

Judgment reserved on: 18th June, 2026
Judgment delivered on: 2nd July, 2026

Appeal No. 29 of 2025-DRAT-Kolkata

IN THE DEBTS RECOVERY APPELLATE TRIBUNAL AT KOLKATA

Appeal No. 29 of 2025
(Arising out of S.A. 125 of 2018 in DRT-II, Hyderabad)

**HON'BLE MR. JUSTICE ANIL KUMAR SRIVASTAVA
CHAIRPERSON**

Sri. D. Venkata Ramana Reddy, S/o Chinnabba Reddy, (Wrongly mentioned as Subramanyam Reddy in the order copy),
R/o D. No. 12-4-456, Bandla Street, Tirupathi.

... Appellant

-Versus-

1. Union Bank of India (Erstwhile Corporation Bank), Represented by its Authorised Officer, Tirupathi Branch, situated at 37, AGK Buildings, Gandhi Road, Tirupathi;
2. Mrs. R. Bharathi, W/o R. Muniswamy Reddy, Perumalapalli Village, Yadamari Post, Yadamari Mandal, Chittore District, Andhra Pradesh – 517 422.

... Respondents

Counsel for Appellant ... Mr. Nemani Srinivas
Mr. Tirthankar Das

Counsel for Respondents ... Mr. Pankaj Kumar Mukherjee

JUDGMENT : 2nd July, 2026

THE APPELLATE TRIBUNAL:

1. Instant appeal has arisen against judgment and order dated 14.12.2023 passed by the Learned DRT-II, Hyderabad dismissing S.A. 125 of 2018, (Sri. D. Venkata Ramana Reddy -vs- Corporation Bank).

2. As per pleadings of the parties, Appellant availed credit facility to the tune of Rs.3,50,000.00 from Respondent No. 1/Bank. Loan account became irregular and was classified as N.P.A. Demand Notice was issued on 27.8.2008 followed by Possession Notice dated 9.3.2009. S.A. 252 of 2009 was filed challenging the Possession Notice

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which was dismissed on 21.12.2009. Subsequent thereto, Sale Notice was issued on 19.01.2011 fixing the auction on 21.02.2011. S.A. 34 of 2011 was filed challenging Sale Notice dated 19.01.2011 wherein interim conditional order was passed by Learned DRT on 17.02.2011. S.A. 34 of 2011 was dismissed on 03.7.2013. Fresh notice under Rule 8 (6) Security Interest (Enforcement) Rules, 2002 (hereinafter referred to as the 'Rules') was issued on 26.2.2014. Again S.A. 1032 of 2017 was filed challenging the notice. Sale could not be conducted. S.A. was allowed on 18.01.2018. Thereafter, fresh Possession Notice dated 29.01.2018 was issued for recovery of Rs.12,68,741.00. In the meantime, Appellant deposited different amounts; Rs.2,00,000.00 in S.A. 252 of 2009; Rs.50,000.00 was deposited in compliance of the order passed in S.A. 34 of 2011; Rs.50,000.00 was deposited in compliance of the third conditional order dated 28.3.2014 challenging the Sale Notice dated 26.02.2014.

3. Appellant approached the Bank for settlement under the OTS Scheme. Outstanding amount, as shown in Sale Notice dated 26.02.2014, was Rs.4,27,212.00. Value of the property is more than Rs.20.00 lac. O.S. 204 of 2015 was filed by the Bank against the Appellant for recovery of Rs.7,79,885.00 which was dismissed for default. Possession Notice dated 29.01.2018 was not affixed on the secured assets. Sale Notice dated 22.2.2018 was neither served upon the Appellant nor was published in two leading newspapers.

4. Respondent Bank denied the contention of the Appellant and submits that notice, issued under Rule 8 (6) of the Rules, dated 22.2.2018 is the subject matter of the S.A. which was sent to the Appellant by registered post and was also affixed on the secured asset and published in two newspapers 'Shakshi' and 'Indian Express' dailies dated 23.02.2018. Restoration petition for restoration of O.A. 204 of 2015 is pending. After classifying the account as N.P.A. on 28.02.2008, interest is not debited as per prudential norms of the RBI. However, Bank is entitled to claim interest. Since Appellant did not comply the interim order dated 26.3.2018, passed by the Learned DRT, to deposit 50% of the dues mentioned in the Sale Notice, e-auction was conducted on 27.3.2018 and one R. Bharathi was the successful bidder for a sale consideration of Rs.19,40,000.00. Sale Certificate was issued in favour of the Auction Purchaser, the same was registered and possession also was delivered.

5. Auction Purchaser also adopted the contention raised by the Bank.

6. Learned DRT framed the following two issues:

- i) *Whether the Applicant made out any valid ground for quashing the impugned auction sale notice issued against the S.A. schedule property under the provisions of Securitisation Act?*
- ii) *To what relief?*

7. After considering the submission made by the Learned Counsel for the parties, Learned DRT arrived at the conclusion that the Bank is entitled to enforce its right under

the SARFAESI Act. Statement of Account filed by the Bank is also found to be in accordance with law. Valuation was made in accordance with law. The notices were duly served upon the Appellant as well as published in the newspapers 'Shakshi' Telgu daily and the 'Indian Express' English daily. Accordingly, Learned DRT dismissed the S.A.

8. Feeling aggrieved, Appellant preferred the appeal.

9. Learned Counsel for Appellant would submit that the secured asset is a vacant piece of land wherein a small portion of the same could have been sold and the dues of the Bank could have been realized but the whole property was sold. It is further submitted that the Valuation Report filed by the Bank was not in accordance with law. There are differences in the amount shown in different notices. The Valuation Report filed by the Appellant was not considered.

10. Per contra, Learned Counsel for Respondent Bank would submit that the account was classified as N.P.A. on 28.2.2008. Thereafter, several efforts were made for sale of the property which could not be fructified due to litigation initiated by the Appellant as well as any Sale Notice is issued; S.A. is filed and the auction could not be made. Despite repeated efforts, ultimately, the sale was conducted in favour of Respondent No. 2. Reserve price was fixed in accordance with law. All the steps have been taken by the Bank in accordance with law.

11. Valuation Report filed by the Bank was prepared by Srinivasa Planners wherein the Fair Market Value was assessed at Rs.19,05.000.00 lac; Realization Market Value

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was assessed at Rs.18.00 lac and Forced Sale Value was assessed at Rs.17.00 lac. Total area of the property is 1475 sq. ft. only. Report is dated 16.2.2018. In another Report dated 18.2.2018 also the Forced Value was assessed at Rs.16.00 lac. Appellant places reliance upon the Valuation Report dated 9.01.2020 which is Market Value Certificate issued by the Registering Officer. Sale was conducted on 27.3.2018. In the Report submitted by the Registering Officer, filed by the Appellant, total Market Value is shown as Rs.34,41.480.00. No details regarding Forced Value or Realization Value is mentioned in this report. Further, report is post dated to the sale. The Valuation Reports filed by the Bank are by the approved valuer wherein all the details, as required for assessment for valuation, are given hence inspires confidence. Accordingly, the value assessed by the Valuer of the Bank is in accordance with law and the sale, conducted for Rs.18.00 lac, is also in accordance with law.

12. As far as issue of sale of a portion of the property is concerned, no doubt, it is a vacant piece of land but the area is only 1475 sq. ft. which is not easily divisible. Property can only be sold in part if it is properly divisible and the part of the property can be used by some purchaser. Hence, I do not find any force in the submission that the property could have been divided and sold.

13. Another submission is made by the Learned Counsel that dues shown in the Possession Notice is Rs.12,68,741.80 and the property was sold at Rs.18.00 lac. As would appear

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from the records and the pleadings of the parties several efforts were made by the Bank for sale of the property; ultimately, the same could be sold. All the steps, as required under the law, are followed by the Bank. There is no violation of any mandatory provisions. I do not find any illegality in the impugned judgment. The appeal is devoid of merit and is liable to be dismissed.

O R D E R

Appeal is dismissed. Judgment and order dated 4.12.2023 passed by the Learned DRT-II, Hyderabad dismissing S.A. 125 of 2018, (Sri. D. Venkata Ramana Reddy -vs- Corporation Bank), is hereby affirmed.

File be consigned to Record room.

Copy of the Judgment/Final Order be uploaded in the Tribunal's Website.

Order signed, dated and pronounced in open Court.

(Anil Kumar Srivastava,J)
Chairperson

Dated: 2nd July, 2026
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