IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this the 8th day of May, 2026

PRESENT: **SHRI SHARANG DHAR UPADHYAY**
Presiding Officer

Appeal No.2 of 2025
in
S.R. No.771 of 2024
TRC No.1 of 2025 (Old DRC No.72 of 2008)
in
OA No.1268 of 2000 (DRT-I, Chennai)

S. Rajashankar
Prop. M/s Duro Steel Strips India
D-3, Muggappair Industrial Estate
Ambattur Industrial Estate
Chennai – 58

Also at
No.14-A, T.P. Mills Road
Rajapalayam, Tamil Nadu …Appellant / Petitioner / Defendant

Versus

State Bank of India
Aminjikarai Branch, Chennai – 600 029
Presently at Stressed Assets Recovery Branch
No.32, Montieth Road, Egmore
Chennai – 600 008 …Respondent / Certificate Holder / Applicant

ORDER

1. This Appeal is filed by the appellant aggrieved by the order of the Ld. Recovery Officer dated 14.03.2025 made in SR No.771/2024 in TRC No.01/2025 (DRC No.72/2008, DRT-I Chennai) in OA No.1268/2000 (DRT-I Chennai) praying to direct the Recovery Officer to return / refund the balance amount to the appellant.

Brief facts of the case as averred in the appeal

2. It is stated that the above OA was filed for recovery of a sum of Rs.14,87,531.57p and the same was allowed on 27.11.2007 and DRC No.72 of 2008 also was issued. It is also stated that the appellant's property at Mugappair Village was sold by public auction by the Ld. Recovery Officer for Rs.1,05,00,000/-

3. It is also stated that the an amount of Rs.66,74,315.44p was adjusted towards the loan dues leaving a excess sum of Rs.35,37,357.18p in deposit with this Tribunal.

4. It is further stated that the appellant filed an affidavit before the Ld. Recovery Officer to refund the said amount. However, the Ld. Recovery Officer dismissed the request citing the reason of dismissal of Appeal No.1 of 2016 filed by the appellant before this Tribunal.

5. It is stated that the respondent had sanctioned a Term Loan of Rs.6 lakhs and Cash Credit Facility of Rs.4.50 lakhs to the appellant for development of his business. After availing the loan, the appellant was repaying the loan regularly and paid a sum of Rs.9,00,000/- towards the said loan account and due to loss in business could not pay the balance amount resulting in the respondent bank filing OA No.1268/2000 for recovery of a sum of Rs.15,38,595.57p, which was allowed on 27.11.2007 and DRC No.72/1008 came to be issued. The appellant's property was attached by the Tribunal on 02.03.2012 and sale was fixed on 14.03.2012. The successful bidder

purchased the property for Rs.1.50 crores, the sale was confirmed and sale certificate has also been issued in favour of Auction Purchaser.

6. It is stated that the claim of the respondent bank is Rs.69,62,642.82p has been realized and the same was adjusted to the due loan account leaving a surplus proceeds of Rs.35,37,357.18p. The appellant has no source of income and hence prays the authority to release the excess sale consideration lying with this Tribunal.

7. It is stated that the Ld. Recovery Officer failed to note that from the year 2008 no third parties had filed any application / case before any court claiming the right over the property which was sold under auction, against the present owner or the bank.

8. It is also stated that the inability to deposit original title documents was due to the reason beyond the appellant's control and not wanton. It is therefore just and necessary to permit the appellant to receive the balance sale consideration.

Progression of the case

9. The present case initially came up before the Tribunal on 8.5.2025 for hearing on the question of maintainability and this Tribunal by order dated 20.05.2025 directed the Registry to register the appeal and thereafter the appeal came to be numbered as App. No.2 of 2025. Notice was ordered to the Respondent. Appellant filed AOS on 12.8.2025. The notice was served

on the Respondent; however, as there was no representation on behalf of Respondent continuously, the Respondent was set ex-parte on 17.9.2025. The Ld. Counsel for the appellant advanced his arguments on 16.04.2026 and the appeal stood till this date for orders.

Points for consideration

10. After hearing the Ld. Counsel for the appellant and after perusing the entire records, the only point that arises for consideration is: -

"**Whether the order under Appeal is liable to be interfered with?"**

Answer to the Point for consideration

11. It is an admitted fact that the respondent bank filed OA No.1268/2000 for recovery of a sum of Rs.15,38,595.57p and the same came to be allowed on 27.11.2007 and DRC No.72.2008 being issued. It is also a admitted fact that the secured asset was attached on 02.03.2012 and the secured asset was sold by the Ld. Recovery Officer on 14.03.2012 for a sum of Rs.1,50,00,000/- and a sum of Rs.69,62,642.82p was adjusted towards the loan dues leaving behind a surplus amount of Rs.35,37,357.18p lying with the Ld. Recovery Officer of this Tribunal.

12. In this case, after the sale of the property, the appellant filed CP No.48/2012 and CP No.2/2015 in DRC No.72 of 2008 before the Ld. Recovery Officer praying for refund of excess amount of sale consideration of Rs.35,37,367.18p and the Ld. Recovery Officer by order dated 25.08.2015

held that the appellant has not made out a case to allow the petitions as prayed for and ordered that the surplus sale proceeds shall continue to remain with this Tribunal till such time the pending litigations fastened to the property in question are put to rest and until the petitioner conforms with the legal formalities, in a manner known to law, towards the missing documents of title relating the property.

13. Aggrieved against the order of the Ld. Recovery Officer, the appellant preferred Appeal No.1 of 2016 before the Tribunal and the Tribunal by its order dated 30.03.2017 dismissed the appeal observing as follows: -

> "*The contention of the petitioner that the sale deed has been missing cannot be accepted as the steps that a normal prudent property owner would take in case of loss / missing of title deeds, like lodging police complaint, making paper publication, obtaining no objection claim certificate from 3rd party etc., were not even taken. Thus, there is no change in the said fact situation till date. Therefore, under these circumstances, the Tribunal is unable to find any wrong and illegality in the order passed by the Ld. Recovery Officer. There is no merit in the Appeal nor bonafides. Hence the appeal is liable to be dismissed and accordingly the appeal is dismissed".*

14. After a lapse several years, the appellant has again filed an affidavit dated 11.6.2024 before the Ld. Recovery Officer for return of the excess amount and the Ld. Recovery Officer by order dated 14.03.2025 dismissed the claim of the appellant observing as under: -

> *"As per records, the order in Appeal No.1/2016 is not challenged by the Certificate Debtor herein, on the other hand the Certificate Debtor has also not come forward to surrender the title deeds to this authority. Therefore, the*

affidavit filed by the petitioner / CD is not maintainable at this stage and the petitioner / Certificate Debtor has not made out any case for interference. The S.R. filed by the Certificate Debtor is dismissed. However, it is open for Certificate Debtor to file fresh application for refund it so advised after surrendering the original documents before this Authority, issued by Tamil Nadu Housing Board. Ordered accordingly.

15. In the light of the above factual matrix, this Tribunal is called upon to examine as to whether the order of the Ld. Recovery Officer dated 14.03.2025 warrants interference. Admittedly, the very same issue relating to refund of the surplus sale proceeds had already been considered by the Ld. Recovery Officer in CP No.48/2012 and CP No.2/2015 and the said order was confirmed by this Tribunal in Appeal No.1 of 2016 by order dated 30.03.2017. While dismissing the said appeal, this Tribunal had categorically held that the appellant had not taken any legally acceptable steps with regard to the alleged missing original title deeds and therefore was not entitled to seek refund of the surplus amount.

16. The records placed before this Tribunal disclose that even thereafter, the appellant has not complied with the directions issued earlier either by surrendering the original title documents or by establishing before the competent authority that the documents are irretrievably lost by following due process known to law such as lodging police complaint, issuance of paper publication and obtaining non-traceable certificate or any other legally recognized proof. In the absence of such compliance, the apprehension

expressed by the Recovery Officer regarding possible future claims over the property cannot be said to be unfounded.

17. It is also pertinent to note that the order passed in Appeal No.1 of 2016 has attained finality as admittedly the same has not been challenged before any higher forum. Therefore, the appellant cannot repeatedly seek the very same relief without demonstrating any substantial change in circumstances or compliance with the conditions imposed earlier. The present application is nothing but a reiteration of the earlier request, which had already been negatived by a reasoned order.

18. The contention of the appellant that no third party claims have arisen till date by itself cannot be a sufficient ground to direct release of the surplus sale proceeds, particularly when the issue regarding non-production of title deeds still remains unresolved. The Tribunal is of the considered opinion that the Ld. Recovery Officer has rightly exercised caution in directing retention of the amount till compliance of the legal formalities by the appellant.

19. This Tribunal does not find any illegality, irregularity or perversity in the order dated 14.03.2025 passed by the Ld. Recovery Officer warranting interference under the appellate jurisdiction of this Tribunal. However, the liberty granted by the Ld. Recovery Officer to the appellant to file a fresh application upon compliance with the required formalities appears to be just and proper and deserves to be preserved.

20. In the result, the Appeal fails and the same is dismissed. The order dated 14.03.2025 passed by the Ld. Recovery Officer in SR No.771/2024 in TRC No.01/2025 (DRC No.72/2008 in OA No.1268/2000) is hereby confirmed. No order as to costs. However, it is made clear that the appellant is at liberty to approach the Ld. Recovery Officer by filing appropriate application for refund of the surplus amount after complying with the legal requirements relating to the original title deeds and upon satisfying the authority regarding absence of any competing claim over the property in question.

21. Registry is directed to communicate a copy of this order to the parties concerned and to the Recovery Officer concerned.

Sd/-
(SHARANG DHAR UPADHYAY)
PRESIDING OFFICER
DRT-II CHENNAI

(Dictated to PS, who typed in the system directly, corrected, signed and pronounced by me in Open Court, on this 8th day of May, 2026)