

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002), S. 13(8) – Till what time or date can the right of redemption of the mortgage be exercised by the mortgagors/borrowers in the light of the amendment to Section 13(8) of the SARFAESI Act?

Hold that the amended Section 13(8) of the SARFAESI Act merely prohibits a secured creditor from proceeding further with the transfer of the secured asset by way of lease, assignment or sale; a restriction on the right of the mortgagee to deal with the property is not exactly the same as the equity of redemption available to the mortgagor; the payment of the amount mentioned in Section 13(8) of the SARFAESI Act ties the hands of the mortgagee (secured creditor) from exercising any of the powers conferred under the Act; that redemption comes later; extinction of the right of redemption comes much later than the sale notice; and the right of redemption is not lost immediately upon the highest bid made by a purchaser in an auction being accepted –

That such a right would continue till the execution of a conveyance i.e. issuance of sale certificate in favour of the mortgagee – Transfer of Property Act, 1882, Section 60.

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