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# **RIGHT OF REDEMPTION AMENDMENTS** **TO OTHER LAWS**

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## **Introduction:**

A typical set of facts in connection with the sale of assets due to default committed to Banks and Financial Institutions are presented below.

A Lender advances a loan to a borrower on the basis of mortgage immovable property as security along with other securities like hypothecation, personal guarantees. The securities are shared on Pari passu basis with the other lenders. The loan is disbursed after the mortgage and other securities were created to the satisfaction of the Lenders.

A default takes place and as per the recovery laws governing the transaction between the Lenders and the Borrower, the mortgaged assets are put to sale after complying with all the legal provisions as applicable thereto.

In the auction the highest bidder is declared the successful bidder and he deposits the sale consideration with the lenders and obtains a sale certificate in his favour.

At this stage the original borrower approaches the lender with a onetime settlement offer. The lender instead of stating that the mortgaged has been sold agrees to consider the One-time settlement offer and enters into a settlement. The borrower pays the settlement amount and obtains the no due certificate.

If the above issue is to be decided by the Courts on a singular issue as to whether a lender can enter into a one-time settlement offered by the Borrower after the sale of property and issuance of sale certificate, any one of the following scenarios can arise

1. The Courts can hold that as the sale deed was not executed and the same is not yet registered, the borrower can redeem the property at any time before the registration of the

sale deed.

2. The Courts may hold that as the sale certificate is issued and has attained finality, the right of the mortgagor to redeem the property is not available and hence the entering into of the one-time settlement is not proper.
3. The Courts may also find the receipt of money by the lenders from two different sources namely the auction purchaser and the borrower as well is objectionable.

In India the above situations are not rare and many banks and other lenders, auction purchasers find themselves in the above vicious cycle.

Let us examine how the Courts in India have dealt with this issue at different points of time and based on the law that was prevailing at that point of time.

### **P.M. Associates Vs IFCI Ltd, the Authorised officer and Sterling Holiday Resorts India Ltd<sup>1</sup>:**

The High Court of Madras in the light of the facts set out above had examined the issue of confirmation of sale on one side and the Cancellation of a confirmed sale and receipt of money from the borrower after the sale had been completed. The Court extensively dealt with the cases earlier decided on the right of redemption and held that since the auction conducted by the Lender was confirmed in favour of the petitioner/auction purchaser and Sale Certificate was issued by the Authorised Officer, the petitioner/auction purchaser is entitled to get the Sale Certificate registered in their favour. It may be noted that this judgement was based on the legal provisions existing in SRFA & ESI ACT & ESI Act at the relevant point of time.

The final word is yet to be said by the Supreme Court of India where a Special Leave is pending before the Honourable Court for adjudication.

After appreciating the above situation which at times is not only confusing but also derails the business plans of the parties, the challenges and complexities that arise out of the sale of immovable properties are presented below.

The mortgage of immovable properties consists of a transaction between the owner and the lender

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<sup>1</sup> Chennai High Court No 1937 & 4088 of 2912

in which the owner secures the interest of the lender by mortgaging the property. The debt advanced is called the Mortgage debt. There is an explicit promise to pay the debt and in the event of default of repayment of the debt, the owner is at the risk of his property being sold out by the Lender. The Transfer of Property Act and other Statutes have detailed provisions in this regard.

**Default and its consequences via the secured property:** A Default in repayment of a Loan advanced on the strength of the mortgage, entails certain consequences for the mortgagor. The mortgagor is usually issued a notice to rectify the default and prevent the legal consequences from setting in consequent to the default. In case the default is not cleared, and it persists, the lenders take recourse to sale of the mortgaged property.

**Sale of Mortgaged Immovable property:**

The sale of immovable properties brought by way of enforcement of mortgage poses several challenges. These challenges vary from case to case and can be very complex. The Mortgagor's inherent desire to save his property from sale, the approach of banks and lenders in coming out of a dilemma as to whether they should proceed with sale or accept one time settlements, the uncertainties faced by the auction purchasers, litigations and counter litigations involved in the process of sale, failure by the auction purchasers to abide by the terms of sale citing the unexpected litigation, delays in confirming the sale even after payment of the sale consideration, and not the least delays in executing the conveyance deeds and handing over the possession have all added and contributed to a very uncertain and perplexing situation of auction sales in our country. A few of the cases that have gone through one or more of the reasons cited above would necessarily lead to the conclusion that the legal environment for the enforcement of mortgages is not very conducive and warrants a change so as to keep pace with the emerging trends in various spheres.

To add to the woes, there are conflicting views and judgements as to which is the right and proper course of action in such a situation. The decisions of the Courts are also based on several factors like the Act and the provisions of law that are applicable, principles of fairness and doing justice to the parties.

It is also a fact that the law on the subject has evolved with the applicability of different Acts governing the above transaction.

## **Issue in The Honourable Supreme Court of India in Civil Appeal No 5542 of 2023 in CELIR LLP Vs BAFNA MOTORS PVT LTD AND OTHERS:**

The Supreme Court of India was examining the issue of right of redemption of the mortgagor under the provisions of the SRFA & ESI Act 2002. The Supreme Court has elucidated the law on this particular aspect and has given the much-needed clarity and certainty on the subject.

Prior to the pronouncement of the judgement, it is no exaggeration to say that the law was shrouded in controversy as the Mortgagor's right to save his property till the last available opportunity was paramount and the same was protected by the courts till the execution and Registration of a conveyance deed.

The issues before the Supreme Court were in the context of a few High Courts rendering conflicting judgements on this issue. In the present case, the issue arose from the Orders of the Bombay High Court in writ petition no 9523 of 2023 which allowed the Borrower's appeal and directed the bank to permit the borrower to redeem the mortgage of the secured asset and refund the money to the successful auction purchaser who paid the entire sale consideration.

This judgement will now bring clarity to the following

- a) Mortgagors
- b) Lenders
- c) Prospective Applicants
- d) Successful Bidders

### **Statutory Provisions on sale of Mortgaged properties under Different Laws**

The procedure and the modalities for the sale of property depend on the legal provisions in the governing statutes and the contractual terms that are embedded into the loan and security agreements. A reference to the various statutory provisions and frameworks is made for the sale of mortgage property by the mortgagee or at the instance of the Mortgagee.

**Civil Procedure code 1908:** The Civil procedure code of 1908 contains provisions relating to

execution of decrees which in the case of mortgage suits entails the sale of property. Order XXI of the Code and Rules 1 to 106 provide for the manner in which the execution of a decree is to be made. It is essential to note that this Particular Order of Civil Procedure Code refers to both the Mortgagor's Right of Redemption and Mortgagee's right of foreclosure.

As per the procedure specified under the Code, an execution application is required to be moved by the decree holder before the Execution Court and if after notice issued under the relevant Rule to the Judgment debtor, the decree remains unsatisfied, the steps for attachment, proclamation and sale of movable and immovable properties are resorted to in line with the provisions of the Civil Procedure Code. The Code also has timelines mentioned for conduct of sale, deposit of sale consideration and other formalities like issuance of sale confirmation and sale certificate.

### **Survival of the Right of redemption under S.60 of the Transfer of Property Act read with the provisions of the Civil procedure code.**

The survival of the right of the mortgagor to redeem his property is contained in the Provisions of Transfer of Property Act read with the provisions of Civil procedure code. The Transfer of property Act states that the right of redemption is available at any time before the extinguishment of the right by the act of parties or by a decree of court.

Similarly, Provisions of Order XXXIV of the civil procedure code also deal with the procedure for the enforcement of such redemption right. There have been several cases where the above provisions were dealt with by the High Courts and the Supreme Courts of the Country. A few of the important judgements setting out the legal position by the courts is given below.

The right of redemption survives only till confirmation of sale and not thereafter. A suit instituted for redemption after the issuance of sale certificate becomes irrelevant (**Allokam peddabbayya and another Vs Allahabad Bank and others**<sup>2</sup>)

The Decree for foreclosure in the original suit and the subsequent auction sale followed by issuance of sale certificate, extinguished the right to redemption by reason of the proviso to Section 60. The Plaintiffs having interest in the mortgaged property through their predecessor-in-interest and in the right to redeem the same were competent to do so under Section 91 of the Act, but subject to the limitation under the proviso to Section 60

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<sup>2</sup> Civil Appeal No 2763-2764 Of 2008<sup>2</sup>

Finally disposing of the Appeal, the SC concluded that the right to sue for redemption of the mortgaged property is lost, no sooner that mortgaged property was put to auction sale in a foreclosure suit and a sale certificate was issued. There remains no property mortgaged to be redeemed. The right to redemption cannot be claimed in the Abstract.

**L.K Trust Vs EDC Ltd<sup>3</sup>:** The right of redemption under a mortgage deed can come to an end only in a manner known to law. Such Extinguishment of right can take place by contract between the parties, by a merger or by statutory provisions which debar the mortgagor from redeeming the mortgage. (Para 23 of the Judgement)

**Rukmini Amma & others Vs Rajeswary (dead) through LRs<sup>4</sup> :** In this matter the SC was dealing with a suit for redemption brought after 30 years of the sale of property under the Revenue Recovery Act Therefore, the only question to be examined is as to whether the suit prayer for redemption as propounded by the Respondents is valid in law. In the above said background the factum of the filing of the suit nearly after 30 years of the mortgage was very relevant. If really the respondents were serious about the consequences which flowed from the public auction sale or were really aggrieved of the sale effected, the respondents should have been prompt in taking any steps for redressal of their grievance in order to save the property mortgaged. Having failed to evince any such keen interest in protecting their property, it is too late in the day for the respondents to have approached the Court at their own sweet will (i.e.) after nearly 30 long years of the mortgage and file a simple suit for redemption without taking any steps to question a sale which was effected by way of public auction and that too by invoking the provisions of the Revenue Recovery Act which sale once effected would enure to the benefits of the purchaser free from all encumbrance as provided in Section 44 of the Travancore Revenue Recovery Act, 1951 which was the relevant statute applicable at that point of time.

**Mhadagonda Ramgonda Patil vs. Shripal Balwant Rainade,<sup>5</sup>** It was held that unless and until a decree or order debarring the mortgagor from redeeming the property is passed under Sub-rule 3(a) of Rule 8 of Order XXXIV the right of redemption is available. It was inter alia held as follows

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<sup>3</sup> 6 SCC 780

<sup>4</sup> SCI Civil Appeal No 1475-1476 of 2005 dated 22<sup>nd</sup> March 2013.

<sup>5</sup> 1988 (3) SCC 298

“It is thus manifestly clear that the right of redemption will be extinguished (1) by the act of the parties or (2) by the decree of a court. We are not concerned with the question of extinguishment of the right of redemption by the act of the parties. The question is whether by the preliminary decree or final decree passed in the earlier extinguished. The decree that is referred to in the proviso to Section 60 of the Transfer of Property Act is a final decree in a suit for foreclosure, as provided in sub-rule (2) of Rule 3 of Order 34 and a final decree in a redemption suit as provided in Order 34, Rule 8(3)(a) of the Code of Civil Procedure. Sub-rule (2) of Rule 3, inter alia, provides that where payment in accordance with sub-rule (1) has not been made, the court shall, on an application made by the plaintiff in this behalf, pass a final decree declaring that the defendant and all persons claiming through or under him are debarred from all right to redeem the mortgaged property and also, if necessary, ordering the defendant to put the plaintiff in possession of the property. Thus, in a final decree in a suit for foreclosure, on the failure of the defendant to pay all amounts due, the extinguishment of the right of redemption has to be specifically declared. Again, in a final decree in a suit for redemption of mortgage by conditional sale or for redemption of an anomalous mortgage, the extinguishment of the right of redemption has to be specifically declared, as provided in clause (a) of sub-rule (3) of Rule 8 of Order 34 of the Code of Civil Procedure. These are the two circumstances-(1) a final decree in a suit for foreclosure under Order 34, Rule 3(2) and (2) a final decree in a suit for redemption under Order 34, Rule 8(3)(a) of the Code of Civil Procedure-when the right of redemption is extinguished.

**Philomina Jose Vs. Federal Bank Ltd. & Ors.**<sup>6</sup>. Right of redemption of a mortgage is a substantive right of Mortgagor which has accrued to him to be exercised under Order XXXIV, Rule 5 of the Code when the decree was passed which cannot be taken away by the amendment of order XXXIV of the Code which was made only after the decree in this case.

A reading of the above judgements would clearly establish that the right conferred by the Transfer of property Act under S.60 is available to the mortgagor any time before such right is extinguished in the circumstances stated therein, the mortgagor can exercise the right of redemption.

**Recovery of Debts and the Bankruptcy Act 1993:** This is a legislation enacted to mitigate the problems of Banks and Financial Institutions in recovery of their bad debts. The situation that existed for recovery of money through civil suits. prior to the passing of this enactment, was largely time consuming and did not help in recycling of the loans through a legal process. Hence

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<sup>6</sup> Appeal (civil) 1488-1489 of 2000 dated 2<sup>nd</sup> February 2006

in order to bring an efficient and quick recovery of the nonperforming Assets this Act was brought in. The Act had envisaged a summary procedure and barred the jurisdiction of the Civil Courts. The threshold of the monetary Jurisdiction was initially placed at Rs 10 Lakhs.

Under the provisions of this Act, an application filed by a bank or a financial institution under S.19 of the Act will be adjudicated by the Presiding officer of the Debt Recovery Tribunal. A recovery certificate is given under the signature of the Presiding to the Recovery officer for execution and realisation of the amount mentioned in the Recovery certificate. The Recovery officer is required to follow the Rules mentioned in the second schedule of the Income Tax Act 1961. The procedure to be followed is stated hereunder

On receipt of the recovery certificate the recovery officer attached to the Debts recovery Tribunal, proceeds with the issuance of the notice of under Rule 2 and thereafter proceeds with the steps of attachment, proclamation and sale of property both movable and immovable as specified under the Relevant Rules. The sale of properties is usually by way of public auction and through a bidding process the sale of assets is completed. The Rules also envisage the confirmation of sale by the Recovery officer and issuance of sale.

The Rules also have provisions for setting aside the sale on certain grounds. This right is also available to the Mortgagor and the Mortgagor does come up with such applications Though these applications are disposed of by the Recovery himself, yet the orders passed by the Recovery officer go in appeal to the higher judicial forum. The important cases and relevant cases decided in this context are discussed below.

**Sadashiv Prasad Singh Vs Harendar Singh & others**<sup>7</sup>: In this case the Supreme Court of India has set aside the Order of the High court which on principle of equity has given an order in favour of the borrower mortgagor and set aside the auction held. The Supreme Court considered the entire gamut of circumstances and found the order of the High Court to be erroneous. The SC had taken into cognizance that no irregularities in sale were alleged, the auction purchaser has performed his part of the legal obligations, the sale certificate was issued in favour of the auction purchaser, possession also was handed over to the auction purchaser and hence the High court was not correct in setting aside the auction.

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<sup>7</sup> SCI Civil Appeal No 161 Of 2014

It is pertinent to take note of Para 14 of the Supreme Court Judgement. The same is as under.

“It is nobody’s case, that at the time of the auction-purchase, the value of the property purchased by Sadashiv Prasad Sinha was in excess of his bid. In fact, the factual position depicted under paragraph 8 of the impugned judgment reveals, that the escalation of prices had taken place thereafter, and the value of the property purchased by Sadashiv Prasad Sinha was presently much higher than the bid amount. Since it was nobody’s case that Sadashiv Prasad Sinha, the highest bidder at the auction conducted on 28.8.2008, had purchased the property in question at a price lesser than the then prevailing market price, there was no justification whatsoever to set aside the auction-purchase made by him on account of escalation of prices thereafter. The High Court in ignoring the vested right of the appellant in the property in question, after his auction bid was accepted and confirmed, subjected him to grave injustice by depriving him to property which he had genuinely and legitimately purchased at a public auction. In our considered view, not only did the Division Bench of the High Court in the matter by ignoring the sound, legal and clear principles laid down by this Court in respect of a third-party auction purchaser, the High Court also clearly overlooked the equitable rights vested in the auction-purchaser during the pendency of a lis. The High Court also clearly overlooked the equitable rights vested in the auction purchaser while disposing of the matter.

**N. Prakash Vs the Registrar**<sup>8</sup> DRAT: The Madras High Court had considered the Rights of the Mortgagor and the Auction purchaser in this case. The property of the mortgagor was sold under the provisions of the Recovery of Debts due to banks and Financial Institutions Act 1993( As it was then known) .The Mortgagor ‘s contention of the right of redemption as provided in the Second Schedule of Income Tax Rules was considered and it was observed by the Chennai High that as he failed to comply with the provisions of Rule 60 and Rulle 61 ,he cannot be given the opportunity to redeem the mortgage and held that the Auction purchaser’s title has become absolute.

## **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002:**

This Act empowers the lenders to sell the mortgaged assets by following the procedure prescribed under this Act. The Legal action is initiated with the issuance of notice under Section 13(2) of the Act to the borrower after the account has been classified as Non performing asset.

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<sup>8</sup> Chennai High Court W.P No 13854 of 2014 dated 8/12/2014

The notice issued calls upon the borrower to repay and discharge the debt within a period of 60 days failing which the Secured creditor can proceed with the taking of measures stated in Section 13(4) of the Act. In case any representation is submitted by the borrower to the notice issued under S.13(2), under Section 13(3) (A), the Secured Creditor is required to dispose of the said representation before initiating any further action. The Act envisages taking possession of the mortgaged assets (referred to as security Interest under the Act) and thereafter causing them to be sold both movable and immovable assets under the Act. The possession referred to under this Act includes both symbolic or constructive possession as well Physical/ actual possession. The support of the magistrate can be taken by filing application under S.14 if the secured creditor apprehends resistance to the taking of possession of assets. The Honourable Supreme Court has held that the orders of the magistrate under S.14 are only ministerial in nature and it does not involve any adjudicatory function

All these actions are performed through an officer appointed by the Secured creditor known as Authorised Officer. The Authorised officer is required to act strictly in consonance with the provisions of the Act. The Authorised officer is required to act reasonably in the matter of safeguarding the assets till they are sold, obtaining valuation of assets from a registered valuer, fixing the reserve price in consultation with the secured creditor and do all such acts and things as are considered necessary for the sale of the secured. The Act also provides that in case of joint financing of assets consent of more than 75% of the debt outstanding are to signify their consent. As regards the sale of assets, the laws sale both through public auction, inviting quotations and also by private treaty. Irrespective of the mode of sale the law envisages that a clear 30 days' notice is to be issued to the borrower/ mortgagor before the assets are brought to sale.

The law also states that the asset cannot be sold below the reserve price fixed and in case it is to be sold below reserve price it can be sold only with the consent of the borrower/ mortgagor.

In case of sale by public auction, the highest bidder is required to pay 25% (Including the Earnest Money deposit) on the day of auction and the balance sale consideration of 75% within 15 days or within the extended period from the date of declaring the bidder as the successful/highest bidder. Confirmation of sale and issuance of is made only after the bidder deposits the entire sale consideration.

The Honourable Supreme court has dealt with and adjudicated several issues arising from the implementation of the Act. The Constitutionality of the Act, the primacy of the Act over other

enactments, questions relating to exercise of powers, questions relating to possession, confirmation of sale, conditions relating to pre deposit before filing statutory appeals under the Act priority in the matter of distribution of sale proceeds and many such questions have been adjudicated by the Supreme Court of India.

To make the position more lucid and clearer, the amended provisions of SRFA & ESI Act 2002 can be referred to. This provision was brought by way of an Amendment in 2016 The provision reads as under.

“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 subsection, no further step shall be taken by such secured creditor for transfer by way of lease or assignment or sale of such secured assets.

A clear line drawn between the Mortgagor's rights and the interface of public with the sale by the mortgagee will undoubtedly create a very conducive environment for the sale of mortgaged assets.

## **TABULAR DEPICTION OF LEGAL PROVISIONS CONCERNING SALE OF IMMOVABLE PROPERTIES.**

It can be seen from the above, that the procedure that is prescribed for sale of movable and immovable properties under the respective enactments is almost similar and proceeds on the basis of the principles of natural justice, transparency and fetching the highest value for the asset.

	Civil Procedure Code	Recovery of Debts and Bankruptcy Act 1993.	Securitisation and reconstruction of financial assets and Enforcement of Security Interest Act 2002
	Relevant sections Order XXI	Relevant sections II Schedule to the Income Tax Rules	Relevant sections
Issuance of Notice	Rule 22	Rule 2 Notice of 15 days to pay	13(2) of the Act and Rule 3 of the Security Interest (Enforcement) Rules
Attachment of Movable Property	Rule 41 Decree not satisfied for a period of 30 days,	Rule 22	13(2)
Attachment of Immovable Property	Rule 43		13(2)
Attachment and proclamation of immovable property	Rule 54	Rule 48	13(2)
Sale of movable and immovable property	Rule 66	Rule 52 to Rule 56	Rule 6 and Rule 8 Of Security Interest (Enforcement Rules)

Time for sale	Rule 68 Movable 7 days Immovable 15 days Calculated from the date of proclamation	Rule 40 & 55 Movable 15 days Immovable 30 days Calculated from the date of proclamation affixed in the Office of the Recovery officer	Rule 9 of the Security Interest Enforcement Rules  30 days from the date of public notice for sale of properties
Deposit of sale consideration	Rule 84 & 88 25% on the day of sale 75% within 15 days from the date of sale	Rule 57 25% on the day of sale 75% within 15 days from the date of sale	Rule 9 (3) and (4) of the Security Interest Enforcement Rules
Application to set aside sale	Rule 90	Rule 60 Rule 61	
Confirmation of sale and Issuance of sale Certificate		Rule 63 & Rule 65	Rule 9(6) of the Security Interest Enforcement Rules

### **Suggestions and conclusion for Amendments to other Legislations:**

The Decision of the Honourable supreme Court of India in Celir LLP Vs Bafna motors Pvt Limited has brought the curtains down at least with regard to the right of redemption of the Mortgagor under SRFA & ESI Act. The Supreme Court while interpreting the amended provisions of the Act has cleared the air with regard to the exercise of the right of redemption of the mortgagor by stating that the right ceases on publication of the sale notice under Rule 9(1) of the Security Interest Rules. This judgement will refreshingly bring in more participation in auction sales than before and resultingly it will lead to increased competition leading to a better value of the assets being sold. This judgement will also ensure that the mortgagor too will have to make all his efforts to save the property before the sale notice is published in the newspapers under Rule (9)(1) of the Security Interest Enforcement Rules.

The net effect of this judgement is that the Rule (8) (6) notice issued under the Securitisation Rules will also be taken very seriously by the mortgagor as they now realise that if they do not act swiftly within the period of 30 days given to them, they stand to lose the property on the publication of the auction notice under Rule 9(1) of the Security Interest Enforcement Rules. This awareness would spur the mortgagor to act in the given time and avoid deploying dilatory methods.

Taking the above provision of law as contained in the SRFA & ESI Act 2002, it would be very much pertinent to bring similar provisions in the other legislations that provide for the sale of immovable properties under different statutes.

Instead of having different points of time available for exercise of right of redemption by the owners of the immovable properties, amendments to other legislations governing the sale of immovable properties would be appropriate to the interests of the relevant stakeholders. Uniformity in laws on the timing of the exercise of the right of redemption will also enable a uniform interpretation of the issues concerned instead of different conclusions being reached by courts only because the laws are different. Hence the following amendments are suggested

**I Amendment to the Transfer of Property Act:** Section 60 of The Transfer of property Act presently allows the mortgagor to redeem the mortgaged property at any time before the extinguishment of this right. As can be seen this gives a lot of scope for the mortgagor to bring suits for redemption. It would be worth considering amending Section 60 by making it on par with the SRFA & ESI Act 2002 provisions and with further Changes to the Civil procedure Code.

**II: Amendment to the Civil Procedure: Order XXI** Rule 69 (3) provides for an adjournment or stoppage of sale if before the lot is knocked down, the debt and costs (including the costs of sale are tendered to the officer conducting the sale, or proof is given to his satisfaction that the amount of such debt and costs has been paid into the court which ordered the sale.

The provisions contained in order XXI and the rules needs to be revisited in toto and similar changes can be considered for bringing it on par with the provisions contained in the Security Interest Enforcement Rules.

**III: Amendment to the Recovery of Debts and the Bankruptcy Act:** Further the Rules under the Second Schedule of the Income Tax Act may also need changes so as to bring it on par with

the other legislations mentioned above.

As can be seen from the table presented above, the source of right of redemption is drawn to the provisions of the Transfer of property Act, Civil Procedure code, the Recovery of Debts and Bankruptcy Act, State Financial Corporations Act and the Specific statutes which exist for statutory corporations.

On an analysis of the above it becomes apparent that the right of redemption can be exercised at different points of time based on the law by which the property is being sold. It is to be remembered that while the legal provisions as they exist today could be different, the objective of all such sales is the recovery of mortgage debt by sale of properties.

As the enforcement of mortgage involves the sale of mortgaged asset, the laws governing them also need to be uniform, certain, clear, unambiguous, and more importantly understandable and acceptable to the stakeholders. The uniformity of law is not meant as any kind of inducement to any one stakeholder or put one in an advantageous situation over the other but as a proper aid in the sale of mortgaged assets

It is therefore apt to consider bringing in uniformity in all the laws stated above on the lines of the amended provisions of the Securitisation and Reconstruction of Financial Assets and enforcement of Security interest Act 2002. The amendment to other legislations including statutory corporations who have their own statutes would strengthen the mechanism of Auction sales in the country and would be a critical factor in promoting the auction sales in our country.