IN THE DEBT RECOVERY APPELLATE TRIBUNAL AT CHENNAI

Dated the 13th day of July, 2026

PRESENT: HON'BLE MR. JUSTICE G. CHANDRASEKHARAN CHAIRPERSON

RA(SA) 11/2024
(arising out of SA No.245/2022 on the file of DRT, Coimbatore)

Between

Mr. C. Thangaraj,
Prop. Maruvur Arasi Modern Rice Mill,
SF No.90/2, Padiyandipalayam,
Near Raja Rajeswari School,
Veeranampalayam,
Kangeyam.

.....Appellant

And

1. Authorised Officer,
Kotak Mahindra Bank,
No.219, First Floor, Arunachalam Road,
Diwan Bahadur Road, R.S. Puram,
Coimbatore 641 002.

2. K. Raj,
No.12B, Srirangaraya Goundan Valasu,
Vellakovil, Kangeyam,
Tirupur.

.....Respondents

Counsel for Appellant	:	M/s B. Ramachandran
Counsel for 1st Respondent	:	M/s V Jayachandran & Associates
Counsel for 2nd Respondent	:	Mr.Aravind Rajagopal

ORDER

1. Aggrieved against the final order passed in SA No.245/2022 by the Learned Presiding Officer, DRT, Coimbatore dated 20.2.2023, the appellant herein, who lost before DRT as appellant, filed this Appeal under Section 18 of the SARFAESI Act.

2. The aforesaid SA was filed under Section 17(1) of the SARFAESI Act to set aside the sale held on 16.2.2022. Learned Presiding Officer, after going through the records and the submissions made by learned counsel appearing for parties, dismissed the SA. Thus, this appeal is filed.

3. Learned counsel for the appellant submitted that he had taken many grounds including the ground that part of the land offered as security interest, is an agricultural land. However, in the appeal before hand, it is submitted that he is not pressing the ground raised claiming that part of the land is an agricultural land. There is hypothecation deed executed in respect of plant and machinery. However, in the Section 13(2) Demand Notice and in 13(4) Possession Notice, there is no separate mention about plant and machinery. Even the sale notice was issued only for the sale of immovable property alone, without referring to the movable hypothecated plant and machinery. In the sale notice, amount due as on 26.8.2019 was

alone given but the amount due as on the date of issuance of sale notice dated 11.1.2022 was not given.

3.1 After the issuance of sale notice, a corrigendum was issued for inclusion of plant and machinery, without actually valuing the plant and machinery. Despite the ground taken in the Securitization Application that properties, both movable and immovable were not properly valued but undervalued, valuation report was not filed before the DRT. On the other hand, appellant produced his valuation report before the DRT, but, that was not properly considered by the Learned Presiding Officer.

3.2 Learned Presiding Officer's finding that plant and machinery involve things attached to Earth, therefore, there is no need to mention specifically about the items of plant and machinery, is a wrong finding, as decided by the Hon'ble Supreme Court of India in re, **Sirpur Paper Mills Ltd. Vs. Collector of Central Excise, Hyderabad reported in (1998) AIR (SC) 1489** and **in re Commissioner of Central Excise, Ahmedabad Vs. Solid and Correct Engineering Works and others** reported in **(2010) 5 SCC 122.** Not only that, hypothecated plant and machinery were also sold without valuation. No valuation report was obtained in compliance of Rule 8(5) of Security Interest (Enforcement) Rules, 2002. When there is a material corrigendum issued affecting the sale and sale price, it is required that a fresh 30 days notice should be given from the date of corrigendum. But, no 30 days notice from the date of corrigendum was given prior to the sale. As per the valuation report of the appellant, the value of the land, building and other amenities is Rs.6,99,72,000/- but the reserve price was fixed at Rs.3.00 crores and sold by bank.

3.3 Perusal of sale certificate shows that the insistence of Sub-Registrar, value of land, building, plant and machinery was assessed and that gives a value higher than that was taken for reserve price.

3.4 Extent of building was also wrongly shown showing lesser extent only. Thus, it is submitted that property was sold for insufficient price.

3.5 Continuing his submission, Learned Counsel for Appellant submitted that the Sub-registrar fixed the land value at Rs.200 per sq. ft. The total extent of land is 5.20 acres and it comes to 2,26,000 sq. ft. If calculated at Rs.200 per sq. ft., the value of the land alone comes to Rs.4,53,00,000/- .

3.6 In the second valuation report filed by the Bank, the Valuer referred the guideline value as Rs.268 per sq. ft. If this value is adopted, the value of the land come Rs.6,05,68,000/-. It shows that the land value is grossly undervalued. The valuation report of the Bank shows that it was taken for the purpose of mortgage. Both the valuation report has lot of inconsistency and contradiction, and therefore, it is clear that the Bank had not taken any fresh valuation for the purpose of sale of the secured asset. Old report was tinkered to suit the Bank's interest.

3.7 Rule 6 of SIE Rules prescribes the mandatory procedures for sale of movables. Those procedures are not complied with in the sale of the movables. Rule 6 (4) (b) of SIE Rules, 2002 requires that description of movables should be given in the sale notice. In the first sale notice, there was no mention of sale of movable items. Only by way of corrigendum, it was included that the plant and machinery will be sold, however, without specifying the description of the plant and machinery to be sold.

3.8 The inventory prepared by Learned Advocate Commissioner shows 20 items, but sale certificate shows 17 items. The valuation report of the Bank shows that only 8 items were valued. On the other hand, the Sub-registrar's valuation report shows 22 items were valued. As per Sub-registrar's valuation, the value of the machinery was Rs.82,95,000/-. It was accepted by the Bank at the time of registration of the sale certificate.

3.9 Contrary to this, the Bank's valuer valued the machinery only at Rs.23,62,000/-. Thus, it is clear that the valuation of both movables and immovable are grossly undervalued and the property was sold for insufficient price.

4. In reply, Learned Counsel for the first respondent submitted that appellant had challenged only the sale held on 16.2.2022 and the measures taken prior to the sale like issuance of possession notice, order passed under Section 14 of the SARFAESI Act and the sale notice had not been challenged. Therefore, appellant cannot challenge the aspects covered under possession notice, section 14 order and the sale notice. If really the appellant is aggrieved against the undervaluation and selling the property for insufficient price, that issue should have been raised by challenging the sale notice. That was not done.

4.1 So far as the claim of agricultural land is concerned, MODT document and even the valuation report filed by the appellant would show that properties mortgaged are not agricultural lands. Valuation report produced by the appellant shows that land is a mixture of residential and commercial land. Therefore, the claim of the appellant that land is an agricultural land cannot be considered at all. Bank had obtained two valuation reports dated

23.9.2021 and 24.9.2021 for land and building. A separate valuation report was obtained for movables. On the basis of the valuation reports of both movable and immovable properties, reserve price was properly fixed at Rs.3.00 crores. Though it was missed out in the sale notice dated 11.1.2022 about the plant and machinery, there is specific reference about the building and things permanently attached to Earth, that means, sale notice was issued including plant and machinery also. To make things clear, corrigendum dated 1.2.2021 was issued. Corrigendum is nothing but a clarification to ensure accuracy and clarity and there is no requirement for issuing a fresh sale notice giving 30 days notice from the date of corrigendum. The sale notice was duly served on the appellant but not challenged.

4.2 Valuation report filed by the appellant had been obtained subsequent to the sale and the valuation was given to the liking of the appellant without any basis. 31 movable items are referred in the report. On the other hand, *panchnama* prepared at the time of taking physical possession shows that activities with regard to taking possession was videographed and inventory was prepared. Inventory refers about the movable items available at the time of taking physical possession. When there is challenge to physical possession taken, especially with regard to movables, that should have been taken up by filing a separate securitization application challenging the Section 14 order. However, that was not done. Instead, after filing this appeal, appellant approached the Hon'ble High court of Madras in CRP No.1773/2022, wherein Hon'ble High Court passed an order, directing this Tribunal to decide as to whether movables are really movables or things attached to Earth.

4.3 The interim report of the advocate commissioner shows that physical possession of the property was taken in the presence of the appellant and the copy of the inventory report was also supplied to the appellant. Appellant, in fact, undertook to settle the loan when physical possession was taken but did not pay any amount nor he challenged Section 14 Order. Right from Section 13 (2) Demand Notice followed by Possession Notice and Sale Notice, it had been specifically mentioned that land and building along with all other appurtenance and structures firmly attached to Earth. There is no reply/objection sent by the appellant to Section 13(2) Demand Notice. Without challenging any of the earlier measures taken as already indicated, SA No.245/2022 was filed after the sale was confirmed. Learned Presiding Officer passed an order in IA 890/2022 moved by the appellant on 26.5.2022 directing the appellant to pay the entire sale consideration and on such payment, *status quo* was ordered. However, this payment was not made by the appellant. Learned Presiding Officer considered every aspect of the pleas raised by the appellant and rightly dismissed the SARFAESI Application.

5. Learned Counsel for the auction purchaser, namely, respondent No.2 submitted that auction purchaser invested huge amount and purchased the property. Reiterated the submissions made by Learned Counsel for the first respondent bank that without challenging any of the previous measures, especially, sale notice, sale alone was challenged. When conditional order was passed in the aforesaid IA was not complied, appellant loses his opportunity of hearing on the merits of the case.

6. In reply to this submission, Learned Counsel for the appellant submitted that as already stated, appellant is not pressing the claim that part of the secured asset is an agricultural land. He pointed out the glaring discrepancy in the valuation report now produced by the bank, which was not produced before the DRT. In the first valuation report, the date of the valuation was 24.9.2021 and the date of visit was 23.9.2021. Photographs annexed along with valuation report gives two different dates i.e., 22.9.2021 and 22.10.2021. Area of the building is shown as 7722.50 sq. ft. But, as per PWD department, area of the building available is 15,510 sq. ft. The

valuation of the building is Rs.63,53,050/-. It shows that valuation report is fabricated by the valuer to suit the case of the 1st respondent bank, without actually visiting the property.

6.1 That apart, it is submitted that the valuation report does not mention that valuers are approved by the Wealth Tax Department. Even in the second valuation report, date and time was mentioned as 23.9.2021 at 13.58.56 hrs., whereas the date and time of visit was mentioned as 23.9.2021 at 01.24.18. It gives an impression that property was visited for valuing at mid-night i.e., at 01.24.18. Assuming the time and date of visit as 23.9.2021 at 13.24.18 hrs., how can it be possible to give a report in just 34 minutes?.

6.2 All the four boundaries mentioned in both reports are wrong. There are two different properties and they had two different survey numbers and boundaries. But, bald boundaries are shown for both properties, as if both are single item. Item No.1 measures 3.08 acres, situated in S.No.90/2 and Item No.2 measures 2.12. acres situated in S.Nos.90/2 and 90/3. There is discrepancy in mentioning Survey Number, as well. Without any basis, reserve price was fixed at Rs.3.00 crores. It is not known on what basis, reserve price was fixed at Rs.3.00 crores. From the valuation reports and the discrepancies pointed out earlier, it is patently evident that valuation reports are created only for the purpose of this case without actually visiting the site.

7. I have considered the rival submissions and perused the records.

8. From the submissions made by the learned counsel appearing for parties, the appellant has challenged the measures under the SARFAESI Act, primarily on the grounds that,

a) Secured assets involved in this case are agricultural lands and excluded under Section 31(i) of SARFAESI Act.

b) Property worth Rs.6.99 crores in the open market was deliberately under-valued and sold for insufficient price.

c) There is no specific mention about the plant and machinery in the sale notice. However, bank issued a corrigendum for including the plant and machinery and sold plant and machinery worth Rs.1.53 crores for a low price.

d) There is no specific mention about plant and machinery and movables in any of the notices issued under Section 13(2) and 13(4) of the SARFAESI Act, including the sale notice.

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e) Movable properties were not properly taken possession, by observing the procedure under Security Interest (Enforcement) Rules,2002 and sold.

f) Bank has not produced the valuation report before the Debt Recovery Tribunal. Valuation reports now produced have lot of discrepancies created and produced to suit the case of the appellant.

g) Valuation report produced by the appellant and the value adopted by the sub-registrar, while registering the sale certificate would clearly prove that secured assets were grossly under-valued and sold.

h) There are discrepancies in describing the property with reference to the survey numbers and the extent.

9. When the learned counsel for the appellant made his submissions, he submitted that the appellant is not pressing the plea taken that the secured assets are agricultural lands. This Tribunal also finds from the documents produced in the typed set of papers, especially, copy of the Memorandum of Deposit of title deeds dated 26.5.2016 that the secured assets have been clearly mentioned as non-agricultural land and building. In the valuation report produced by the appellant dated 19.2.2022, it was mentioned that

there is land and building attached and the use of the land is for industrial purpose. Thus, there is no iota of doubt that the properties offered as security are not agricultural lands. The order impugned shows that SA No.245/2022 was dismissed mainly on the ground that the lands are not agricultural lands. In the light of the aforesaid materials available, the finding of the learned Presiding Officer that the lands are not agricultural lands is correct and requires no interference.

10. Appellant had taken the plea with regard to under-valuation, however, that plea was not considered by the learned Presiding Officer, DRT, Coimbatore. It is not known whether the appellant had produced the valuation reports produced before this Tribunal dated 6.9.2021 for plant and machinery and the valuation report dated 19.2.2022 for land and building before the lower Tribunal. It is an admitted position that bank had not filed its valuation report before the lower Tribunal. IA No.1483/2025 is filed by the bank for production of valuation reports of plant and machinery and land and building. Two valuation reports are filed for the valuation of land and building.

11. This Tribunal found that the appellant had not challenged the Section 13(4) Possession Notice dated 20.11.2019 and the order passed under Section 14

of the SARFAESI Act by learned CJM, Tiruppur in Cr.MP No.222/2020 on 22.9.2021. No objection/reply was sent to the bank in answer to Section 13(2) demand notice. Sale Notice was issued on 11.1.2022 scheduling the sale on 16.2.2022. Appellant had not taken the plea that this sale notice was not served on him. Therefore, it can be presumed that the sale notice dated 11.1.2022 was served on him. Appellant had not challenged the sale notice but filed SA 245/2022 challenging the sale held on 16.2.2022, that too, after the issuance of sale certificate. The first opportunity that the appellant got to raise the issue of under-valuation was immediately on receipt of sale notice. Unfortunately, appellant failed to do that. However, it is a settled proposition of law that when the banks and financial institutions are empowered to take possession and sell the secured asset for realizing its dues without the intervention of Courts/Tribunals, the onerous responsibility is cast on the bank to ensure that secured asset is properly valued, appropriate reserve price was fixed and the property was sold for the best price.

12. It is the case of the appellant that sale notice dated 11.1.2022, does not mention about the plant and machineries. However, by issuing corrigendum to the sale notice dated 11.1.2022 dated 1.2.2022, plant and machineries were also sought to be included for sale. It is further submitted that plant

and machineries or any other movable property had never been mentioned in Section 13(2) Demand Notice and Section 13(4) possession notice. Therefore, it is required that bank should have issued a fresh sale notice in view of the corrections to be made in the sale notice with the issuance of corrigendum.

13. Countering the case of the respondent is that there is specific mention in the notices issued under Section 13(2) and Section 13(4) of the SARFAESI Act, including the sale notice that properties sought to be sold were inclusive of " all buildings and structures attached to the Earth or permanently fastened to anything attached to Earth, both present and future and all easementary/mamool rights annexed thereto". It means that plant and machineries had also been sought to be sold. Only to give a clarification to the intending buyers, corrigendum dated 1.2.2022 was issued. Therefore, there is no need to issue a fresh sale notice.

14. Demand Notice issued under Section 13(2) and the possession notice issued under Section 13(4) of the SARFAESI Act refer the secured asset as a non-agricultural land and building together with structures attached to the Earth or permanently fastened to anything attached to earth, both present and future and all easementary/mamool rights annexed thereto. Sale Notice

dated 11.1.2022 also gives the same description. Admittedly, only by a Corrigendum dated 1.2.2022, bank sought to include the sentence, “with all that movable items including plant and machinery and any other movable items lying there in the premises, in “as is where is “ and “whatever there is basis”. The plant and machineries that were taken possession by the Advocate Commissioner in pursuance of the Commissioner’s report are detailed in the inventory prepared by the Advocate Commissioner on 22.10.2021. They are as follows:

1. L.G. Compressor (1HP Capacity)	-	1
Stage – I		
1. Milltec Grinding Unit	-	1
2. Saddar Set	-	1
3. Rice Bin	-	5 Nos.
Stage –II		
1. Farm Tec. Milling Unit	-	1
2. Grind Separator Unit	-	1
3. Dust Collector	-	1
4. Rice Bin	-	1
5. Sadder Set	-	6
Mill Tec Packing Unit	-	1 set

Kirloskar DG

2010 Model 40 KVA	-	1
Servo Stabilizer Unit	-	1

Power House

1. Control Panel	-	1
2. Power Factor Unit	-	1
Wood Burning Boiler Unit	-	1
Model 214 Vessos Make 3000 kg.		
With chimney		
LG Compressor 10 HP	-	1

Dryer Unit

1. Dryer set with Motor and Accessories	-	1
2. Oil Barrel	-	1
3. Oil lifter hand pump	-	1
4. Washing Unit (Paddy) With motor and accessories	-	1

15. Admittedly, majority of these items are plant and machineries required for running the Rice Mill of the appellant. As already stated, in all the notices issued under Section 13(2) and 13(4) including the sale notice, it is very clearly stated that property sought to be sold are inclusive of structures attached to the Earth or permanently fastened to anything attached to earth.

16. Whether there is sufficient description, as required under SIE Rules, 2002 for the sale of movable assets, is a matter that requires consideration by this Tribunal?

a) Rule 4(1) of SIE Rules, 2002 requires the Authorised Officer to take possession of the movable property in the presence of two witnesses after Panchnama drawn and signed by the witnesses as nearly as possible in Appendix I to these rules.

b) Rule 4(2) requires the Authorised Officer to make or cause to be made an inventory of the property as nearly as possible in the form given in Appendix II to these rules and deliver or cause to be delivered, a copy of such inventory to the borrower or to any person entitled to receive on behalf of borrower. Rule 4(2A) requires that he borrower shall be intimated by a notice, enclosing the panchnama drawn in Appendix I and the inventory made in Appendix II.

17. Rule 6 deals with the sale of movable secured assets. As per Rule 6(1), the Authorised Officer may sell the movable secured asset taken possession under Rule 4(1) in one or more lots by adopting any of the following methods to secure maximum sale price for the assets, to be so sold-

(a)obtaining quotations from parties dealing in the secured assets or otherwise interested in buying such assets; or

(b)inviting tenders from the public; or

(c)holding public auction including through e-auction mode; or

(d)by private treaty.

17.1 **Rule 6(2**) requires the Authorised Officer to serve the borrower a notice of thirty days for sale of the movable secured assets. If the sale of such secured assets is being effected by either inviting tenders from the public or by holding public auction, the secured creditor shall cause a public notice in the Form given in Appendix II-A to be published in two leading news papers, including one in vernacular language having wide circulation in the locality.

Rule 6(3)……

17.2 **Rule 6(4)** : Authorized Officer shall upload the detailed terms and conditions of the sale of the movable secured assets on the web-site of the secured creditor, which shall include,

(a)details about the borrower and the secured creditor;

(b)complete description of movable secured assets to be sold with identification marks or numbers, if any, on them;

(c) reserve price of the movable secured assets , if any, and the time and manner of payment;

(d) time and place of public auction or the time after which sale by any other mode shall be completed;

(e) deposit of earnest money as may be stipulated by the secured creditor;

(f) any other terms or conditions which the authorised officer considers it necessary for a purchaser to know the nature and value of movable secured assets.

17.3 It is to be noted that Rule 6(4)(b) requires that complete description of movable secured assets to be sold with identification marks or numbers, if any, on them should be given in the uploaded terms and conditions of the sale.

17.4 Form 2A requires that a short description of the movable property with known encumbrances, if any, should be given in the sale notice for the sale of movable property.

18. In the case before hand, an interim report of the Advocate Commissioner along with photographs taken at the time of taking physical possession of the secured asset with panchnama and inventory prepared by the Advocate

Commissioner in the presence of Authorised Officer are produced. List of movables which had been taken possession has already been extracted. Advocate Commissioner stated in his report that appellant was also present in the premises at the time of taking possession of Item No.1 of the property viz., the Rice Mill and its handing over to the Authorised Officer of the Bank. It is also stated that copy of the inventory was acknowledged by the appellant. Thus, there is no issue with taking physical possession of movable and immovable properties by the respondent bank with the help of the advocate commissioner. However, Rule 6(4(b) and Appendix 2A require that description of the movable property intended to be sold should be given. In the sale notice issued, it is just said “together with all building, structures attached to the earth or permanently fastened to anything attached to earth”. Even in the Corrigendum issued, it is said that “with all that movable items including plant and machinery and any other movable items lying there in the premises, in “as is where is “ and “whatever there is basis”. Short description of the movables is required under Appendix 2A is not given. Bank has not produced the uploaded details of terms and conditions for the sale of movable items to inform as to whether complete description of movable items to be sold with identification marks and numbers, if any, on them is given.

19. On the valuation of the secured asset, multiple valuation reports are available before this Tribunal, though, they were not produced before Debt Recovery Tribunal. First respondent bank produced the valuation report dated 7.1.2022 for valuing the plant and machinery and two valuation reports dated 24.9.2021 and 23.9.2021 for valuing the land and building. In both reports, it is stated that the reports are obtained for the purpose of mortgage. Valuation report for valuing plant and machinery shows that plant and machinery were used for processing the white rice from paddy by removing husk and bran layers. Machineries were found in idle condition during the inspection and the Mill was in shut down condition. Valuer valued the machineries under eight headings and assessed the market value of the machineries at Rs.23,62,000/-. Forced sale value was fixed at Rs.17,70,000/-.

20. Valuer's report given by Global Associates dated 24.9.2021, valued 5.20 acres of land at Rs.2,18,40,000/- i.e., at Rs.42,00,000/- per acre. Government guideline value was given as Rs.3.35 lakhs per acre. Building was valued at Rs.72,59,150/-. Amenities were valued at Rs.70,000/-. Land and building together were valued at Rs.2,91,69,150/-. Realizable value was fixed at Rs.2,62,52,235/- and the distress value was fixed at Rs.2,33,35,320/-.

21. The date of technical visit was given as 23.9.2021 a 16.41.02 hrs. But the photograph filed with the report shows that photos were taken on 22.09.2021. Yet another date 22.10.2021 is also found in the photos. What is the date of taking photos? Whether it was on 22.9.2021 or 22.10.2021?

22. In the other report dated 23.9.2021 given by Krishna Associates, 5.20 acres of land with building was valued at Rs.2,87,25,650/-. Land was valued at Rs.2,60,00,000/- and the building was valued at Rs.26,25,650/-. Amenities were valued at Rs.1.00 lakh. The realizable value was fixed at Rs.2,44,16,802.50p. The distress value was fixed at Rs.2,15,44,237.50p.

23. Valuation report dated 6.9.2021 filed by the appellant before this Tribunal shows that plant and machineries were valued at Rs.153.50 lakhs as market value and at Rs.115.60 lakhs as distress sale value. Valuation report dated 19.2.2022 in respect of land and building shows that market value of the land was fixed at Rs.5.98 crores i.e., at Rs.1.15 crore per acre for 5.20 acres. Value of the building was fixed at Rs.97,72,000/-. Amenities including boiler and chimney were valued at Rs.4.00 lakhs. Land plus building plus amenities were valued at Rs.6,99,72,000/- as market value and at Rs.1,41,04,650/- as guideline value and at Rs.5,24,79,000/- as forced sale value.

24. Ld. Counsel for the appellant also relied on the valuation adopted by the Sub-Registrar at the time of registration of the Sale Certificate. He drew the attention of this Tribunal to the value adopted at Rs.82,95,000/- for machineries and at Rs.63,53,050/- for building. He also pointed out that as per the proceedings before the Regional Deputy Registrar dated 28.12.2023, value of the land in Survey Nos.90/2 and 90/3 was Rs.200/- per sq.ft and Rs.2155/- per sq. metre. If the value of the land is calculated at Rs.2155/- per sq. metre, the value of 5.20 acres land (21,043.70 sq.metres) would have been Rs.4,53,49,173.50p.

25. It has to be borne in mind that the valuation reports filed by the appellant for the valuation of land and building were obtained subsequent to the sale on 16.2.2022. Similarly, valuation done by the Sub-Registrar for valuing machineries and building long after the sale, that was, in the year 2023. Building value was given on 11.8.2023. Machinery value was given on 14.6.2023. These values were adopted for the purpose of stamp duty. When registration of sale certificate is not mandatory, whether these values can be considered in a challenge to the valuation adopted by the bank is a primordial question that has to be decided.

26. Though specific grounds had been raised in the securitization application grounds with regard to valuation of movable and immovable properties, those grounds were not considered by the learned Presiding Officer properly by referring to the documents and the grounds taken on valuation was rejected on the ground that the Tribunal granted ad-interim injunction to the appellant subject to payment of sale consideration paid by the auction purchaser i.e. Rs.4,05,50,000/-, but, that was not paid by the appellant.

27. Thus, this Tribunal finds in the Order of the Learned Presiding Officer that there are no appropriate, legitimate and legal reasons for rejecting the grounds taken on the valuation of movable and immovable properties and subsequent sale. Therefore this Tribunal finds that order of the Learned Presiding Officer has to be set aside for considering the grounds raised with regard to valuation, fixation of reserve price and sale of movable and immovable secured assets and the matter has to be remitted to DRT, Coimbatore for consideration as to,

a) Whether movable secured assets were valued as required under Rule 5 of SIE Rules and reserve price fixed?

b) Whether Sale Notice was issued confirming to Rule 6(2) of SIE Rules by causing public notice in the Form given in Appendix II-A giving short description of movable property with known encumbrances?

c) Whether Rule 6(4) is complied by uploading the detailed terms and conditions of sale of movable secured asset on the website of the secured creditor with complete description of the movable assets to be sold with identification marks and numbers, if any on them?

d) Whether non compliance of the requirements under Rule 6(2) and 6(4) of SIE Rules, if any, with regard to description of movable secured assets would affect the sale of the property?

e) Whether immovable secured assets are valued as required under Rule 8(5) of SIE rules and reserve price fixed and sold?

28. It is reiterated that the finding of the learned Presiding Officer that the lands are not agricultural lands is confirmed and this aspect need not be gone into again.

29. **In fine**, the Order of the learned Presiding Officer, DRT, Coimbatore dated 20.2.2023 passed in SA No.245/2022 is set aside and learned Presiding Officer is directed to dispose of the SA on merits and in accordance with

law independently, without being influenced by any of the observations made in this order as indicated above, and within a period of 3 months from the date of receipt of a copy of this order.

30. Parties are directed to bear their own costs.

31. Pending IAs, if any, stand closed.

[Dictated to PS (SN) transcribed by him, corrected, signed and pronounced by me in open court, this 13th July, 2026)

Sd/-

(JUSTICE G. CHANDRASEKHARAN)
CHAIRPERSON