IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 6332 OF 2026

M/s Bhagvati Infra]
(Formerly known as M/s. Jalan]
Maple Shelters)]
A Partnership Firm registered under]
The Provisions of the Partnership Act]
And having its registered office at]
Damodar Villa, Flat No.12/13,]
Off. Bhandarkar Road, Shivaji Nagar,]
Pune: 411004.]
Through its Partner Mr. Vijay Narayan Jalan]
Age: 64 Years, Occupation: Business]
R/at: Damodar Villa, Flat No.12/13,]
Off. Bhandarkar Road, Shivaji Nagar,]
Pune: 411004.] … Petitioner

V/s.

1. The State of Maharashtra]
(Through the Secretary, Revenue and]
Forest Department, Mantralaya,]
Mumbai).]

2. The Collector,]
The District Collector Office,]
Station Road, Pune: 411 001.]

3. The Tehsildar,]
Shirur, Dist: Pune.]

4. Mr. Vishnu Anadrao Hargude,]
Age: Adult, Occupation: Business]
R/at: Sanaswadi, Tq: Shirur,]
Pune.]

5. Mr. Hemant Ravindra Patil,]
Age: Adult Occupation: Business]

R/at: S. No.133/1/2, Near Bharku Barate]
Chawl, Varje-Malwadi, Pune: 411 058.]

6. Mr. Ibrahim Isak Shaikh,]
Age: Adult, Occupation: Business]
R/at: Village Asola, Post: Bolda]
Tq: Kalamnuri, Dist: Hingoli : 431701.]

7. Mr. Sanjay Bavangade,]
Age: Adult, Occupation: Business]
R/at: Flat No.9, Vitthal Heights,]
Sangvi Nagar, Baramati.]

8. Mr. Anil Khalil Jikre,]
Age: Adult, Occupation: Business]
R/at: Gitanjali Apartment, Bavdhan]
Budruk, Tq: Mulshi, Pune:411 021.]

9. Mr. Suresh Hari Firke,]
Age: Adult, Occupation: Business]
R/at: Ayodhya Nagar, A/Post Varangaon,]
Tq: Busawal, Dist: Jalgaon: 425 305.]

10. Mr. Sagar Ramu Daske,]
Age: Adult, Occupation: Business]
R/at: Colony-1, Baif Road, Sambhaji]
Nagar Wagholi, Pune.]

11. Mr. Nitin Bhimrao Mahajan,]
Age: Adult, Occupation: Business]
R/at: Headquarter 41, Ashti Division,]
Pune Camp, Pune.]

12. Mr. Satish Mohan Khare,]
Age: Adult, Occupation: Business]
R/at: S. No. 1/1/5, Krishna Yamuna]
Housing Society, Malwadi, Vadgaon]
Sheri, Pune: 411 004.]

13. Mr. Vikas Malmote,]
Age: Adult, Occupation: Business]

	R/at: Near Kolwan Primary School, Tq: Mulshi, Pune.	]]	
14.	Mrs. Tejaswini Agarwal, Age: Adult, Occupation: Business R/at: A-1, P. S. Terraces, Sabane Nagar, Near Maher Nursing Home, Hadapsar, Pune: 411 028.	]]]]]	
15.	Mr. Vasim Shaikh, Age: Adult, Occupation: Business R/at: Flat No.1, Ansar Complex, Viman Darshan, S.No. 230, Lohegaon Pune: 411 014.	]]]]]	
16.	Mr. Swaroop Kumar Naik, Age: Adult, Occupation: Business R/at: Pradhan Sahi, Post: Chaudwar, Dist: Katak, Orissa: 754 025.	]]]]	
17.	Mr. Alok Kumar Charavarty, Age: Adult, Occupation: Business R/at: A-302, Ivy Botanica, Ivy Estate Pune Nagar Road, Wagholi, Pune:412 207.	]]]]]	
18.	The Manager, The State Bank of India, Main Branch, Pune.	]]]	 … Respondents

WITH

WRIT PETITION NO. 2900 OF 2024

1.	Sagar Ramu Daske Age: 40 years, Occ: service R/at, G-502, G.K. Palacio, Borhadewadi, Moshi, Chinchwad, Pune-412 105.	]]]]]
2.	Ibrahim Shaikh Age: 35 years, Occ: service	]]

	R/at: Asola, Post-Bolda,	]
	Hingoli-431 701.	]
3.	Suresh Hari Firke	]
	Age-68 years, Occ: Retired	]
	R/at: Ayodhyanagar, A/P Varangaon,	]
	Tal Bhusawal, Jalgaon – 425 305.	]
4.	Vikas Malpote,	]
	Age : 30 years, R/at Post Kollam,	]
	Near Pre-School,	]
	Taluka Mulshi, Pune-412 108.	]
5.	Apoorva Ashok Gujrathi	]
	Age: 43 years, Occ: Business	]
	R/at: 4186, Near Samachar Press Maidan,	]
	Laxmibai Karanja Ahmednagar-414 001.	]
6.	Nitin Bhimrao Mahajan	]
	Age: 44 years, Occ: service	]
	R/at: Flat No.21, Hari Vaibhav Apart,	]
	Phase-I, Jachak Nagar,	]
	Jai Bhavani Rd, Nashik- 422 101.	]
7.	Tejaswini Deepak Agarwal	]
	Age: 67 years, Occ: Doctor,	]
	R/at: Mahar Nursing Home,	]
	Near Sai Baba Nagar,	]
	Sasane Nagar, Hadapsar,	]
	Pune-28.	]
8.	Sanjay Bhavangade	]
	Age: 50 years, Occ: service	]
	R/at: A-24, Blossom City,	]
	Tambenagarm MIDC Baramati,	]
	Dist-Pune, 413 102.	]
9.	Rahul Patil,	]
	Age: 36 years, Occ: service	]
	R/at: B 206, Radhe Harmony,	]
	Dhaykarwadi, Dudulgaon, Pune-412105.	]

10.	Anees Jirke, Age: 61 years, Occ: Tailor R/at: Super Tailor, Shop No.6, Hutatma Chowk, Mulshi Pune-21.	]]]]	
11.	Satish Khaire Age: 42 years, Occ: Business R/at: Malwadi, Krushna Yamuna Housing Society, Vadgaon Sheri, Pune-411 014.	]]]]]	… Petitioners

V/s.

1.	The State of Maharashtra (Through its Secretary, Department of Revenue and Forest)	]]]]	
2.	Collector Pune, Opp. Sassoon Hospital Station Road, Pune – 411 001.	]]]	
3.	Sub-Divisional Officer, Office of SDO Shirur, Pune Shirur, Pune City, Pune.	]]]	
4.	Tehsildar Office of Tehsildar, Shirur, Pune.	]]	
5.	State Bank of India, State Bank Bhawan, M.C. Road, Nariman Point, Mumbai, Maharashtra, India.	]]]]	
6.	M/s Bhagwati Infra Jalan Maple Shelters Having address at: Rahul Capital, Third Floor, Prabhat Road, CTS No.115/B, Erandwane, Pune-411 041. Through its proprietor Mr. Vijay Narayan Jalan Residing at: Pune, Maharashtra.	]]]]]]]]]	… Respondents

Mr. Mandar Limaye i/by Mr. Tushar Chavan, a/w. Mr. Nilesh Joshi for the Petitioner in WP/6332/2026 and for the Respondents in WP/2900/2024.

Mr. Shailendra S. Kanetkar a/w. Mr. Pranay Kothari for the Petitioners in WP/2900/2024.

Mr. Nitin Deshpande i/by Mr. Akshay Karlekar for Respondent No.4 in WP/6332/2026.

Mr. Prabhanjan Gujar a/w. Mr. Paras Pawar for Respondent No.5 in WP/2900/2024.

Mr. Ajinkya Sarvade for Respondent Nos.16 and 17 in WP/6332/2026.

Mr. Prabhanjan Gujar a/w Mr. Paras Pawar for the Respondent No.18 in WP/6332/2026.

Mr. Rajendra Dahat, Asst. General Manager SAMB-III for SBI, Present.

Smt. Neha Bhide, G.P. a/w. Mr. N.C. Walimbe Addl. G.P. a/w. Smt. R. A. Salunkhe, AGP, for the Respondent-State.

CORAM : A. S. GADKARI AND
KAMAL KHATA, JJ.
RESERVED ON : 6th July, 2026.
PRONOUNCED ON : 15th July, 2026.

JUDGMENT (Per : Kamal Khata, J.) :-

1) By Writ Petition No. 6332 of 2026 filed under Article 226 of the Constitution of India, the Petitioner seeks to quash and set aside the auction dated 29th April 2026, conducted by the Tehsildar - Respondent No.3. The other Writ Petition No. 2900 of 2024 is filed by the Flat Purchasers seeking enforcement of the Maha RERA orders for recovery of their money by sale of the Developer's properties.

2) Both Petitions are disposed of by this common Judgment as the

issues are interlinked. For the sake of brevity, the parties herein are referred as arrayed in Writ Petition No. 6332 of 2026, except where required otherwise.

3) Mr. Limaye learned Advocate appearing for the Petitioner submits that, the Petitioner is the Developer of the residential project called “Aura City” situated at Village Shikrapur, Taluka Shirur, Pune (‘the subject property’). In the course of Development, the Petitioner (‘Developer’) received monies from Respondent Nos.5 to 17 (‘Purchasers’) for booking flats in the said project. Since the Developer had failed to hand over the possession of the said flats in time, the Purchasers filed complaints/claims before Maha RERA Pune. The Maha RERA allowed the claims in the year 2018. In 2023, it directed the Respondent No.2 (‘Collector’) to attach the subject property. Consequently, it was attached by the Collector and the name of the Government was mutated as Mutation Entry Nos.15006 and 15379 on 30th May, 2023.

4) The Respondent No.3 (‘Tehsildar’) issued a proclamation for auction to take place on 14th June, 2023. The said auction, however, was cancelled as the Respondent No.18-State Bank of India(‘SBI’) refused to grant the NOC for the sale of a part of the land, since it was in the process of selling the entire project. On 7th April 2026, the Tehsildar again issued a proclamation of the auction on 6th April 2026, to take place on 20 April 2026. The Developer challenged the Order before the Maha RERA which is

pending.

5) Mr. Limaye submits that, having learnt that Purchasers had filed a Civil Writ Petition against the Developer and Respondent Nos.1 to 3 and SBI for implementation of the Order passed by Maha RERA, Pune, the Developer showed his willingness to refund the amount in installments to the concerned Purchasers and clear the encumbrance created by Respondent No.2.

6) Mr. Limaye submitted that, the Writ Petition No.2900 of 2024 was listed on 23^{rd} April 2026, on which day the Developer agreed to deposit the encumbrance amount in two installments and filed an Undertaking to that effect. The matter was kept on 28^{th} April 2026. He submits that, as per the directions, the Undertaking was submitted and accepted by the Court. By the said Undertaking, the Developer agreed to pay Rs. 1 crore 76 lakhs to the Tehsildar on or before 30^{th} April 2026, being the 50% amount of the encumbrance. Despite the hearing before the Court on 23^{rd} April 2026, and listing of the matter on 28^{th} April 2026, the Tehsildar issued a proclamation of auction of the property on 27^{th} April 2026, wherein it was mentioned that the auction of the subject property would take place on 29^{th} April, 2026. The Undertaking having been accepted by the Court, the Purchasers sought time to respond and accordingly, the Court listed the matter on 6^{th} June 2026.

7) Mr. Limaye submits that, having learnt that the Tehsildar had

fixed the auction on 29th April 2026, the Developer visited the office of Tehsildar and offered to deposit the concerned Demand Drafts with him. He submitted that, the Tehsildar refused to accept the same and proceeded to auction the property on the same day i.e. on 29th April, 2026. Under these circumstances that, the Petitioner was compelled to file the present Petition on 4th May 2026, to set aside the proclamation issued on 27th April 2026 and the auction sale conducted on 29th April 2026.

8) Mr. Kanetkar learned Advocate for the Respondent Nos 5 to 17 submitted that, the flat purchasers had entered into individual agreements in 2012. The Developer had failed to abide by the timelines and give possession of the units. Therefore, in 2018, the Purchasers decided to withdraw from the scheme floated by the Developer and filed individual complaints before the Maha RERA Authority, Pune. The Maha RERA Authority passed final Orders in those respective complaints. A warrant under Section 40 (1) of the Maha RERA Act came to be issued; but despite that, the Developer did not comply with the Orders. During the year 2021-2022, the Purchasers regularly followed up with the Authorities to implement the said Orders. However, the Respondent Nos.1 to 4 took no action. Under these circumstances, the Purchasers had filed Writ Petition No. 2900 of 2024 on 10th November 2023.

9) Mr. Kanetkar submitted that, the Purchasers are interested in receiving their monies at the earliest and therefore, if the Developer is

agreeable to pay that as per the Maha Rera Order, they would have no objection whatsoever, he prayed that, the Court should safeguard the interest of the Purchasers until they receive the monies along with interest.

10) Mr. Deshpande, learned Advocate appearing for the Respondent No. 4 ('Auction Purchasers') opposed the Petition by the Developers. He argued that the Developers had failed to abide by their own assurances in the past and therefore, the auction conducted by the Tehsildar in accordance with law, ought not to be set aside. He submitted that, the auction having been concluded, the rights of the auction purchasers ought to be secured and no relief as sought by the Developer should be granted.

11) Mrs. Neha Bhide, learned Government Pleader for the Respondent Nos 1 – 3 submitted that, the Tehsildar has followed due process and was only complying with the Order passed by the Maha RERA. The office of the Tehsildar had initiated recovery proceeding against the Developer pursuant to an Attachment Order on 19th October 2022. The name of the Government was mutated by Mutation Entry Nos.15006 and 15379 on 30th May 2023.

11.1) She submitted that, after the measurement of the attached properties was carried out in the year 2023, the proclamation for auction was issued on 14th May 2023 in respect of the attached properties. The auction was cancelled because there was an encumbrance of SBI on the subject property. The Tehsildar had procured a Valuation Report from the

Sub-Registrar, Shirur and had also requested the SBI to issue an NOC to auction the subject property.

11.2) She relied upon the letter dated 18th October 2025 from the SBI and submitted that, the same was construed as a 'No Objection' from the SBI. The Circle Officer thereafter inspected the site and filed a panchnama of the total area of the subject property on 9th March, 2026. Thereafter, by his letter dated 23rd March 2026 the Tehsildar requested the SDO, Pune to fix the upset price of the attached property. By a letter dated 27th March 2026, the SDO Pune had approved the upset price of a portion of the said property at Rs.5,69,94,000/-. After having received the same, they decided to proceed with the auction of the attached property.

11.3) She submitted that, the Public Notice was issued on 7th April 2026 for auction on 20th April 2026. Since the auction did not take place, for want of response from any bidder, they issued a further Notice on 27th April 2026 to auction the subject property on 29th April 2026. As the Auction Purchaser expressed his willingness to purchase the property for an amount of Rs.5,85,00,000/- and deposited 25% amount on 29th April 2026, the auction was closed in his favour. The Auction Purchaser had also transferred the remaining 75% amount on 12th May 2026 as per the bidding terms.

11.4) She submitted that, the Developer had offered to pay an amount of 50% when he appeared in the matter on 23rd April 2026 and on

28th April 2026, did submit an Undertaking regarding the payment schedule. On instructions she submitted that, however neither they received any communication from the Developer nor did he deposit the amounts on 29th April 2026 as assured and presently as argued.

11.5) She submitted that, the communication from the Developer was received by the Tehsildar only on 11th May 2026 by which time the auction was already completed having received the 25% amount from the Auction Purchaser and it was only on 14th May 2026 that the Demand Drafts in the sum of Rs.80,74,867/- were submitted to the office of the Tehsildar.

12) At this stage, harbouring serious doubts about the conduct of the Tehsildar, we inquired with Smt. Bhide about the statute under which the notice was issued and further procedure adopted by the Tehsildar. A perusal of the record indicates that two Public Notices were issued for the auction of the subject property; one on 7th April 2026 and the other on 27th April 2026.

13) We found that even paragraph No.14 of the Tehsildar's Affidavit is vague and an attempt to mislead the Court is made. While it admitted that, the Developer had appeared through VC and agreed to deposit 50% of the amount within period of one week in the Court and it also recorded that the Developer Respondent No.6 had submitted the Undertaking pertaining to the payment schedule, it failed to explain why despite the Developer's assurance, a Notice was issued by the Tehsildar on 27th April 2026 for the

action. In view of this unexplained conduct, we put questions to the Tehsildar through Smt. Bhide. She was asked the following questions and she answered after taking instructions from the Tehsildar who was personally present in the Court.

Q. How many bids were received on 29th April 2026?

A. Two bids.

Q. Are the two bidders from the same village?

A. Yes.

Q. How far are their residences from each other?

A. I don’t know.

Q. Does the form mention their addresses?

A. No.

Q. What is the vocation of Mr. Darekar, the other person who allegedly bid?

A. I don’t know.

Q. Have you checked the financials capacity of the two bidders?

A. Not checked.

Q. Under which Rule or provision was the auction conducted? Under which Rule was the notice issued?

It be noted here that, when the Tehsildar asked about the said Rules he took almost 20 minutes to respond to the said answer. He was not aware under which Act the said Notice was apparently issued. Thus, our doubts stood confirmed and the malafides of the Tehsildar became apparent.

13.1) We have noted the demeanor of the Tehsildar in our Order dated 3rd July 2026.

14) In the meantime, Smt. Bhide submitted that, there was no procedure for the execution of Maha RERA Orders and therefore the procedure under the Maharashtra Land Revenue Code, 1966 ('MLRC') was followed.

14.1) She submitted that, as per the directions given by the Court on 8th May 2026, the sale has not been confirmed. She reiterated that, the entire proceeding was speedily conducted to give fruition to the Maha RERA Order and that there was neither any illegality or willful delay in complying with the same.

15) Mr. Gujar learned Advocate appearing on behalf of Respondent No. 18 – SBI has also opposed the auction sale. He asserts that, the bank has not given its NOC to the Tehsildar for the said sale. In that regard, he invited our attention to the SBI's response to the Notice dated 8th June, 2023 which categorically requested the Tehsildar not to hold the proposed auction and provide them the details of the Order of Maha RERA in pursuance of which he proposed to conduct the auction. Our attention was then drawn to the letter dated 17th July 2023 to submit that, the Bank did not give NOC for the sale of part of the land as they were in the process to

sell the entire project. He then drew our attention to the letter dated 11th February, 2025 issued by the SBI to the Deputy Collector whereby it sought a direction to the Revenue Department, Shirur, to demarcate the open lands with boundaries from the project land, to enable the Bank to auction the said open lands under the SARFAESI Act and recover the dues. It further requested the Collector to instruct the Developer to provide actual position of the sold/unsold flats along with supporting documents to enable them to take possession of the unsold/unregistered flats in the Aura City project.

15.1) He further drew our attention to the letter dated 4th February, 2026 by which Tehsildar had sought NOC from the SBI. He pointed out the Minutes of Meeting dated 28th February, 2026 whereby the Tehsildar recorded the requirement of NOC from the SBI. In addition to the afore-stated documents, he invited our attention to the letter issued by the SBI to Tehsildar dated 28th April, 2026, whereby the SBI being the secured creditor objected to the incorrect attachment of the mortgaged property because the entire property was mortgaged to the bank and they had first charge over it under the SARFAESI Act. Therefore, the Tehsildar's attempt to the auction it, was contrary to the interest of the SBI. He submitted that, despite the aforesaid communication, the Tehsildar proceeded to auction the properties on 29th April 2026. He firmly asserted that, the SBI's letter dated 18th October 2025 was not an NOC as submitted by Smt. Bhide and prayed that the auction be set aside.

Reasons, Analysis and Conclusion

16) We have heard the Advocates for all the parties and have perused the entire record.

17) Having considered the arguments and perusing the record, we find absolutely no merit in the defense raised by the Tehsildar or the auction purchaser.

18) For analysis and ready reference, the provisions of MLRC are set out below:

19) Perusal of the Sections 192 to 195 under Chapter XI of the MLRC indicates that, Section 192 pertains to the procedure in effecting sales. Section 193 pertains to notification of sales. Section 194 pertains to sale by whom to be made, time of sale etc. Section 194 (2) to reads as under:

> “194(2):- No such sale shall take place on a Sunday or other general holiday recognized by the State Government, nor until after the expiration of **at least thirty days in the case of immovable property**, or seven days in the case of movable property, from the latest date on which any of the said notices shall have been affixed as required by section 193.”

19.1) Section 195 refers to postponement of sale.

19.2) Section 194 (2) is amply clear. It specifically provides a period of at least 30 days for sale of immoveable properties from the date of the Notice required under Section 193.

19.3) The proviso of Section 195 clearly states that, when the sale is postponed for a period longer than 30 days, a fresh proclamation and Notice shall be issued unless the defaulter consents to waive it.

Public Notices

20) Admittedly, the Public Notice regarding the auction was given on 7th April 2026, for an auction to take place on 20th April 2026, clearly less than 30 days. Further, it is not in dispute that, there was no response from any bidder received for proceeding with the auction on 20th April 2026. A fresh Notice therefore was issued on 27th April 2026. Pertinently the Notice was published in the newspapers only on 28th April 2026. Moreover, record indicates that the Developer's site engineer was informed about the auction on 27th April 2026 i.e. just two days before the auction that was to take place on 29th April 2026. Clearly, such a notice is impermissible and was only issued to deceive.

21) In this regard, it would be profitable to refer to this Court's decision in the case of *Vaijnath S/o. Trimbak Zarkar vs. State of Maharashtra* reported in *2012 SCC OnLine Bom 2346* decided by the single Judge, on 13th December, 2012 wherein the Court held that, the sale was scheduled to be conducted merely 2 days after of Public Notice was bad in law and violative of Section 194 of the MLRC. We agree with the view taken by the Single Judge in Vaijnath Zarkar (supra). Thus, the 2-day Notice is bad in law and violative of Section 194 of the MLRC. Our view is fortified

by the decision of the Supreme Court in *Al-Can Expert Pvt. Ltd. vs. Prestige H.M. Polycontainers Ltd. and others* reported in *(2024) 9 SCC 94* wherein the Court held that, conducting the auction before the expiry of the mandatory 30 days' period under the provisions of Section 194, are not merely an irregularity but gross illegality. Therefore, *ex facie* the 2 days' notice is a gross illegality being violative of Section 194 of the MLRC.

Incorrect description of property

22) The Notice is bad even for misdescription of property. The Minutes of the Meeting dated 29th April 2026 records that the auction purchaser pointed out the mistake of the Survey number in the notice of 27th April 2026. The Tehsildar had assured that the same would be rectified. In our view, the notice is bad even for this reason and cannot be acted upon and consequently, the auction sale has to be set aside.

Bidding documents

23) In addition to the aforesaid, having examined the Notice, we had posed a question to Smt. Bhide as to whether the documents required as per terms and conditions set out in the Notice were submitted by the bidders. And to ascertain that, we called upon her to produce all the original records of the auction and sale attachment of the subject property. She had handed over the original documents produced by the Tehsildar. However, they were not in a proper file. We therefore directed the learned GP to get the photocopies done through her office and only then return the

originals to the Tehsildar.

24) What we observed was that, all the papers were only tied with a thread. Thus, susceptible to manipulation. This is not the manner in which public records have to be maintained and such manner of filing is unacceptable and deprecated.

25) The bidding form required certain documents to be furnished by the bidders. It is noted that the GST documents which is a requisition was not furnished by either of the bidder. The Balance Sheet too was not furnished. It is thus apparent that the Tehsildar conducted the auction on 29th April 2026 only to benefit the auction purchaser.

Bidders

26) There were only three bidders who participated in the bid on 29th April 2026. Interestingly, only two bidders participated in the auction. Upon inquiry with Smt Bhide, who intrun inquired with the Tehsildar, who initially refused to answer but when proded informed us that, they were from the same village residing barely at a distance of ½ a kilometer from each other.

27) A perusal of the compilation of documents reveals that Mr. Darekar the other bidder is an agriculturist. No documents have been submitted by him as required by the bidding Form. He also did not submit any document indicating his financial capacity to bid for the said land in the auction.

Valuation of the Property

28) We find that the Tehsildar has failed to obtain the valuation report from a Government approved valuer. Thus, without obtaining the market value of the subject property, only based on the ready reckoner value of the subject property it was put up for auction. For this reason too the auction deserves to be set aside.

29) It is evident that the Tehsildar has ignored the non- compliance of bidding terms and conditions by the Auction Purchaser and has purportedly sold the subject property.

Tehsildar's Affidavit:

30) The contents of the Tehsildar's Affidavit smacks of malafides. The statements therein are not only vague but appear to be a calculated attempt to mislead the Court. A perusal of the Affidavit filed by the Tehsildar, Balasaheb Mhaske reveals that, he has been a Tehsildar at Shirur since 13th April 2023. Paragraph 11 of the Affidavit mentions about the letter dated 4th February 2026, addressed to the Deputy General Manager, State Bank of India requesting him to issue the NOC for the auction of the area and leaves it at that. It fails to disclose whether the NOC was indeed received.

31) In our view, there is a clear contradiction on the face of it. On the one hand, while the Tehsildar asserts that, the letter of 18th October 2025 was the NOC issued by the State Bank of India, on the other hand, the

averments in the Affidavit clearly evince that, the Tehsildar had sought an NOC from the SBI by his letter dated 4th February 2026. We also noticed that the Tehsildar who was present in Court prompted Smt. Bhide to refer to the letter of 18th October 2025 to submit that, it was on the basis of this letter, which he regarded as SBI's NOC to proceed with auction of the subject property. Thus, if according to the Tehsildar, SBI had given their NOC for sale of the subject property, there is no justification to request for NOC by his letter of 4th February 2026. This contradiction by itself leads us to believe that the Tehsildar has not come to the Court with clean hands and is attempting to mislead the Court.

32) We have briefly noted the demeanor of the Tehsildar in our Order dated 3rd July 2026 and in detail herein above. We observed that after the Tehsildar was asked the question he took almost 20 minutes to respond to the said query. It was clear that he was not aware under which Act the said Notice was apparently issued.

Tehsildar's conduct

33) We questioned Smt. Bhide as to why the Tehsildar decided to issue a fresh Notice on 27th April 2026 and hold the auction on 29th April 2026. The only defence Smt. Bhide attempted to raise was that, the Notice dated 27th April 2026 was in continuation of the previous one and the Developer's prayer to stay the auction sale was declined by this Court when it heard the matter on 28th April 2026.

34) In our view, this contention is wholly untenable. By not staying the sale, the Court did not grant its imprimatur to an invalid Notice. It is apparent that, the Court was not informed that, the sale was to be conducted within a period of less than 30 days as mandated under MLRC i.e. 22 days from the Notice dated 7th April, 2026 and 2 days from the Notice dated 27th April 2026. In our view, the auction sale could not have been conducted until the expiry of at least 30 days period i.e. before 7th May 2026.

35) Smt. Bhide's submission, on instructions that the Notice issued on 27th April 2026, was not a fresh Notice but a continuation of the Notice dated 7th April, 2026 too is incorrect. A bare perusal of the said two Notices evinces that, the Notice dated 27th April 2026, is not a continuation of the earlier Notice, but a fresh Notice. We do not find any explanation either in the Affidavit filed by the Tehsildar or the submissions of Smt. Bhide.

36) Our initial suspicion that, the entire auction is manipulated so as to favour the present auction purchaser stands vindicated. The record also evinces that, the Tehsildar has completely ignored the requirements under bid document such as GST document, Balance Sheet to prove financial capacity as well as the requirement of NOC from SBI, the secured creditor. It is only with a view to cover up his misdeeds, the Tehsildar relies upon the letter dated 16th October, 2025 as an NOC. But there is no justifiable answer for the letter dated 4th February, 2026 seeking NOC from

the SBI. Nor is there any justifiable explanation forthcoming for the Tehsildar's refusal to accept the Demand Drafts from the Developer on 29th April, 2026. The documents produced by the Developer evinces that, the same was presented to the office.

37) We find no reason to accept the denial of the Tehsildar that, the same were not presented because there is no logical reason for the Developer, who has obtained Demand Drafts, not to offer them to the Tehsildar, especially when, the Developer was interested to demonstrate his bona fides and thereby stay the auction. This incident too gives rise to the doubts in our minds and therefore we are unable to accept the contention of Tehsildar that, these Demand Drafts were never presented.

38) Having considered the aforesaid facets of the matter, we are compelled to observe that, the Tehsildar acted malafidely, with undue haste, apparently and evidently with a view to benefit the auction purchaser, for reasons not far to seek.

39) We also observed the auction purchaser's Advocate, on instructions from the auction purchaser who was present in Court, repeatedly argued in support of the Tehsildar. Notably, despite our offering Mr. Deshpande (Advocate for the auction purchaser) to consent for setting aside the auction and re-auction the property, upon instructions, the same was refused and Mr. Deshpande was instructed to argue the matter. This conduct of the auction purchaser also leads us to an irresistible conclusion

that the auction was conducted specifically for the benefit of the auction purchaser.

40) Pertinently, despite a 22-day notice, on 20th April 2026 there were no bidders who came forward to bid in the auction. However, on a short notice published on 27th April 2026 three bidders attended out of which only two participated in the bidding process. Moreover, the Tehsildar refused to acknowledge the Developer offering Demand Drafts for staying the Auction. It is contended that, the sale is completed. The Court is persuaded to believe that the auction was speedily conducted in order to comply with the Maha RERA Orders which were pending since long. All the above events fortify our belief that the Tehsildar has colluded with the bidders and rigged the auction to favour the present bidder.

41) Under these circumstances, in our view, the State must take immediate action against the said Tehsildar and initiate investigation into the matter and in the meantime consider suspending him until investigation is completed.

42) During the course of hearing, we had also requested Smt. Bhide to inform the Collector about the actions of the Tehsildar and permitted his appearance through video conferencing facility. To our utmost shock and surprise, the Collector appeared online whilst travelling by car, which is impermissible. This clearly shows scant respect towards the Court and its proceedings. We do not appreciate the conduct of the Collector of Pune in

that behalf. The Collector ought to have been mindful of the fact that, he could not have appeared through video conferencing facility, whilst travelling by car. He ought to have informed the Government Pleader that, he was travelling and could not attend the Court. The Collector ought not have behaved so casually and in such an undignified manner.

43) Another issue in the matter is about the role of the SBI as a secured creditor. As seen from the record, the SBI who held a money decree and a charge over the subject property, has taken no fruitful action to sell the properties for the past more than 8 years. It has simply communicated its intention to sell the entire project but has failed to do so for several years.

44) In our view, SBI as a secured creditor is equally responsible for the delay in selling the mortgaged property for over eight years. The role of the SBI and its concerned Officers in the delay of the sale of the project requires through enquiry. The delay in sale of property is not only prejudicial for the borrower but also for the public exchequer. The cascading effect of the delay has also prejudiced the interest of the flat purchasers, who await the sale of the property and recovery of their money. We find that the SBI who holds the charge over the property as a secured creditor only benefits as the interest on the principal keeps mounting on a monthly/yearly basis. As can be seen from the record, the interest component is almost equal to that of the principal amount. Thus, while on

the one hand Bank benefits by continuing the charge over the property, the others suffer prejudice. The home buyers who have paid money to the Developer in 2012 are awaiting the recovery of the monies since more than 8 years causing them serious prejudice. The interest paid against their initial investment does not compensate with the rise in price of the flats that are now available in market.

45) The Chairman of SBI may consider to conduct an in-depth inquiry and investigation in the delay of sale of the subject property despite having obtained an Order from the Court since 2019, and the role played by the concerned Officers from time to time particularly those who were in-charge of the said project and have caused the delay to sell.

46) In view of the above discussion we are of the view that, the notice for auction is bad in law and therefore, deserves to be set aside.

47) In view of the above, we pass the following order:

a) The auction dated 29th April 2026 is set aside.

b) The Developer is directed to hand over the monies to the Judgment Creditors namely, the Purchasers within a period of two weeks from the date of uploading of this Judgment on the official website of High Court, Mumbai and intimate the concerned Authorities.

c) Upon intimation of such payment to the Purchasers, the concerned Authorities to remove the encumbrances and reverse the mutation entries and give intimation to the Developer within a period of one week therefrom.

d) The State to file an Affidavit placing on record the action taken against the Tehsildar, within a period of six months from the date of uploading of this Judgment on the official website of High Court, Mumbai.

e) The Registrar (Judicial-I) to return the mobile phone of the Tehsildar forthwith upon payment of usual fine.

f) The Registry to communicate this Judgment to the Chief Secretary, Revenue and Forest Department, Mantralaya, Mumbai as well as the Chairman of SBI within a period of one week from the date of uploading of this Judgment on the official website of High Court, Mumbai.

48) Petitions are accordingly disposed off in the aforesaid terms.

(KAMAL KHATA, J.) **(A.S. GADKARI, J.)**