IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL Nos. OF 2026
[Arising out of SLP (C) Nos.19090-19091/2026]

SUMITA GUPTA **APPELLANT**

VERSUS

STATE OF U.P. & ORS. **RESPONDENTS**

O R D E R

1. Leave granted.

2. These appeals are directed against orders dated 19th December, 2025 and 12th March, 2026 passed by a Division Bench of the High Court of Judicature at Allahabad, Lucknow Bench.

3. Incidentally, the appellant was not a party to the proceedings before the High Court. She was the guarantor for a loan advanced by the respondent no.3-Punjab National Bank[1] to Akanksha Agrawal-borrower.

4. Upon the Bank taking steps under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002[2], the appellant had moved an application under Section 17 of the SARFAESI Act[3] before the Debts Recovery Tribunal, Lucknow Bench[4].

5. On such application, the DRT passed an interim order on 15th July, 2025 restraining the Bank from taking steps for physical possession of the secured asset.

6. While such application was pending with a subsisting interim

1 the Bank
2 SARFAESI Act
3 S. A. No.579/2025
4 DRT

order, a writ petition[5] (Anuja Dixit vs. State of U.P. Thru. Chief Secy. Govt. of U.P. Lko. and 3 Others) came to be disposed of by the order dated 19th December, 2025. The operative part of such order reads as follows:

> "5. Both parties have submitted that there is no proceeding pending before the Debt Recovery Tribunal and there is no stay with regard to the transfer of the property to the auction purchaser.
> 6. In light of the above submissions, we direct the police authorities concerned to provide all assistance required to the bank authorities to hand over possession of the property to the auction purchaser/petitioner within a period of four weeks from date.
> 7. With the aforesaid observations/directions, the writ petition stands disposed of."

7. Despite the fact that the application under Section 17 of the SARFAESI Act was pending before the DRT, such pendency was not brought to the notice of the Division Bench by the Bank when the writ petition of Anuja Dixit came to be disposed of on 19th December, 2025, as noticed above.

8. However, an application[6] was moved in the disposed of writ petition. The said application was disposed of by the same Division Bench of the High Court on 12th March, 2026 by recording as follows:

> "1. We have heard learned counsel appearing for the petitioner.
> 2. Paragraph five of the original order of December 19, 2025 is deleted and substituted with following paragraph : -
>
> 'Both parties have submitted that there is a proceeding pending before the Debt Recovery Tribunal but there is no stay before the Debt Recovery Tribunal with regard to the transfer of property to the auction purchaser.'
>
> 3. It may be further added that the direction given to the Police authorities in the order dated 19.12.2025 is extended for further four weeks.
> 4. With the above directions, the modification application is allowed.
> 5. The order passed in Court today shall be treated as part and

[5] Writ-C No.11973 of 2025
[6] C.M.A. No. IA 02 of 2026

parcel of the order passed on 19.12.2025."

9. Surprisingly, the Bank again did not bring to the notice of the Division Bench that an order of stay was operative whereby the Bank was injuncted from taking over possession of the secured assets. Had such information being disclosed, we wonder whether the Division Bench would have reiterated the direction for police assistance to be extended to the Bank for taking over possession of the secured assets.

10. Be that as it may, having regard to the terms of the order of the High Court dated 19th December, 2025, the DRT vacated the interim order dated 15th July, 2025 *vide* order dated 22nd April, 2026.

11. Armed with such orders of the High Court and the DRT, the Bank dispossessed the appellant and is presently in possession of the secured asset. Such asset has since been put up for auction.

12. In our considered opinion, the Bank was utterly remiss in not apprising the Division Bench of pendency of the application filed by the appellant under Section 17 of the SARFAESI Act as well as the fact that there was a subsisting interim order whereby the Bank was restrained from taking over physical possession of the secured asset.

13. However, now that possession of the secured asset has been taken over by the Bank, we direct it to restore possession thereof in favour of the appellant. She shall retain possession of the same without creating any encumbrance till such time the application under Section 17 of the SARFAESI Act is finally disposed of by the DRT.

14. The DRT is encouraged to decide the said application of the appellant in accordance with law as expeditiously as possible,

preferably by the end of February, 2027.

15. Auction notice, if any, issued by the Bank shall remain stayed until the Section 17 application is disposed of.

16. The impugned orders are modified to the aforesaid extent.

17. The civil appeals are, accordingly, disposed of.

18. All contentions on merits are kept open.

19. We also grant liberty to the appellant to urge before the DRT her grievance relating to forfeiture of the earnest money deposit by the Bank. Such grievance may be disposed of together with the application under Section 17 of the SARFAESI Act.

20. Pending application(s), if any, shall stand disposed of.

.....J
(DIPANKAR DATTA)

.....J
(SHEEL NAGU)

NEW DELHI;
OCTOBER 26, 2026.

ITEM NO.49 COURT NO.6 SECTION XI

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) Nos.19090-19091/2026

[Arising out of impugned final judgment and order dated 19-12-2025 in WRITC No.11973/2025 and 12-03-2026 in WRITC No.11973/2025 passed by the High Court of Judicature at Allahabad, Lucknow Bench]

SUMITA GUPTA **Petitioner**

VERSUS

STATE OF U.P. & ORS. **Respondents**

I.A. No.254055/2026-EXEMPTION FROM FILING O.T.

Date : 26-10-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE DIPANKAR DATTA
HON'BLE MR. JUSTICE SHEEL NAGU

For Petitioner(s) :Mr. Saurabh Singh Chauhan, Adv.
Mr. Rajeev Kumar Dubey, AOR
Mr. Suraj, Adv.

For Respondent(s) :Ms. Arti Singh, AOR
Mr. Aakashdeep Singh Roda, Adv.
Ms. Pooja Singh, Adv.
Mr. B P Singh, Adv.

Mr. Brijesh Kumar Tamber, AOR
Mr. Vinay Singh Bist, Adv.
Mr. Yashu Rustagi, Adv.
Mr. Sahas Bhasin, Adv.
Ms. Chanchala Kumari, Adv.
Mr. Dhimaan Dutta, Adv.
Mr. Vaibhav Krishna Dayma, Adv.
Mr. Prakhar Push, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.
2. The appeals are disposed of in terms of the signed order.
3. Pending application(s), if any, shall stand disposed of.

(RASHMI DHYANI PANT) **(SUDHIR KUMAR SHARMA)**
ASST. REGISTRAR-CUM-PS **COURT MASTER (NSH)**
(signed order is placed on the file)

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