IN THE DEBTS RECOVERY APPELLATE TRIBUNAL AT CHENNAI

Dated the 27th of May, 2026

PRESENT: Hon'ble Mr. *Justice* G. Chandrasekharan
CHAIRPERSON

R.A (SA): 135/2019
(SA No.109/2010 on the file of DRT, Coimbatore)
And
R.A (SA): 105/2019
(SA No.109/2010 on the file of DRT, Coimbatore)

R.A (SA): 135/2019

Between

1. M/s.Bank of Baroda
Rep. by Chief Manager
No.10, Avinashi Road
Tiruppur Post, Tiruppur District.

2. The Branch Manager
Authorised Officer
M/s. Bank of Baroda
Office Line, Bishop House
Vellore Post, Vellore District.

... Appellants

And

1. S.Sundarapandian
S/o. Late. Settu
No.165/1, Kulikadi Thottam
Sirupooluvapatti Post
Tiruppur – 3.

2. Mr. Subramaniyam
District Secretary of MDMK Front
Door No. 1, Thiruvalluvar Street
Sainathapuram
Vellore Post, Vellore District

3. Mr.M.Narasimman
S/o. Mahalingam
K.K.Nagar
Pernampet (Post)
Vellore District.

4. Mr.M.Gobi
S/o. Mogeleswaran
Erikuthy (Village)
Pernamput-635810
(N.A.) Vellore District.

.... Respondents

R.A (SA): 105/2019

Mr.M.Gobi
S/o. Mogeleswaran
Erikuthy (Village)
Pernamput-635810
(N.A.) Vellore District.

Presently Residing at
No.422/1 D, New 412/222,
Solan Street,
Kamarajar Nagar,
Pernambut,
Vellore – 635810.

...Appellant

And

1. S.Sundarapandian
S/o. Late. Settu
No.165/1, Kulikadi Thottam
Sirupooluvapatti Post
Tiruppur – 3.

2. Bank of Baroda
No.10, Avinashi Road
Tiruppur Post, Tiruppur District.

3. The Branch Manager
Authorised Officer
M/s. Bank of Baroda
Office Line, Bishop House
Vellore Post, Vellore District.

4. Mr.Subramaniyam
District Secretary of MDMK Front
Door No. 1, Thiruvalluvar Street
Sainathapuram
Vellore Post, Vellore District

5. Mr.Narasimman
S/o. Mahalingam
K.K.Nagar
Pernamput (Post)
Vellore District.

...Respondents

Counsel for Bank : *M/s. Ramalingam & Associates*
Counsel for R1 in RA(SA) 135/2019 : *M/s. P. Venugopal*
Counsel for Appellant in RA(SA)105/2019 and R4 in RA(SA) 135/2019 : *Mr. S. Balaji*

COMMON ORDER

1. Two Appeals are filed against order dated 10.10.2018 of DRT, Coimbatore in SA 109/2010. The Appeal in RA (SA) 135/2019 is filed by the Bank and RA (SA) 105/2019 is filed by the third-party purchaser Mr. M. Gobi.

1.1 For the sake of convenience and better understanding, the parties arrayed in RA (SA) No.135/2019 are referred to, for the purpose of reference.

2. The first Respondent Mr. S. Sundarapandian, filed SA 109/2010 on the file of DRT, Coimbatore seeking to declare the notice dated 30.11.2009 as invalid and to declare steps taken by the Bank on 14.12.2009 under Section 13(4) of SARFAESI Act, 2002, as *void ab initio* and illegal and to set aside the sale effected by the Bank on 14.12.2009 in favour of 3rd Respondent namely Mr. Narashimhan.

3. The brief facts of the case are that the first Respondent, Mr. S. Sundarapandian, was the staff of the Appellant, the erstwhile Vijaya Bank, which subsequently merged with Bank of Baroda. He availed a loan of Rs.3 Lakhs under the Staff Housing Loan Scheme on 16.08.2001. He paid a sum of Rs.55,400/-. In the year 2009, the Bank made certain book adjustments without the knowledge and consent of the first Respondent. The Bank issued a Demand Notice dated 02.09.2009 claiming a sum of Rs.4,75,880/- along with arrears of Rs.66,000/-. He was not served with notice of sale dated 30.11.2009. He was dismissed from service and made efforts to pay part of the loan amount due. The demand made

by the Bank is not proper. The 2nd Respondent, Mr. Subramani, purchased the property in the sale held on 14.12.2009, but it was not confirmed. Thus, alleging illegality and irregularity in the conduct of sale, the Securitisation Application was filed.

3.1 The case of the Appellant Bank before the Tribunal was that, despite issuance of Demand Notice, the first Respondent had not paid the loan amount. Therefore, measures under the SARFAESI Act, 2002 were taken. The first sale was postponed in view of the letter given by the first Respondent expressing his intention to settle the loan account. On his failure to honour the commitment, the property was sold, and the 2nd Respondent, Mr. N. Subramini was declared as successful bidder. The procedure had been scrupulously followed for the sale of the property.

3.2 The case of the 3rd Respondent, Mr. Narasimhan, is that he was the successful bidder along with Respondent No.2, Mr. Subramani, and that the 3rd Respondent paid the entire sale

consideration. The Sale Certificate was registered in his name. Mutation has been made in the revenue records. The existing building was demolished and a new building was constructed.

3.3 The case of the 4th Respondent, Mr. M. Gobi, is that he is a *bonafide* purchaser from Respondent No.3, Mr. Narasimhan, for valuable consideration. He had made improvements in the property. He was not aware of the SARFAESI proceedings till his impleadment.

4. Respondent No.4, Mr. M. Gobi had hotly contested this Appeal, whereas the Appellant, Bank of Baroda has not contested the matter with intent and purpose. The main issue involved in this case is the non-service of the sale notice and the discrepancies in the confirmation of sale and issuance and registration of the sale certificate. The Tribunal found that no clear 30 days' notice was given prior to the sale of the property. It was also found that one Mr. Subramani and others were declared as successful bidders and that the sale

was confirmed in favour of 2nd Respondent, Mr. Subramani. However, the sale certificate was issued in favour of 3rd Respondent, Mr. Narasimhan. Since no material had been produced to justify the conduct of sale as required under SARFAESI Act and in view of the discrepancy in issuance of sale certificate, the SA was allowed. Therefore, this Tribunal directed Learned Counsel for the Bank to produce the relevant documents in support of sale of the property and issuance of sale certificate.

5. Learned Counsel appearing for the Bank of Baroda submitted that the documents required by this Tribunal are not available and conceded that there was no clear 30 days' notice prior to the sale.

6. Learned Counsel appearing for the subsequent purchaser, Mr. M. Gobi, vigorously canvassed for protecting the sale. It was his submission that the Appellant in RA(SA) 105/2019 and Respondent No.4 in RA (SA) 135/2019, Mr. M. Gobi is a *bonafide* purchaser from the successful Auction

Purchaser. He had invested a huge amount in buying the property and making improvements, and therefore, his rights have to be protected. Simply because there was a defect in taking measures, a *bonafide* purchaser cannot be deprived of the property purchased with his hard earned money. In support of his submissions, he pressed into service of the case in **M. S. Sanjay Vs. Indian Bank**, reported in *II (2025) BC 270 (SC)*.

7. Considered the rival submissions and perused the records.

8. The issues involved in this case are of narrow compass of lack of clear 30 days' notice prior to the sale and discrepancy in issuing Sale Certificate. A copy of the tender cum auction sale notice published in the English newspaper is produced. As per this notice, the Sale Notice was dated 27.11.2009 and date of sale was fixed as 14.12.2009. As per the law that was in force in 2009, there should have been a clear 30 days' notice prior to the sale. Obviously, there was

no clear 30 days' notice prior to the sale. Therefore, the finding of the Learned Presiding Officer that there was no clear 30 days' notice has to be confirmed, and is accordingly confirmed.

9. Admittedly, the sale was held on 14.12.2009. The Bank sent a letter dated 14.12.2009 to one Mr. Subramani and others, stating that Mr. Subramani and others are declared as successful bidders in the auction of the property held on 14.12.2009 and the property was allotted to him against the bid amount of Rs.6.57 Lakhs. Since he had already remitted Rs.1,64,250/-, he was asked to remit the balance amount of Rs.4,92,750/- within 15 days i.e. on or before 29.12.2009.

10. The Sale Certificate dated 29.12.2009 also shows that the Sale Certificate was issued in favour of Mr. N. Subramani and others. There is no indication who constitute "and others". Whether somebody else joined along with Mr. Subramani, in submitting the tender bids? Respondent No.3, Mr. Narasimhan, claims that he joined the bid with Mr.

Subramani. However, the Bank has not produced any material to show how many bids have been received and whether the bids were submitted individually or jointly by the bidders, etc. If a joint bid had been submitted by Mr. Subramani and Mr. Narasimhan, that should have been clearly mentioned in the sale confirmation advice and in the sale certificate. That has not been done in this case. The sale confirmation advice and sale certificate were issued to Mr. Subramani and others, without indicating who constituted "and others". Strangely, the sale certificate was registered in the name of Mr. M. Narasimhan, the Respondent No.3. It is stated in the registered sale certificate that the property was sold in the name of Mr. Narasimhan. There is no record produced to show that the property was sold in favour of Mr. Narasimhan. There are obvious discrepancies as to the confirmation of sale and issuance of sale certificate as detailed above. This aspect was not clarified by the Appellant, Bank of Baroda.

11. Taking all these factors into consideration, Learned Presiding Officer allowed the SA and set aside the sale held on 14.12.2009. The Bank was given liberty to proceed further against the property afresh as per law, after taking into consideration the improvement alleged to have been made by Respondents 3 and 4.

12. As regards the decision in *M. S. Sanjay* case relied on by the Learned Counsel for Appellant in RA (SA) 105/2019, the subsequent purchaser Mr. M. Gobi, that decision deals with the claim of a successful bidder. Here is the case of a subsequent bidder. It is very well established in this case that there is no clear 30 days' notice, as required under Rule 8(6) and 9(1) of the SIE Rules, 2002, prior to the amendment to Rule 9(1) of SIE Rules, 2002. There are discrepancies with regard to confirmation of sale, issuance of the sale certificate as detailed above. Thus, this decision cannot be applied to the facts of this case.

13. As it is clearly established that the sale was held in violation of the SARFAESI Act, 2002 and Rules made thereunder, without giving a clear 30 days' notice and there are obvious discrepancies with regard to the confirmation of sale and issuance of the sale certificate, this Tribunal is of the view that the Learned Presiding Officer had rightly allowed the SA and that there is no need to interfere with the findings rendered by the Learned Presiding Officer, DRT, Coimbatore.

14. In the result, the order passed in SA 109/2010 by the Learned Presiding Officer, DRT, Coimbatore, is confirmed and these Appeals in R.A (SA): 135/2019 and R.A (SA): 105/2019 are dismissed. Parties shall bear their own costs. All pending IAs, if any, stand closed.

[Dictated to Athistamani, PS, in open court, transcribed by her, corrected and signed by me this 27th of May, 2026]

[*Justice* G. Chandrasekharan]
CHAIRPERSON