

ITEM NO.6

COURT NO.7

SECTION IV-C

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (C) No.12038/2026

[Arising out of impugned final judgment and order dated 12-02-2026 in WP No. 44843/2025 passed by the High Court of Madhya Pradesh Principal Seat at Jabalpur]

PATEL PACKAGING PVT. LTD.

Petitioner(s)

VERSUS

ATINDER CONTAINER PVT. LTD. & ORS.

Respondent(s)

IA No. 98200/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT, IA No. 98202/2026 - EXEMPTION FROM FILING O.T.

Date : 08-04-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE K.V. VISWANATHAN

For Petitioner(s) :Mr. Gagan Gupta, Sr. Adv.
Mr. Prateek Jain, AOR

For Respondent(s) :

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

1. This petition arises from the order passed by the High

Court of Madhya Pradesh, dated 12.02.2026 in Writ Petition No. 44843 of 2025, by which the Writ Petition preferred by the petitioner herein came to be dismissed.

2. We heard Mr. Gagan Gupta, the learned senior counsel appearing for the petitioner.

3. It appears from the materials on record that the respondent no.1 is the original borrower. He availed loan facility from the respondent no.2 bank. As the borrower defaulted in the repayment of loan, the bank proceeded to take steps under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, "the SARFAESI Act, 2002").

4. The secured asset was put to auction on 01.02.2023.

5. The auction sale was successful. The sale ultimately came to be finalised in favour of the highest bidder, and sale certificate was issued. The petitioner before us repurchased the property, i.e., the secured asset from the original auction purchaser on 28.06.2025.

6. In the meantime, the original borrower went before the Debt Recovery Tribunal (for short, the DRT") with Section 17 application questioning the legality, validity and transparency

of the auction proceedings. The DRT declined to entertain the Section 17 application on the ground of limitation. Being aggrieved, the original borrower invoked the writ jurisdiction of the High Court. The High Court declined to interfere in the matter and granted permission to the borrower to file an appeal before the Debt Recovery Appellate Tribunal (for short, "the DRAT"). It appears that the DRAT even without formally registering the appeal entertained the same.

7. We are informed that the appeal before the DRAT is still at the stage of Diary number. The Diary No. is 1019 of 2024.

8. The DRAT passed an order dated 13.10.2025. The same reads thus:-

"Learned counsel for the appellant seeks time to file rejoinder to the reply filed by the respondent-Bank on the waiver application. Let the same be filed by the next date.

Learned counsel for the appellant submits that more than 25% of the demanded amount has already been deposited by the appellant and is also ready to deposit Rs. 5.00 lacs within 10 days.

Learned counsel for the appellant also states that the respondents are trying to change the nature of the property in question, therefore, the interest of the appellant may be protected, which has been opposed by the learned counsel for the respondent-Bank.

The appellant is directed to deposit the amount as undertaken above within 10 days from today in the form of demand draft favouring the Registrar, DRAT, Allahabad. Till the next date, the parties concerned are directed to maintain the status quo qua the property in question as it exists today. However, it is made clear that if the appellant fails to deposit the amount as undertaken above within the stipulated period, the interim order granted today shall stand automatically vacated.

List this case on 19.01.2026 for reply."

9. The petitioner before us being dissatisfied, with the order passed by the DRAT preferred a writ petition in the High Court seeking to challenge the same.

10. The High Court declined to interfere and dismissed the writ petition.

11. In such Circumstances, the petitioner is here before us with the present petition.

12. The learned counsel appearing for the petitioner has two-fold submissions to canvass. First, the finding recorded by the High Court insofar as compliance of Section 18(1) of the SARFAESI Act, 2002 is incorrect, more particularly, in view of the dictum laid by this Court in its decision in *"M/s Sidha Neelkanth Paper Industries Private Limited & Another vs. Prudent ARC Limited & Others"* reported in 2023 SCC OnLine SC 12, and secondly, the Appellate Tribunal ought not to have passed any interim order without formal registration of the appeal. In other words, not at the stage of diary number.

13. We are of the view that the DRAT should immediately take up the appeal for hearing and see to it that the same is disposed of within a period of four weeks from today. The

petitioner will be at liberty to urge before the DRAT the point of pre-deposit under Section 18 of the SARFAESI Act, 2002, notwithstanding the finding recorded by the High Court in its impugned order.

14. The DRAT shall follow the dictum laid by this Court in *M/s Sidha Neelkanth Paper Industries Private Limited*, referred to above. For any good reason, if the DRAT is unable to take up the appeal for final hearing, it shall be open for the petitioner to prefer an application seeking vacation of the order of *status quo*.

15. It shall be open for the Petitioner to also raise the contention as regards delay in filing the appeal.

16 With the aforesaid, the Special Leave Petition stands disposed of.

17. Pending application(s), if any, stands disposed of.

(CHANDRESH)
ASTT. REGISTRAR-cum-PS

(POOJA SHARMA)
COURT MASTER (NSH)