Saxena Aged About 45 Years R/o Plot No. 14 Subham City, Anand Vihar, Jhalawar Rajasthan- 326001.

...Applicant

Versus

1. **Asset Care & Reconstruction Enterprise Ltd. (ACRE),** Assignee of Bajaj Housing Finance Ltd Corporate Office: Unit No. 502, C Wing, one BKC, Radius Developers Plot No. C-66, G-Block, BandraKurla Complex. Mumbai — 400051.
2. **Mr. Arun Saxena** S/o Late Visheshvar Nath, Resident of C-6 Civil Lines, Collector Bangla Road, Mama Bhanja Circle, Jhalawar- 326001.

…. Respondents

Present: -

Sh., Anil Kumar Sharma, Counsel for the Applicant

Sh., P Amrut, Counsel for the Respondent Bank/FI

(Final Order)
(30.09.2026)

1. Counsel on Behalf of Applicant has filed this SA and submitted that: It is submitted that the Applicant is the absolute owner and lawful occupant of the residential property situated at Plot NO. 14, Shubham City, Near Anand Vihar, Jhalawar - 326001, admeasuring

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

approximately 1030 square feet, and the said property constitutes the sole residential house of the Applicant and her family.

2. That it is alleged by the Respondents that a loan facility amounting to - was sanctioned on 31.12.2019 by Bajaj Housing Finance Ltd. in respect of the aforesaid property and that the said loan account was subsequently assigned in favour of Asset Care & Reconstruction Enterprise Ltd. (ACRE), the present Respondent No. l herein.
3. That the Applicant most respectfully submits that she has never availed any loan facility from Bajaj Housing Finance Ltd. nor from the present Respondent ACRE, and has never executed any 5.4 5.5 5.6 loan agreement, sanction letter, mortgage deed, memorandum of deposit of title deeds or any other security document in favour of Bajaj Housing Finance Ltd. or in favour of the Respondent
4. That the Applicant further submits that she has never created any equitable mortgage or any other security interest over the aforesaid property in favour of Bajaj Housing Finance Ltd. or in favour of the Respondent.
5. That it is the specific case of the Applicant that Respondent No.2, in collusion with certain officials of Bajaj Housing Finance Ltd., fraudulently created mortgage documents and obtained the alleged loan facility by misusing the Applicant's property documents and forging the signatures of the Applicant, without the knowledge, consent or authority of the Applicant.
6. That the Applicant has never signed any loan documents relating to the alleged loan transaction and the signatures appearing on the alleged loan and mortgage documents are forged and fabricated

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

7. That upon discovering the fraudulent activities relating to the misuse of her property documents and identity, the Applicant immediately lodged a First Information Report (FIR) before the competent Police Authorities against the concerned persons including Respondent No.2 and the officials involved in the fraudulent transaction. The investigation in the said FIR is presently pending before the competent authorities.
8. That despite the fact that the Applicant has neither availed any loan nor created any mortgage, Bajaj Housing Finance Ltd. proceeded to treat the alleged loan account as irregular and subsequently the said loan account was assigned to Asset Care & Reconstruction Enterprise Ltd. (ACRE).
9. That thereafter the Respondent, claiming to be the assignee of the alleged loan account, proceeded to classify the account as Non-Performing Asset (NPA) on 31.03.2023, in a Completely arbitrary and illegal manner and without following the applicable Reserve Bank of India guidelines governing classification of accounts as NPA.
10. That the Respondent thereafter issued a Demand Notice dated 29.10.2024 under Section 13(2) of the SARFAESI Act, demanding payment of the alleged outstanding dues from the Applicant.
11. That the Applicant most respectfully submits that the said demand notice was never served upon the Applicant in accordance with the mandatory provisions of law, nor was the same affixed on the secured asset as required under the Security Interest (Enforcement) Rules, 2002.

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

12. That the Respondent thereafter proceeded to file an Application under Section 14 of the SARFAESI Act before the Learned Chief Judicial Magistrate, Jhalawar seeking assistance for taking possession of the Applicant's property.
13. That the Learned Chief Judicial Magistrate, Jhalawar passed an Order dated 19.05.2025 under Section 14 Of the SARFAESI Act directing assistance for taking possession of the subject property.
14. That the Applicant submits that the Respondent has failed to comply with the mandatory requirements prescribed under the proviso to Section 14 of the SARFAESI Act, particularly the requirement of filing a proper affidavit of the Authorized Officer containing the nine statutory declarations mandated under the law.
15. The Respondent has falsely alleged that the Applicant had availed a loan facility and created a mortgage over the Applicant's property. The Applicant categorically denies the said allegations and submits that the alleged loan transaction is completely false and fabricated.
16. The Applicant states that the documents relied upon by the Respondent are forged and fabricated documents which have been created without the knowledge, consent or authority of the Applicant. The Applicant has never signed any such documents nor has she authorized any person to execute such documents on her behalf.
17. The Applicant has already challenged the very foundation of the alleged loan transaction before this Hon'ble Tribunal in S.A. No. 414/2025, wherein the Applicant has specifically pleaded that the alleged loan and mortgage documents relied upon by the Respondent are fraudulent and fabricated.

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

18. It is further submitted that this Hon'ble Tribunal had passed an order dated 20.12.2025 directing restoration of possession of the property to the Applicant.

19. Aggrieved by the said order, the Respondent preferred an Appeal before the Hon'ble Debts Recovery Appellate Tribunal (DRAT) and obtained an interim stay on the operation of the said order. The Applicant has also initiated Contempt Proceedings before this Hon'ble Tribunal due to the Respondent's failure to comply with the judicial directions issued by this Hon'ble Tribunal.

20. During the pendency of the proceedings before this Hon'ble Tribunal as well as the Appeal before the Hon'ble DRAT, the Respondent has issued an impugned Sale Notice dated 09.02.2026 under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002 proposing to sell the Applicant's residential property through e-auction. The copy of the Sale Notice dated 09.02.2026 is annexed herewith and marked as ANNEXURE- 1

21. The issuance of the impugned Sale Notice during the of the proceedings clearly demonstrates the malafide intention of the Respondent to overreach the judicial process and frustrate the adjudication pending before the competent forums.

22. It is most respectfully submitted that the Sale Notice dated 09.02.2026 issued by the Respondent is conspicuously silent with regard to the pendency of the proceedings before this Hon'ble Tribunal and the Appeal pending before the Hon'ble Debts Recovery Appellate Tribunal.

23. The Respondent has deliberately concealed the material fact of the subsisting litigation from the public at large including prospective

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

bidders. Such suppression of material facts renders the impugned Sale Notice illegal and unsustainable in the eyes of law. lf the Respondent is permitted to proceed with the auction, third-party rights may be created in respect of the Applicant's property which would cause grave prejudice and irreparable injury to the Applicant.

24. Counsel for the Applicant filed grounds in his application as follow:-

a) The impugned actions of the Respondent are illegal, arbitrary and liable to be set aside. The entire claim of the Respondent is founded upon forged and fabricated documents and it is a settled principle of law that fraud vitiates all proceedings. Any action taken under the SARFAESI Act on the basis of fraudulent documents is void ab initio.

b) The Applicant has never availed any loan facility nor created any mortgage or security interest in favour of the Respondent. In the absence of a legally enforceable debt and security interest, the Respondent has no authority to invoke the provisions of the SARFAESI Act against the Applicant.

c) The Respondent is attempting to proceed with the auction of the Applicant's property despite the fact that the legality of the alleged loan transaction and SARFAESI measures are presently under challenge before this Hon'ble Tribunal and the Hon'ble Debts Recovery Appellate Tribunal.

d) The impugned Sale Notice dated 09.02.2026 deliberately suppresses the fact that the matter is pending before the Hon'ble DRT and the Hon’ble DRAT. Such suppression amounts to misrepresentation before prospective bidders and vitiates the entire auction process.

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

e) That the value of the property mentioned by the respondents is undervalued. That the impugned measures taken by the Respondent are further liable to be set aside on the ground that the Respondent has grossly undervalued the secured asset while initiating the auction process, which is contrary to the mandatory provisions of the Security Interest (Enforcement) Rules, 2002. The Applicant submits that the property in question is a residential property situated in a developed locality of Shubham City, Jhalawar, and the prevailing market value of the property is substantially higher than the value reflected in the auction process initiated by the Respondent.

f) The Applicant submits that such undervaluation of the secured asset is highly prejudicial and contrary to the object and scheme of the SARFAESI Act, The DLC rate of that area is 18400 sq. meter and the plot is 95 sq. meter and 10130 sq. feet, as the secured creditor is under a legal obligation to ensure that the secured asset is sold at the best possible market price so as to protect the interest of the borrower as well as to prevent unjust enrichment of third parties. The impugned sale process therefore suffers from serious irregularities and violation of Rule 8(5) and Rule 9 of the Security Interest (Enforcement) Rules, 2002, and consequently the impugned sale notice and all consequential steps taken by the Respondent are liable to be quashed and set aside by this Hon'ble Tribunal.

g) That the respondents have not mentioned the date of EMD in the sale notice and therefore on this ground only the sale notice is liable to be quashed and set aside.

h) Permitting the auction to proceed would result in the creation of third-party rights in a property which is already the subject matter of

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

pending litigation. Such action would render the pending proceedings infructuous and cause grave prejudice to the Applicant.

i) The Applicant has a Strong prima facie case as the alleged loan documents are forged and fabricated and criminal proceedings have already been initiated.

j) The balance of convenience lies entirely in favor of the Applicant because if the auction is stayed no loss will be Caused to the Respondent, whereas if the auction proceeds the Applicant may lose her residential property.

k) Therefore, the impugned Sale Notice dated 09.02.2026 deserves to be quashed and set aside by this Hon'ble Tribunal.

25. Counsel for the Applicant prayed in his application and submitted that the present Securitization Application (S.A.) challenges the unlawful recovery action initiated by the Respondent Financial Institution regarding the Secured Asset. The Applicant primarily seeks the calling of the entire procedure record, the quashing of the Sale Notice dated 09.02.2026, and an order restraining the Respondent from conducting the auction or creating third-party rights. By way of interim relief, the Applicant prays for an immediate stay on all further SARFAESI proceedings including the proposed sale and physical possession along with a direction to maintain status quo over the Secured Asset until the final disposal of this matter.

26. It is submitted that the Respondent denies all the allegations, assertions, submissions and contentions raised by the Applicant in his application. The respondent states that which is not admitted under reply is denied in toto, as if traversed in-seriatim. That the answering respondent denied all purported grounds, submissions,

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

allegations, and contentions raised by the applicant in the present Applicant except as may be specifically admitted hereinafter.

27. It is submitted that the present application is an abuse of the process of law and is liable to be dismissed in limine, as it would be evident that all the allegations are nothing but a concoction on the part of the applicant, with the sole purpose of harassing and pressurizing the respondents to withdraw their legitimate claim for the loan amount and to obstruct lawful proceedings initiated under the SARFAESI Act, 2002 against the Property bearing No Plot No 14, Area 23X45-1030 SQ FT Situated at Subham City Near Anand Vihar Jhalawar, Rajasthan- 326001.

28. It is submitted that a bare perusal of the S.A No 228 of 2026 filed by the applicant will show that it is verbatim copy of the LA No 276of2026 filed by the applicant in S.A414 of 2025 before the Hon'ble Debt Recovery Tribunal, which indicate the malafide conduct of the applicant and their intentions of deceiving this Hon'ble by false means and harassing the respondents by filing multiple litigation cases on the same cause of action with same relief. Moreover, the applicants have slyly and in mala fide manner suppressed this fact from this Hon'ble Court.

29. That it is admitted case of the respondent that applicants had defaulted in maintaining the financial discipline as the per the terms and condition of the loan agreement. Therefore, the respondent was constrained to classify the loan account of the applicant as NPA on dated 31.03.2023 due to consistent default after following the due procedure as laid down in this regard by RBL

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

30. It is submitted that the present applicant is guilty of suppressioveri and suggestiofalsi. The applicant has deliberately suppressed 3 and mis-stated several material facts by not mention the pending the I.A 276 of 2026 in this application and thereby seeking same relief against the two application.

31. It is submitted that in terms of Section 17 of the SARFAESI Act, a person aggrieved may assail the measures taken by the secured creditor only on legally sustainable grounds with respect to the measures contemplated under Section 13(4) of the Act. In the present case, however, the respondent has acted strictly in accordance with the statutory mandate. Pursuant to the demand notice issued under Section 13(2) dated 29.10.2024, the applicant was afforded the statutory period of 60 days to discharge the outstanding lawful dues, yet the applicant failed to liquidate the liability and further failed to submit any representation or objection under Section 13(3A) of the Act.

32. That upon expiry of the said statutory period, the respondent-initiated measures under Section 13(4) of the SARFAESI Act by issuance of Possession Notice dated 30.1.2025, and thereafter obtained an order under Section 14of the Act for securing physical possession of the secured asset from the Learned Chief Judicial Magistrate, vide order dated 19.05.2025. It is further submitted that even in the proceedings before the Learned Chief Judicial Magistrate, the applicant failed to appear despite being afforded reasonable opportunity to defend. Pursuant to the order under Section 14 of the Act, the respondent took over physical possession of the secured asset on 25.06.2025.

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

33. It is submitted that throughout the measures undertaken under Sections 13 and 14 of the SARFAESI Act, the applicant intentionally and I 4 deliberately failed to avail the remedies available in law, failed to raise any reasonable objection, and failed to take prompt action within the prescribed time. Thus, in view of such inaction and unexplained delay on the part of the applicant, the present application deserves to be dismissed in limine.

34. It is submitted that prima facie, the present application is not maintainable under Section 10 of the Code of Civil Procedure, 1908 read with Section 22 of the Recovery of Debts and Bankruptcy Act, 1993, as the Applicant has approached this Hon'ble Tribunal by filing the present application despite the pendency of I.A. No. 276 of 2026, wherein identical reliefs have already been sought and are awaiting adjudication. That the Applicant has deliberately concealed the pendency of the aforesaid application and has sought the same relief through the present proceedings. Such conduct is contrary to the principles of natural justice and has caused serious prejudice to the rights of the Respondent. Accordingly, the present application is barred by the principle of res sub judice and is liable to be dismissed.

35. It is submitted that the respondent respectfully submits that the present application lacks any substantial basis or merits and fails to establish the legitimate claim. The respondent further asserts that application is speculative and lacks concrete evidence, making it liable to be dismissed with exemplary costs.

36. Counsel for the Respondent No. 1 prayed and submitted that in the light of the facts and circumstances mentioned herein above, it is most humbly prayed this Hon’ble Tribunal may graciously be

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in

pleased to dismiss/reject the application with exemplary cost. Further this Hon'ble Tribunal may also be pleased to pass any such other further order/s in favour of the respondent and against the applicant as this Hon'ble Tribunal may deems fit and appropriate in the interest of justice.

37. After hearing the arguments of both the parties and going through the records, the Tribunal have compared the signatures of the applicant on the documents and found to be forged signatures.

38. The Tribunal is bound by the observations of the hand writing expert to found them to be correct in the present matter, therefore, all the proceedings taken by the respondent bank stands quashed. It is clear that property was never mortgaged nor any loan was taken by Smt. Rekha Saxena.

39. The Respondent bank will be at liberty to recover their dues from the husband of Smt. Rekha Saxena.

40. The respondent bank is directed to restore the possession of the property to Smt. Rekha Saxena within one week and a cost of this litigation which is fixed Rs. 10,000/- to be paid by the applicant herein.

41. In view of the above, this Securitization Application stands disposed of as allowed. File be consigned to record, as per rules. Copy of order be uploaded on website.

(Vimal Gupta)
Presiding Officer
Debts Recovery Tribunal, Jaipur

Signed & uploaded on 23.10.2026.

IBC Laws | www.ibclaw.in