S.A. No. 695/2024

Court of the Presiding Officer
Debts Recovery Tribunal, Allahabad

**DEBTS RECOVERY TRIBUNAL, ALLAHABAD**

**PRESIDING OFFICER: SH. VIMAL GUPTA**

**S.A. No. 695 of 2024**

1. **M/s Umesh Ji Medical Store**, through its proprietor Saurabh Sharma, office at Rajpur Chungi, Tajganj, Agra-282001.
2. **Saurabh Sharma**, S/o Sri Girish Sharma, R/o 31/180, Sanjay Nagaram, Ukharra Road, Rajpur Chungi, Agra-282001.
3. **Sri Girish Sharma**, S/o Ramesh Chand Sharma, R/o 31/180, Sanjay Nagaram, Ukharra Road, Rajpur Chungi, Agra-282001.
4. **Gaurav Sharma**, S/o Girish Sharma.
5. **Neelam Sharma**, W/o Gaurav Sharma.
6. **Shiv Devi**, W/o Ramesh Chand Sharma.
7. **Sachita Sharma**, W/o Saurabh Sharma.

All residents at: Gaurav Sharma, S/o Girish Sharma, aged about 32 years, resident of 31/181/8, Sanjay Nagar, Rajaram Ki Bagia, Rajpur, Agra.

... **Applicants**

**Versus**

1. **Canara Bank**, through its Authorised Officer, Office at Vibhav Nagar Branch, Agra, H.O. Vibhav Nagar, Tajganj, Agra, Uttar Pradesh-282001.
2. **Mr. Yajuvendra Singh Parihar**, S/o Bhanu Pratap Singh Parihar, R/o Atithi Nagar, Vibhav Nagar,

**also, at: -**

BPS Ice Cold Storage, Village Banguri, Post-Digner, Shamshabad Road, Agra, U.P. 282002.

... **Respondents…**

**Order corrected and signed at Jaipur and uploaded on 28.10.2026 at Allahabad.**

Court of the Presiding Officer
Debts Recovery Tribunal, Allahabad

Present:

For the Applicants: Shri Udai Chandani, Advocate.

For Respondent No.1: Shri D. S. Pandey, Advocate.

For Respondent No.2: Shri Manish Mehotra, Advocate.

**(Final Order)**

**(13.10.2026)**

**1.** The present **Securitisation Application** has been filed under **Section 17(1) of the SARFAESI Act, 2002** by the Applicants questioning the legality and validity of the recovery measures initiated by Respondent No.1 Bank under **Section 13(4)** and **Section 14** of the Act, including the issuance of the **sale certificate dated 14.08.2024** in favour of Respondent No.2 auction purchaser.

**2.** The Applicants seek setting aside of the auction sale, sale certificate, and consequential recovery measures on the grounds of non-service of statutory notices, alleged violation of the mandatory procedure under the SARFAESI Act and the Security Interest (Enforcement) Rules, 2002, and denial of their claimed right of redemption.

**3.** It is the case of the Applicants that they are the borrowers / mortgagors in respect of the secured asset in question, which was proceeded against by Respondent No.1 Bank under the SARFAESI framework on account of alleged default in repayment of loan dues.

**4.** According to the Applicants, the possession notice dated **18.06.2024** was never duly served upon them either by speed post or by affixation at the secured asset. They assert that they came to know of the possession notice only through information supplied by a local resident, who drew their attention to a newspaper publication dated **19.06.2024**. It is their case that

the said publication was not made in a widely circulated newspaper and therefore did not constitute proper compliance with the statutory requirements.

**5.** The Applicants further state that despite their attempts to regularise the dues, the Respondent Bank proceeded to issue the auction notice dated **26.06.2024**, and auction was conducted on **30.07.2024**. They contend that the sale certificate dated **14.08.2024** was issued even though they had made substantial deposits in the loan accounts on **02.08.2024 and 03.08.2024**, thereby defeating their statutory right of redemption.

**6.** The Respondents contest the application and contend that the entire process was conducted strictly in accordance with law. They assert that the auction purchaser deposited the entire consideration within the stipulated time and that the sale certificate was lawfully issued.

**7.** Learned counsel for the Applicants submitted, in substance, as follows: he possession notice dated **18.06.2024** was neither served personally nor sent by speed post in the manner required by law. It was also not affixed on the secured asset in the manner contemplated under the applicable Rules. The Applicants rely upon the affidavit of **Gaurav Sharma (Applicant No.4)**, according to which the Applicants first came to know of the action through a newspaper publication dated **19.06.2024** and not through any formal service.

**8.** It is contended that the newspaper publication was not made in a widely circulated newspaper and therefore did not satisfy the statutory mandate under the **Security Interest (Enforcement) Rules, 2002**, particularly the requirements governing publication of possession and sale notices.

**9.** The Applicants challenge the auction notice dated **26.06.2024** and the auction conducted on **30.07.2024**. It is submitted that the auction was initiated in undue haste and in violation of the statutory timelines. The Applicants argue that the sale process ought not to have been completed when the Applicants were actively trying to clear the dues.

**10.** The Applicants assert that they deposited substantial amounts in the respective loan accounts, namely:

- **₹82,90,000** in OD Loan A/c No. **1629261001274** between **02-03.08.2024**;
- **₹6,71,000** in Term Loan A/c No. **170004535279** on **02.08.2024**;
- **₹30,38,000** in GECL Loan A/c No. **170002980447** on **02.08.2024**.

It is urged that these payments were sufficient to clear the outstanding liabilities or, at the very least, to revive their right of redemption under **Section 13(8) of the SARFAESI Act, 2002** and **Section 60 of the Transfer of Property Act, 1882**.

**11.** The Applicants also rely on correspondence with the Chief Recovery Manager of the bank, **Mr. Mayank Singh**, to contend that the bank was willing to accept the dues even after the auction process, which, according to the Applicants, supports their plea that the auction ought not to have been concluded.

**12.** It is also submitted that the demand notice under **Section 13(2)** did not disclose full particulars of principal, interest, penal charges, and other components, as required by the statute. Further, it is contended that the

security interest was not registered with the Central Registry under **Section 26-D**, thereby rendering the proceedings legally unsustainable.

**13.** Respondent No.1 Bank and Respondent No.2 auction purchaser oppose the application. Their stand, in substance, is as follows: It is stated that the auction was validly conducted on **30.07.2024**, and Respondent No.2 deposited the entire sale consideration of **₹2,71,04,000** within the prescribed time. Thereafter, the sale certificate dated **14.08.2024** was duly issued.

The Respondents rely upon:

- **Annexure-1**, being the statement of account / deposit record showing timely deposit of sale consideration; and
- **Annexure-2**, being the sale certificate dated **14.08.2024**.

**14.** The Respondents submit that in view of the amended legal position under **Section 13(8) of the SARFAESI Act**, the borrower's right of redemption stands curtailed and cannot be exercised after publication of auction notice. Since the auction notice was published on **26.06.2024**, the Applicants' subsequent deposits made on **02.08.2024 and 03.08.2024** were legally ineffective.

**15.** In support, the Respondents rely upon the decision of the Supreme Court in **Celir LLP v. Bafna Motors (Mumbai) Pvt. Ltd.**, wherein the Court held that the right of redemption under the SARFAESI regime stands restricted by the statutory scheme and cannot be exercised after the stage prescribed by law. They also rely on the principle that a concluded auction should not be lightly interfered with.

**16.** The Respondents contend that the Applicants have failed to establish any fraud, collusion, mala fides, or gross undervaluation. They rely on the Supreme Court's observations in **Celir LLP v. Sumati Prasad Bafna** to argue that completed auction sales should not be set aside in the absence of exceptional grounds.

**17.** It is further submitted that the Applicants had earlier approached the Hon'ble High Court and were directed to avail the statutory remedy before the DRT. According to the Respondents, the present application has been filed only to delay the recovery proceedings and to obstruct the lawful rights of the auction purchaser.

**18.** Heard the arguments and perused the record.

**19.** **Documentary Evidence Relied Upon**: The parties have referred to the following important documents:

**By the Applicants**

**1.** Copy of possession notice dated **18.06.2024**.

**2.** Newspaper publication dated **19.06.2024**.

**3.** Auction notice dated **26.06.2024**.

**4.** Deposit receipts / account entries showing deposits of:

- **₹82,90,000** in OD Loan A/c No. 1629261001274,
- **₹6,71,000** in Term Loan A/c No. 170004535279,
- **₹30,38,000** in GECL Loan A/c No. 170002980447.

**5.** Correspondence with the bank officials, including communication with the Chief Recovery Manager.

**By the Respondents**

**1.** Statement of account / deposit proof showing deposit of auction sale consideration by Respondent No.2.

**2.** Sale certificate dated **14.08.2024**.

**3.** Publication record of possession and auction notice.

**4.** Relevant SARFAESI proceedings / possession papers.

**20.** **Issues for Determination**: The following issues arise for consideration: Whether the Applicants were duly served with possession notice and sale notice in accordance with the provisions of the SARFAESI Act and the Rules framed thereunder. Whether the Applicants validly exercised their right of redemption under Section 13(8) of the SARFAESI Act. Whether the auction sale conducted on 30.07.2024 and the sale certificate dated 14.08.2024 are liable to be set aside.

**21.** **Whether the Applicants were duly served with possession notice and sale notice.** The Applicants allege that the possession notice dated **18.06.2024** was not properly served either by speed post or by affixation and that the newspaper publication made on **19.06.2024** was insufficient as it was not in a widely circulated newspaper.

**22.** On the other hand, the Respondents have placed reliance on the publication record and the procedural steps taken under the SARFAESI Act and the Security Interest (Enforcement) Rules, 2002. The record reflects that the possession notice was published in the newspaper and the auction notice was subsequently issued on **26.06.2024**.

**23.** It is settled that mere technical irregularities in service do not ipso facto vitiate SARFAESI proceedings unless prejudice of a substantial nature is demonstrated. The question is not merely whether every procedural step was perfect, but whether any infraction has gone to the root of the matter and caused prejudice so serious as to invalidate the action.

**24.** In this regard, reliance placed by the Respondents on **Celir LLP v. Bafna Motors (Mumbai) Pvt. Ltd.** is relevant, insofar as the Hon'ble Supreme Court has emphasized the sanctity of the statutory process and the limited scope of interference once the sale process has substantially progressed.

**25.** In the facts of the present case, the Applicants have not been able to establish such grave prejudice as would warrant setting aside the

proceedings merely on the ground of alleged defective service. **Accordingly, Issue is decided against the Applicants.**

**26.** **Whether the Applicants validly exercised their right of redemption under Section 13(8) of the SARFAESI Act.** The main plank of the Applicants' case is that the deposits made on **02.08.2024 and 03.08.2024** were sufficient to discharge the outstanding dues and therefore revived or preserved their right of redemption.

**27.** However, the Respondents have rightly pointed out that the legal position under **Section 13(8) of the SARFAESI Act, 2002**, as interpreted by the Supreme Court, limits the borrower's right of redemption up to the stage prescribed by law, and not beyond that stage.

**28.** The auction notice in the present case was published on **26.06.2024**. The Applicants' deposits were admittedly made only on **02.08.2024 and 03.08.2024**, i.e., after the publication of the auction notice and after the auction proceedings had already advanced materially.

**29.** The Supreme Court in **Celir LLP v. Bafna Motors (Mumbai) Pvt. Ltd.** has authoritatively explained the operation of Section 13(8) in the SARFAESI regime. The legal effect is that the statutory right of redemption cannot be stretched beyond the point contemplated by the amended provision. Further, the Applicants' reliance on **Section 60 of the Transfer of Property Act, 1882** is not sufficient to override the special statutory scheme where **Section 35 of the SARFAESI Act** gives overriding effect to the Act.

**30.** It is also relevant that the Applicants have not shown that the entire legal dues were cleared in a manner and within time that would legally compel

the bank to halt the sale process. **Accordingly, issue is decided against the Applicants.**

**31.** **Whether the auction sale dated 30.07.2024 and the sale certificate dated 14.08.2024 are liable to be set aside.** The Respondents have produced the sale certificate dated **14.08.2024** and the relevant deposit record showing that Respondent No.2 deposited the sale consideration of **₹2,71,04,000/-** within the stipulated period. The Applicants have not been able to place material evidence showing fraud, collusion, or gross undervaluation in the conduct of the auction.

**32.** The law is now well settled that once an auction is duly conducted and the sale is completed, the same cannot be lightly set aside unless there are compelling grounds such as fraud, procedural illegality affecting the root of the sale, or manifest unfairness. The Supreme Court in **Celir LLP v. Sumati Prasad Bafna** has cautioned against routine interference in completed auction sales.

**33.** In the present case, the Applicants' allegations of undervaluation remain unsubstantiated by any reliable valuation report or other cogent evidence. The material placed on record does not disclose any such illegality as would warrant setting aside the auction sale or the sale certificate. **Accordingly, Issue is decided against the Applicants.**

**34.** For the reasons recorded above, this Tribunal is of the considered view that the Applicants have failed to establish any illegality, material irregularity, or statutory violation of such gravity as would justify interference with the measures taken by Respondent No.1 Bank. The claim of redemption set up by the Applicants cannot be accepted in the face of the statutory scheme

under **Section 13(8) of the SARFAESI Act** and the legal position settled by the Supreme Court.

**35.** The auction sale appears to have attained finality, and the sale certificate dated **14.08.2024** has been validly issued in favour of Respondent No.2.

## Order

**36.** Accordingly, **S.A. No. 695 of 2024** is **dismissed**. File be consigned to record room. Order be uploaded on the Tribunal's website.

**37.** The sale certificate dated **14.08.2024** issued in favour of Respondent No.2 is **upheld**.

**38.** The Applicants are held to have no subsisting right of redemption after publication of the auction notice dated **26.06.2024**.

**39.** Respondent No. 1 Bank is entitled to proceed further in accordance with law for handing over the secured asset.

**40.** The secured asset shall be handed over to Respondent No. 2 auction purchaser in accordance with law and after completion of necessary formalities.

**41.** There shall be **no order as to costs**.

**(Vimal Gupta)**
**Presiding Officer**
**Debts Recovery Tribunal, Jaipur**
**Additional Charge, DRT, Allahabad**

Digitally signed by VIMAL GUPTA
Date:Wed Oct 28 11:08:24 IST 2026

**Order corrected and signed at Jaipur and uploaded on 28.10.2026 at Allahabad.**