IN THE DEBT RECOVERY APPELLATE TRIBUNAL AT CHENNAI

Dated the 10th day of August, 2026

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

MA 46 of 2024
(arising out of IA 1042 of 2019 in OA No. 269 of 2016 on the file of DRT, Madurai)

Between

State Bank of India,
Rep. by its Chief Manager,
Stressed Asset Recovery Branch,
No.8, Dr. Ambedkar Road,
Vinayaga Nagar, Branch Upstairs,
Madurai – 625 020

… Appellant

And

1. Mrs. K. Nagalakshmi,
W/o. G. Kathiresan,
Door NO.8-D/2, 2nd Floor,
Raja Livings, Shastri Road,
Thennur, Trichy,
Trichy District – 620 017

2. The Branch Manager,
Punjab National Bank,
Trichy Main Branch,
No.7, Royal Road, Contonment,
Trichy – 620 001

... Respondents

Counsel for Appellant:	M/s. B. Raghavulu Naidu
Counsel for 1st Respondent:	None
Counsel for 2nd Respondent:	M/s. J. Arun Prasad

ORDER

Learned Counsel for Appellant Bank and R2 Bank are present.

2. This appeal is filed against order dated 19.12.2019 passed in IA 1042 of 2019 in OA 269 of 2016 by the Learned Presiding Officer, DRT, Madurai.

3. IA 1042 of 2019 has been filed by the Applicant under Section 19(25) of the RDDBFI Act, 1993 with a prayer to direct the 1st Respondent to furnish a security for a sum of Rs.40 lakhs, failing which to attach the petition mentioned property. The case of the Applicant is that the security given by the 1st Respondent will not satisfy the claim of the Applicant Bank, since the value of the security is only Rs.12,78,000/-. The 1st Respondent has mortgaged the petition schedule mentioned property with the 2nd Respondent Bank and the value of the property is Rs.90.00 lakhs. 2nd Respondent Bank issued a sale notice for the sale of the property for the outstanding amount of Rs.48.00 lakhs to be paid by the 1st Respondent. After satisfying the loan of the 2nd Respondent Bank, there is an amount of Rs.40.00 lakhs available. In the said background, this application is filed for attachment.

4. Learned Presiding Officer, DRT, Madurai dismissed the application on the ground that the property in question is a secured asset in favour of 2nd Respondent Bank for the loan facilities availed by the 1st Respondent with the 2nd Respondent Bank. A valid mortgage was created by the 1st Respondent in favour of the 2nd Respondent Bank. If an order of attachment is passed, that would ultimately affect the interest of the 2nd Respondent Bank in selling the property. Therefore, rejected the prayer for attachment. However, a liberty was given to request the 2nd

Respondent Bank for payment of balance sale amount, after apportioning the loan amount of the 2nd Respondent Bank. Against this order this appeal is filed.

5. Learned Counsel for the Appellant Bank reiterated the aforesaid submissions and submitted that unless an order of attachment is made, Appellant would not be able to realise its debt due and seeks attachment.

6. In reply, Learned Counsel for 2nd Respondent Bank submitted that the 2nd Respondent Bank is not able to sell the property in the SARFAESI sale. The reason is that the 1st Respondent has created certain encumbrance. When the 2nd Respondent Bank itself is not able to sell the secured, mortgaged asset, the attachment, if any, ordered will further worsen the status of the 2nd Respondent Bank. It is not known what would be the price the property would fetch in a distress sale after all these years. Thus, the application was rightly dismissed.

7. Considered the rival submissions and perused the records.

8. Learned Presiding Officer, DRT, Madurai has taken note of the necessary aspects, especially the problem raised with regard to the sale of the property. The things stands, as of now, is that even the 2nd Respondent Bank is not able to sell the property, which is a secured asset for the loan availed by the 1st Respondent.

9. Therefore, this Tribunal concurs with the view of the Learned Presiding Officer, DRT, Madurai that the attachment, if any, ordered would hamper the process of selling the secured asset by the 2nd Respondent Bank. There is also a liberty given to the Appellant Bank to approach the 2nd Respondent Bank after sale of the property to seek claim in the balance sale amount, if any left, after apportioning the loan due of the 2nd Respondent Bank. Thus, there is enough

protection given in favour of the Appellant Bank in the event there is a balance sale amount available, after apportioning the loan due to the 2nd Respondent Bank.

10. In this view of the matter, this Tribunal finds that there is no need to interfere with the order passed by the Learned Presiding Officer, DRT, Madurai in IA 1042 of 2019. The order is confirmed.

11. Resultantly, appeal MA 46 of 2024 is dismissed.

12. Parties are directed to bear their own costs.

13. Pending IAs, if any, stand closed.

Sd/-

(JUSTICE G. CHANDRASEKHARAN)
CHAIRPERSON