



**HIGH COURT OF JUDICATURE FOR RAJASTHAN AT
JODHPUR**

S.B. Civil Writ Petition No. 23031/2025

Lucky Garg S/o Shri Rajendra Kumar, Aged About 35 Years,
Resident Of Plot No.3, Block N, Ambika Avenue, Sq No.22, Chak
23, Padampur, District Sri Ganganagar.

-----Petitioner

Versus

1. Canara Bank, 112, J.c. Road, Bengaluru, Karnataka
Through Its Managing Director.
2. Asstt. General Manager, Canara Bank, 112, J.c. Road,
Bengaluru, Karnataka.
3. Authorized Officer, Canara Bank, Arm Branch, Orbit Mall,
Basement, Near Civil Lines Metro Station, Jaipur.
4. Branch Manager, Canara Bank, Branch Padampur District
Sri Ganganagar.

-----Respondents

For Petitioner(s) : Mr. Shardul Bishnoi
For Respondent(s) : Ms. Ritika Agarwal, Law Officer for
Canara Bank

HON'BLE DR. JUSTICE NUPUR BHATI

Order

28/11/2025

1. This writ petition has been filed by the petitioner under
Article 226 of the Constitution of India, seeking following reliefs:

*"(i) The impugned sale notice dated 10.11.2025 (Ann.6)
issued by respondent no. 3 may kindly be declared highly
arbitrary, unjust and same may kindly be quashed and set
aside.*

*(ii) The respondent authorities may kindly be restrained from
auctioning the residential property of the petitioner situated at
Plot No. 03, Block No.N, Ambika Avenue, Square No. 22, Chak
23, Padampur, Sri Ganganagar measuring 1249.92 sq.feet.*

*(iii) The respondent authorities may kindly be directed to
release the service benefits of the petitioner like gratuity,
leave encashment, NPS to enable him to repay due loan*



amount or adjusting the same release the balance payment to the petitioner.

(iv) Any other appropriate writ, order or direction which this Hon'ble Court deems just and proper may kindly be passed in favour of the petitioner."

2. Brief facts of the case are that the petitioner was appointed as Assistant Manager in Syndicate Bank on 26.05.2014 and took a home loan of Rs. 24,00,000/-, with installments deducted from salary. In April 2020, Syndicate Bank merged into Canara Bank, and the petitioner was regularized and transferred from Canara Bank, Raisinghnagar Branch to Guruharsahai Branch, Punjab.

2.1 On 09.10.2024 (Annex.-1), the respondent-Bank placed the petitioner under suspension on the allegation of misconduct and issued a charge sheet. In the inquiry, the petitioner was found guilty, and he was dismissed on 09.10.2024 without considering his submissions. On 21.12.2024 (Annex.-2), petitioner was notified to repay due loan amount of Rs.17,93,257.50/-, failing which loan dues would be recovered from his accounts. Petitioner replied on 30.12.2024 (Annex.3) stating loss of income due to dismissal and requested release of service benefits including gratuity, leave encashment, and National Pension System (NPS) funds amounting to Rs. 19,59,326/- as of 31.07.2025 for loan repayment.

2.2 Vide communication dated 16.01.2025 (Annex.-5), respondent-Bank declined to generate claim ID for NPS due to outstanding liabilities. Subsequently, on 10.11.2025 (Annex.-6), respondent-Bank issued sale notice of the petitioner's residential property situated at Plot No.03, Block No.N, Ambika Avenue, Sq. No.22, Chak 23, Padampur, Sri Ganganagar for recovery of





Rs.18,45,598.17/-, auction scheduled on 29.11.2025 on "as is where is", "as is what is" and "whatever there is" basis.

3. Learned counsel for the petitioner submits that the respondent-Bank has declared the loan account of the petitioner as Non-Performing Asset (NPA). The petitioner could not repay the home loan as the respondent-Bank has not released service benefits of the petitioner. Counsel makes a limited prayer that until the respondent-Bank releases the service benefits of the petitioner, the respondents be restrained from auctioning the secured property of the petitioner. Counsel further submits that the petitioner was also inclined to sell the secured property, however, in the meantime, the respondent-Bank has published the auction notice dated 10.11.2025 (Annex.-6).

4. Ms. Ritika Agarwal, Law Officer, is present in person representing the respondent-Bank submits that in view of the judgment passed by Hon'ble Supreme Court in the case of **"M. Rajendran & Ors. Vs. M/s KPK Oils and Protiens India Pvt. Ltd."**; **2025 INSC 1137** the borrower's right of redemption of the secured property extinguishes on the same day on which the auction notice is published. Counsel further submits that the respondent-Bank has published auction notice on 10.11.2025 and thus, the petitioner has no right to redeem the secured property.

5. Heard the counsel for the parties and perused the materials available on record.

6. The amended Section 13(8) of the SARFAESI Act, 2002 imposes a clear statutory bar on the transfer of secured assets once the borrower tenders the entire dues, including all costs and expenses, at any time before the publication of the notice. The





amended provision clarifies and removes earlier ambiguities regarding the subsistence of the borrower's right of redemption after issuance of the sale notice or initiation of auction proceedings, and reinforces that this right remains protected until publication of the sale notice. Any continuation of the transfer process in contravention of this statutory mandate would therefore be without authority of law. The amended Section 13(8) of the SARFAESI Act, 2002 is reproduced hereinbelow :

"13. Enforcement of security interest :

(8) Where the amount of dues of the secured creditor together with all costs, charges and expenses incurred by him is tendered to the secured creditor at any time before the date of publication of notice for public auction or inviting quotations or tender from public or private treaty for transfer by way of lease, assignment or sale of the secured assets,-

- (i) the secured assets shall not be transferred by way of lease assignment or sale by the secured creditor; and*
- (ii) in case, any step has been taken by the secured creditor for transfer by way of lease or assignment or sale of the assets before tendering of such amount under this sub-section, no further step shall be taken by such secured creditor for transfer by way of lease or assignment or sale of such secured assets."*

7. This Court is conscious of the fact that the Hon'ble Supreme Court in various judgments including "*M. Rajendran & Ors. (supra)*" has categorically held that the borrower's right to redeem the property extinguishes on the date when the auction notice in pursuance to the secured property is published and therefore, in the present case, as the respondent-Bank has published auction notice on 10.11.2025, thus, the petitioner has no right to redeem the secured property after the publication of the said notice. In "*M. Rajendran & Ors. (supra)*", Hon'ble Supreme Court has held as under :





"102. What can be discerned from the conspectus of cases discussed above is that, predominantly, all the courts and tribunals, on a reading of the decision of this Court in *Bafna Motors (supra)*, have construed the amended Section 13 sub-section (8) of the SARFAESI Act to mean that the right of redemption of the borrower stands extinguished on | Printed using casemine.com by licensee : National Law India University Page 82 of 139 the date on which the notice of auction is published by the secured creditor. In other words, the effect of Section 13(8) has been understood to mean that the borrower would retain the right to redeem the mortgage only up to the date of publication of such auction notice, once such notice is published, the right of redemption would cease.

180. We do not find any merit in the principal contention raised on behalf of the borrowers referred to above. The amended provision extinguishes the right of redemption of the borrower in the event he fails to repay his dues and redeem the asset before publication of the Auction Notice. This unambiguous language used in the amended provision of Section 13(8) furthers the object and reasons of the SARFAESI Act for which it was enacted i.e., to ensure that the lender is able to enforce his security interest at the earliest and with least possible intervention of the courts."

8. In view of the above discussion, the present writ petition stands dismissed.

9. Stay petition and all pending application(s), if any, also stand disposed of.

(DR.NUPUR BHATI),J

6-Arjun/-

