

VS.

. The petitioners are auction purchasers and they have filed this writ petition, seeking specific directions against respondent Nos.2 and 5, to ensure that physical possession of the subject land and structure at Gat No.2126, Survey No.101, Hissa No.4A, Village Nagaon, Taluka Alibag, District Raigad, is handed over to the petitioners. The petitioners purchased the said property, which was a secured asset of the respondent No.2 – bank (secured creditor), as part of the proceedings undertaken by respondent No.2 – bank, as per the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the said Act). It is the case of the petitioners that despite sale certificate issued in favour of petitioner No.1, way back on 26.07.2021, which

was registered on 15.12.2021, till date, the physical possession of the said property has not been handed over to the petitioners.

2. Respondent Nos.3 and 4 are the borrower and guarantor in respect of credit facilities availed by respondent No.3 from respondent No.2 – bank. The prayers made in the present writ petition have been resisted only by respondent Nos.3 and 4. Respondent No.2 – bank, as secured creditor, appeared through counsel and supported the prayers made in the writ petition. Respondent Nos.1, 5, 7 and 8 – State authorities are represented by the learned AGP. Respondent No.6 is the *Sarpanch* of Nagaon Gram Panchayat and none has appeared on behalf of the said respondent.

3. While opposing the prayers made in the present writ petition, respondent Nos.3 and 4 have principally raised objection with regard to maintainability of the writ petition, stating that the reliefs sought therein cannot be claimed at the behest of the petitioners, who are auction purchasers and that only respondent No.2 – bank (secured creditor) could maintain such a writ petition. Before examining the rival contentions, a brief reference to the relevant facts would be appropriate.

4. Respondent No.3 availed term loan of ₹ 1.35 crores from respondent No.2 – bank. As the said respondent defaulted in repayment and the account was declared a non-performing asset (NPA), respondent No.2 – bank took recourse to the provisions of the said Act. After issuing notice under Section 13(2) of the said Act, symbolic possession of the said property as the secured asset, was taken under Section 13(4) thereof.

5. On 29.06.2021, respondent No.2 conducted e-auction of the subject property, which was the secured asset, wherein petitioner No.1 emerged as the successful bidder. As the petitioners deposited the entire consideration amount, a sale certificate was issued on 26.07.2021 in favour of petitioner No.1. The same was registered on 15.12.2021.

6. After issuance on sale certificate, on 11.08.2021, respondent Nos.3 and 4, for the first time, took steps to raise grievance with regard to the aforesaid action undertaken by respondent No.2 – bank under the provisions of the said Act, by filing Securitisation Application No.76 of 2021 before the Debts Recovery Tribunal – I, Mumbai (DRT), seeking a declaration that the act of respondent No.2 in declaring the loan account as NPA, was illegal and that the demand notice issued under section 13(2) as well as the action of taking symbolic possession under Section 13(4) of the said Act, were illegal. The sale notice dated 08.06.2021 was also challenged in the said securitisation application. There was no interim order granted in favour of the petitioners and this fact was also noted in an order dated 21.01.2026, passed by this Court in Writ Petition No.15640 of 2025 filed by the petitioners herein.

7. During the pendency of the securitisation application before the DRT, respondent No.2 – bank approached the competent Magistrate under Section 14 of the said Act for an order to take physical possession of the subject property. On 02.02.2022, the District Magistrate, Raigad passed an order, directing respondent No.5 – Tahsildar, Alibag to take physical possession of the said property and to hand it over to respondent No.2 – bank.

8. The securitisation application remained pending for considerable period of time before the DRT. The petitioners alleged that respondent Nos.3 and 4 were adopting dilatory tactics. When final hearing of the said application commenced in the year 2023, the said respondents moved an application seeking clarification regarding an earlier interim application. On 01.08.2023, the DRT dismissed the application with costs, recording that filing of the said interim application seeking clarification, was an instance of dilatory tactics adopted by the said respondents.

9. In the year 2024, respondent Nos.3 and 4 further filed an interim application, seeking amendment in the light of subsequent events. On 21.03.2024, the DRT dismissed the same on the ground that the amendments were belated. The said respondents challenged the same by filing an appeal before the Debts Recovery Appellate Tribunal (DRAT). In this backdrop, on 19.08.2024, the petitioners filed Writ Petition No.12280 of 2024, seeking direction for expeditious hearing and disposal of pending proceedings before the DRAT. By an order dated 05.09.2024, this Court disposed of the said writ petition, by directing the DRAT to dispose of the pending appeal filed by the said respondents. On 22.09.2025, the DRAT passed an order, allowing the amendment, as sought by the said respondents.

10. Aggrieved by the same, the petitioners filed Writ Petition No.15640 of 2025. On 21.01.2026, this Court disposed of the said writ petition without interfering with the order of the DRAT. The petitioners were granted permission to respond to the amended pleadings in the securitisation application. Further direction was issued to the DRT to decide the pending securitisation application and interim application therein on or before 26.02.2026. It was

specifically recorded that in the light of the documents and material placed on record, no interim order was operating in the pending proceedings before the DRT. Thereafter, this Court passed orders on 12.03.2026, 16.04.2026 and 04.05.2026, granting extensions of time to the DRT to dispose of the pending securitisation application and interim application therein.

11. In this backdrop, on 29.05.2026, the DRT finally decided the pending securitisation application. By the aforesaid order, the DRT rejected the challenge raised on behalf of respondent Nos.3 and 4 to the steps taken by respondent No.2 – bank under the provisions of the said Act and accordingly, dismissed the securitisation application as well as the interim application therein.

12. This Court is informed that the said respondents have filed an appeal before the DRAT, which has still not been taken up for effective hearing and the petitioners allege that the said respondents have not shown any grave urgency in the matter. It is alleged that the aforesaid approach has been adopted by the said respondents, as they continue to be in possession of the property. It is specifically asserted that there was no interim order operating and even today, there is no such interim order. Yet, the petitioners have not been able to get physical possession of the said property, despite registered sale certificate dated 26.07.2021 executed in favour of petitioner No.1 and order of the competent Magistrate dated 02.02.2022 under Section 14 of the said Act, operating in the matter.

13. In this backdrop, the petitioners filed this writ petition, praying for specific directions for physical possession of the subject property being handed over to them. As noted hereinabove, only respondent

Nos.3 and 4 i.e. the borrower and guarantor have resisted the prayers made in the present writ petition.

14. Mr. Rohan Cama, learned counsel appearing for the petitioners submitted that being auction purchasers, the petitioners are entitled to maintain this writ petition, as they are seeking specific directions against respondents – State authorities for abiding by the order dated 02.02.2022 passed by the competent Magistrate under Section 14 of the said Act. It is submitted that the objection regarding maintainability of the petition raised at the behest of the petitioners, deserves to be rejected, for the reason that the petitioners, being the auction purchasers, with the said registered sale certificate having been executed in their favour as far back as on 26.07.2021, are clearly entitled to seek directions for the law of land being followed and physical possession of the subject property being handed over to them.

15. It was submitted that respondent No.3 has illegally continued in possession of the subject property, despite the fact that no interim order was ever granted in his favour throughout the proceedings before the DRT, DRAT and even before this Court. It was submitted that the securitisation application itself was filed belatedly before the DRT, after the sale certificate dated 26.07.2021 was issued in favour of petitioner No.1. Respondent Nos.3 and 4 left no stone unturned to keep the litigation festering without any merits in their contentions. At long last and after the matter was pursued intensely by the petitioners and respondent No.2 – bank, the DRT dismissed the securitisation application on 29.05.2026, holding on all issues against the said respondents.

16. It is submitted that in such a situation, all that the petitioners, as auction purchasers, pray before this Court is that necessary writ, order or direction be issued to the respondents – State authorities and respondent No.2 – bank to put the petitioners in possession of the subject property. It is submitted that respondent Nos.3 and 4 in this petition cannot be permitted to raise challenge on merits to the order of the DRT. The assertions being made on their behalf regarding redemption are even otherwise wholly misplaced, in the light of the law laid down by the Supreme Court in the cases of *Celir LLP vs. Bafna Motors (Mumbai) Private Limited and others*, (2024) 2 SCC 1 and *M. Rajendran and others vs. KPK Oils and Protiens India Private Limited and others*, (2026) 3 SCC 505.

17. It was emphasized that in the present case, 5 attempts at auction had not yielded any results and it was only in the 6th auction that the petitioner No.1 emerged as the successful bidder. In such a situation, respondent Nos.3 and 4 cannot be permitted to raise issues with regard to redemption, which, in the light of the position of law clarified by the Supreme Court, upon amendment of Section 13(8) of the said Act, has been answered against the said respondents.

18. It was further submitted that respondent Nos.3 and 4 are not justified in relying upon judgement of the Supreme Court in the case of *ITC Limited vs. Blue Coast Hotels Limited and others*, (2018) 15 SCC 99, to contend that only respondent No.2 – bank, as secured creditor, can file a writ petition in the context of the order passed by the competent Magistrate under Section 14 of the said Act. It was submitted that a proper reading of the said judgement would inure to the benefit of the petitioners, as there is nothing therein to indicate that the auction purchasers are prevented from filing such a writ petition.

19. It was submitted that even otherwise, the petitioners are only seeking a direction against the State authorities to follow the law and ensure that the order of the Magistrate reaches is logical conclusion. On this basis, it was submitted that this Court may allow the writ petition and issue specific directions for ensuring that physical possession of the subject property is handed over to the petitioners.

20. Ms. Nangare, learned counsel appearing for respondent No.2 – bank supported the contentions raised on behalf of the petitioners. She submitted that the prayers made in the present writ petition ought to be granted, as they would further the object of enactment of the said Act.

21. On the other hand, Mr. Soman, learned counsel appearing for respondent Nos.3 and 4 vehemently submitted that the present writ petition ought not to be entertained, since the petitioners, as auction purchasers, do not have any right in the subject property to insist upon execution of the order of the Magistrate under Section 14 of the said Act. By placing reliance on the judgement of the Supreme Court in the case of **ITC Limited vs. Blue Coast Hotels Limited and others** (*supra*), it was submitted that respondent No.2 – bank continued to be the secured creditor, till the actual physical possession of the subject property was taken and therefore, only the said respondent had the *locus* to file such a writ petition.

22. It was further submitted that when the competent Magistrate, as per settled law, while considering the application under Section 14 of the said Act, performing a ministerial act, cannot hear either the borrower or any third party, including the auction purchaser, there is no question of the petitioners, as auction purchasers, maintaining the

present petition before this Court. On this basis, it was submitted that this writ petition ought to be dismissed on the ground of maintainability alone.

23. It was further submitted that respondent Nos.3 and 4 can demonstrate that in the present case, the law regarding redemption, in the light of the amended Section 13(8) of the said Act, would not inure to the benefit of respondent No.2 – bank and therefore, the present petition filed at the behest of the auction purchasers, ought not to be entertained. An attempt was made to go into the merits of the matter, but it was conceded that an appeal was indeed filed before the DRAT, raising issues on merits, in order to challenge the order of DRT.

24. Mr. Pawar, learned AGP appearing on behalf of respondent Nos.1, 5, 7 and 8 submitted that the said respondents – State authorities would abide by the directions that may be issued by this Court.

25. Having heard the learned counsel for the parties, we find that only respondent Nos.3 and 4 have opposed the prayers made in the present writ petition. Respondent No.2 – bank (secured creditor) has whole-heartedly supported the prayers made in the present petition. The fundamental objection raised on behalf of respondent Nos.3 and 4 is to the very *locus* of the petitioners, as auction purchasers, in filing the present writ petition, seeking writ, order or direction against the respondents for obtaining physical possession of the subject property. According to the said respondents, as per the position of law, only respondent No.2 – bank, as the secured creditor, can maintain such a writ petition.

26. Before considering the said contention, certain admitted facts need to be appreciated. The admitted position on facts is that respondent Nos.3 and 4 filed securitisation application before the DRT on 11.08.2021, by which time not only were the steps taken by respondent No.2 – bank under Sections 13(2) and 13(4) of the said Act, but the auction was also conducted, wherein the petitioner No.1 emerged as the successful bidder. This was the 6th attempt at auction, as 5 earlier attempts had failed. There was not a whisper of challenge by the said respondents to all these actions undertaken by respondent No.2 – bank under the provisions of the said Act.

27. As a culmination of the 6th auction conducted by respondent No.2 – bank, sale certificate dated 26.07.2021 was issued in favour of petitioner No.1 in respect of the subject property. After the sale certificate was issued, respondent Nos.3 and 4 chose to approach the DRT, by filing the aforesaid securitisation application on 11.08.2021. There was no interim order ever operating in favour of the said respondents in the pending proceedings and there is none operating even today.

28. In the interregnum, on 15.12.2021, the sale certificate was duly registered and on 02.02.2022, the District Magistrate at Raigad passed order under Section 14 of the said Act, directing respondent No.5 – Tahsildar, Raigad to take physical possession of the subject property. Despite the fact that there was no interim order operating in the proceedings, even after more than 4 years, physical possession of the subject property has not been taken and respondent No.3 continues to enjoy the same. Although the petitioners have made allegations that despite the said state of affairs, the said respondent

has been able to enjoy physical possession due to proximity with certain police officials, this Court is not going into the said aspect of the matter.

29. The DRT dismissed the securitisation application by order dated 29.05.2026, after two writ petitions were filed by the petitioners before this Court for expediting hearing and disposal of the proceedings. On three occasions, this Court granted extensions of time to the DRT to dispose of the pending securitisation application and interim application therein and eventually, on 29.05.2026, the DRT passed the final order, rejecting all the contentions of respondent Nos.3 and 4 on merits and dismissing the securitisation application. This Court is informed that the said respondents have filed appeal before the DRAT, which is in process. Admittedly, the said respondents have not shown urgency in the matter for pursuing the said pending appeal.

30. It is in this situation that the petitioners, as auction purchasers, have been constrained to file the present writ petition, seeking the aforementioned directions from this Court. The question is whether it can be said that the petitioners have no *locus* to file such a writ petition and whether only respondent No.2 – bank (secured creditor) has the *locus* to file and maintain such a writ petition.

31. We find that the aforesaid objection pertaining to the *locus* of the petitioners for filing and pursuing the present writ petition, is without any substance. In the first place, we do not find any observation in the judgement of the Supreme Court in the case of **ITC Limited vs. Blue Coast Hotels Limited and others** (*supra*), to indicate that such a writ petition, in the context of the order passed

by a competent Magistrate under Section 14 of the said Act, can be filed and maintained only by a secured creditor. The observations made by the Supreme Court in the said judgement indicate that the secured creditor has a right to take actual physical possession of the secured asset and therefore, till such time that physical possession is taken, it continues to be a secured creditor, even though limited transfer has taken place in favour of the auction purchaser.

32. The relevant observations of the Supreme Court in the said judgement read as follows:

- “45. We find nothing in the provisions of the Act that renders taking over of symbolic possession illegal. This is a well-known device in law. In fact, this Court has, although in a different context, held in *M.V.S. Manikayala Rao v. M. Narasimhaswami* [AIR 1966 SC 470] that the delivery of symbolic possession amounted to an interruption of adverse possession of a party and the period of limitation for the application of Article 144 of the Limitation Act would start from such date of the delivery.
46. The question, however, whether the creditor could maintain an application of possession under Section 14 of the Act even though it had taken over only symbolic possession before the sale of the property to the auction-purchaser, depends on whether it remained a secured creditor after having done so. Section 2(1)(d) of the Act defines “secured creditor” to mean a “banking company” having the meaning assigned to it in clause (c) of Section 5 of the Banking Regulation Act, 1949; Section 2(1)(l) includes debts or receivables and any right or interest in the security whether full or part underlying such debt or receivables or any beneficial interest in property vide Sections 2(l)(i), (iv) and (v). Sub-section (6) of Section 13 posits that the transfer of the secured asset by the secured creditor shall vest in the transferee all the rights as if the transfer had been made by the owner of the secured asset.

47. In Mulla's The Transfer of Property Act:

“The section (Section 8) does not apply to court sales, for such sales effect a transfer by the operation of law. The principle of the section was, however, applied in a case decided by the Madras High Court where a debt for unpaid purchase money on a sale of land was attached and sold, and the auction-purchaser was held entitled to the charge which the vendor had under Section 55(4) (b) on the property in the hands of the buyer. The Court, after observing that the present section did not apply to court sales, said:

‘7. ... The effect of applying Section 8 is to strengthen the sale certificate by transferring the lien along with it.’

This Court observed in Abdul Aziz [1903 SCC OnLine PC 32] that a sale through court is different from a sale inter partes: (SCC OnLine PC)

“What is sold at a court sale is the right, title and interest of the judgment-debtor, and the extent of that interest is a mixed question of fact and law to be decided according to the circumstances of each particular case, and depends upon what the court intended to sell, and the purchaser intended to buy.”

We note that even though the entire right, title and interest were purported to have been transferred, all the rights, transfer and interest could not be said to have been transferred since the possession of the property was not transferred to creditor. The possession was retained by the debtor who continued to do business and receive rent from the rooms on the property and has in fact continued to do so till date. There is no doubt that after taking over the property from debtor, the creditor also acquired the right to receive the usufruct of the property i.e. the rent in this case. However, this was an interest in the property which was not at any point of time transferred to the auction-purchaser.

48. In this case, the creditor did not have actual possession of the secured asset but only a constructive or symbolic possession. The transfer of the secured asset by the creditor therefore cannot be construed to be a complete transfer as contemplated by Section 8 of the Transfer of Property Act. The creditor nevertheless had a right to take actual possession of the secured assets and must therefore be held to be a secured creditor even after the limited transfer to the auction-purchaser under the agreement. Thus, the entire interest in the property not having been passed on to the creditor in the first place, the creditor in turn could not pass on the entire interest to the auction-purchaser and thus remained a secured creditor in the Act.”

33. The above-quoted observations of the Supreme Court indicate that there is indeed a limited transfer in favour of the auction purchaser also. The auction purchaser, as in the present case, parts with the entire consideration amount and only thereupon, the sale certificate is issued. The process of handing over of physical possession is the obvious culmination of the process of sale, to which the auction purchaser is clearly entitled and hence, is the party interested therein. In such a situation, it would be a travesty to hold that the auction purchaser is debarred from approaching the writ Court for appropriate directions to the concerned authorities for ensuring that physical possession is made over to it.

34. We are of the opinion that in this petition, the petitioners, as auction purchasers, are calling upon the respondents – State authorities to perform their statutory and mandatory duties under law, including obeying directions contained in the order passed by the competent Magistrate under Section 14 of the said Act. The respondents – State authorities are duty-bound to implement the directions of the competent Magistrate. They have not been able to

perform the same for various reasons and therefore, the petitioners, as the auction purchasers, clearly have the *locus standi* to knock the doors of writ Court to seek such a positive writ or direction against the respondents – State authorities.

35. If the writ Court shuts its doors to the auction purchasers like the petitioners, it would be a travesty of justice and the State authorities would be free not to abide by the specific directions issued by the competent Magistrate under the provisions of the said Act. This has a bearing on the concept of rule of law also, which cannot be ignored. The faith of citizens in the rule of law would be adversely affected, if this Court were to hold that an order of the competent Magistrate is not being obeyed, but no writ or direction can be issued, as such a grievance can be examined only at the behest of the secured creditor. We find that the petitioners, as auction purchasers, do have *locus standi* to maintain the present writ petition, in the light of registered sale certificate existing in favour of petitioner No.1 and there being no interim order of any kind operating in favour of the respondents throughout the pending proceedings and even today.

36. As noted hereinabove, accepting the position of law clarified by the Supreme Court in the case of **ITC Limited vs. Blue Coast Hotels Limited and others** (*supra*), the petitioners, as auction purchasers, are indeed entitled to claim that even if the entire interest in the subject property is yet to be transferred by respondent No.2 – bank (secured creditor), they certainly have substantial interest, in the light of the registered sale certificate having been executed in favour of petitioner No.1.

37. In a similar situation, a Division Bench of the Patna High Court, in the case of *Md. Ajim @ Md. Ajim Uddin vs. The State of Bihar and others* (judgement and order dated 18.07.2025 passed in Letters Patent Appeal No.712 of 2025), rejected such an objection pertaining to *locus standi* of the auction purchaser to file a writ petition. The relevant portion of the said judgement reads as follows:

“25. In our opinion, in this world of commercial exigencies, the sanctity of the action taken under the provisions of the SARFAESI Act, 2002 is required to be maintained as far as it confirms the statutory proceeding. The auction purchaser being beneficiary of the order under Section 14 cannot be expected to remain sitting idle and just curse his fate as to why he invested so much money in purchase of the property. In this case, the auction purchaser moved this Court only when he found that nothing was happening and despite parting with a sum of Rs.1,42,25,000.00/- (Rupees One Crore Forty Two Lakhs Twenty Five Thousand/-), he was not getting the possession of the property.

26. In our considered opinion, in such circumstances, if the auction purchaser, who has got at least limited transfer in terms of the judgment of the Hon’ble Supreme Court in the case of ITC Limited (supra), invoked the writ jurisdiction of this Court under Article 226 of the Constitution of India, he cannot be ousted on the ground of locus standi. The writ jurisdiction of this Court is a plenary jurisdiction and in appropriate cases where it is found that the authorities under the statute are not implementing the scheme of the statute, this Court may at the instance of the auction purchaser issue appropriate writ. Thus, the plea of locus standi of the auction purchaser is outrightly rejected.”

38. We are in agreement with the approach adopted by the Patna High Court. In the present case also, the petitioners paid a sum of ₹ 2,23,66,000/- (Rupees Two Crores Twenty-three Lakhs Sixty-six

Thousand only) for the subject property in auction, in pursuance of which the registered sale certificate dated 26.07.2021 was issued in their favour. Despite the order of Magistrate passed as far back as on 02.02.2022 and the sale certificate having been issued in favour of the petitioners as far back as on 26.07.2021, they are still awaiting physical possession of the property being delivered to them. We are convinced that the petitioners have made out a case in their favour for allowing the writ petition.

39. Although respondent Nos.3 and 4 made an attempt to invite this Court to consider the aspect of redemption under the amended Section 13(8) of the said Act, in the light of reliance placed by the petitioners on the judgements of the Supreme Court in the cases of **Celir LLP vs. Bafna Motors (Mumbai) Private Limited and others** (*supra*) and **M. Rajendran and others vs. KPK Oils and Protiens India Private Limited and others** (*supra*), we are of the opinion that the said aspect of the matter is not required to be discussed in this writ petition, as the same can be raised and considered in the appeal filed by the said respondents before the DRAT. As noted hereinabove, the present writ petition is filed for the limited purpose of directions to the respondents – State authorities to take necessary steps, in the light of the order dated 02.02.2022 passed by the competent Magistrate under Section 14 of the said Act.

40. In view of the above, the writ petition is allowed in terms of prayer clauses (a), (c), (e) and (f). As regards prayer clauses (g) and (h), liberty is reserved for the petitioners to agitate the same in appropriate proceedings before the appropriate forum.

41. Consequently, respondent No.5 – Tahsildar, Alibag is directed to abide by the order dated 02.02.2022 passed by the District Magistrate, Raigad under Section 14 of the said Act. Accordingly, the said respondent shall take physical possession of the subject property on 13.08.2026, hand it over to respondent No.2 – bank, which shall in turn hand over the same to the petitioners on the same day.

42. Respondent No.7 – Superintendent of Police, Alibag is directed to issue necessary directions to the Senior Police Inspector incharge of the concerned police station within whose jurisdiction the subject property is located, to provide appropriate police assistance to respondent No.5 – Tahsildar in executing the aforesaid directions issued by this Court. Necessary police personnel shall be provided, including lady constables, who shall use necessary and appropriate police force for ensuring that physical possession of the subject property is taken and handed over to the petitioners on 13.08.2026, as directed hereinabove.

43. The writ petition is disposed of in above terms. Pending applications, if any, also stand disposed of.

44. It is made clear that the DRAT may proceed to consider the pending appeal of respondent Nos.3 and 4 on its own merits, in accordance with law.

(SHREERAM V. SHIRSAT, J.)

(MANISH PITALE, J.)

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