

IN THE DEBTS RECOVERY TRIBUNAL-III, CHENNAI

Dated this the 18th day of June, 2026

Present: SMT. S.V. GOWRAMMA
Presiding Officer

SA No. 638 of 2023

1. M/s. Industrial Connections,
Rep. by its Proprietor S. Elamathy,
PK 17, 1st Floor, SIDCO Industrial Estate,
Guindy,
Chennai – 600 032.
2. S. Elamathy,
S/o. B. Shanmugam,
No.1, Muthu Irulandi Nagar, 2nd Street,
Ankaputhur,
Chennai – 600 070.
3. S.Pugazhendi,
S/o. B. Shanmugam,
No.1, Muthu Irulandi Nagar, 2nd Street,
Ankaputhur,
Chennai – 600 070.
4. M/s. La Moto,
Rep. by its Proprietor S. Elamathy,
No.4/61, Kundrathur Mangadu Main Road,
Kollachery, Kundrathur,
Chennai – 600 069.

...Applicants

-Vs-

1. M/s. Encore Asset Reconstruction Company Pvt. Ltd.,
Represented by its Authorized Officer,
5th Floor, Plot No.137, Sector 144,
Gurugram – 122 002,
Haryana.
2. Perfect Tool & Die Makers Pvt. Ltd.
Rep. by its Directors,
Having office at,
No.19 & 20, Saranya Nagar,
Thirumudivakkam,
Chennai – 600 044.

Uploaded in E-Drt on 18.06.2026 at 04:21 p.m.

3. Karthikeyan,
No.2, 5th Street,
Kamatchi Nagar,
Angaputhur,
Chennai – 600 070.

...Respondents

Counsels on record / appeared:

Counsel for Applicant : M/s. P. Tamilavel
Counsel for Respondent : M/s. R. Sivaraman
2nd and 3rd Respondents were set ex-parte on 02.04.2026

ORDER ON SA 638/2023

The present Securitization Application [SA] is filed under sub section [1] of S.17 of the Securitization and Reconstruction of Financial Asset and Enforcement of Security Interest Act,2002 (for short the 'Act') challenging the action and the measure taken by the secured creditor under the Security Interest Enforcement Rules, 2002 [for short the Rules].

2. The applicant has challenged the Sale held on 17.05.2023 pursuant to the Sale notice dated 25.04.2023 and the outstanding amount due as per Sale notice is Rs.3,46,28,423/-

3. **Pleadings of the applicant:**

3.1 The 1st and 4th applicant are the proprietary concern to which the 2nd applicant is the proprietor, 3rd applicant is the co-obligant to the loan availed by the 1st and 4th proprietary firm namely M/s. Industrial Connections and M/s. La Moto has held dealership of TVS two-wheeler vehicles. The 1st and 4th applicants have availed the following credit facilities

- i. OLCC for Rs.1,00,00,000/- vide A/c No.512020010009950 for Rs.1,00,00,000/-
- ii. CUB OSL Special – BR vide A/c No.501812080016321 for Rs.50,00,000/-
- iii. CUB OSL Term EMI – BR vide A/c No.501812080011105 for Rs.11,00,000/-
- iv. CUB OSL Term EMI – BR vide A/c No.501812080017672 for Rs.32,00,000/-
- v. CUB OSL Term EMI – BR vide A/c No.501812080031847 for Rs.25,00,000/-
- vi. CUB OSL Special – BR vide A/c No.501812080040748 for Rs.13,50,000/-

3.2 Due to 2015 floods, the entire showroom was submerged and all the vehicles were damaged which resulted in capital loss and in the year 2018 M/s. La Moto i.e., 4th applicant had shut down its operations. The applicants have claimed insurance of Rs.2,00,00,000/-, however the insurance company sanctioned only Rs.29,00,000/- which could not compensate for the applicant's loss. Further, due to Vardha storm Anakapathur factory was destroyed and building was demolished and also fire accident happened which resulted in heavy loss.

3.3 Further, the 1st and 4th applicant had mortgaged their properties as security towards the credit facilities availed. The applicants though prompt in repayment and due to unforeseen circumstances, defaulted in the repayment and could not maintain the financial discipline. Hence, the respondent bank has classified the loan account as NPA on 20.07.2018 and 24.07.2018 in respect of the 1st and 4th applicant loan account. After,

classifying the loan account as NPA, the bank has initiated measures under the Act.

3.4 Subsequently, the applicants' loan account was assigned to 1st respondent herein pursuant to the letter dated 23.11.2021. It is submitted that the applicants have approached the respondent bank for a settlement under OTS, however the respondent bank without considering the same have issued the Sale notice dated 25.05.2022 scheduling the property to be sold on 30.06.2022. The applicant had challenged the Sale notice dated 25.05.2022 in SA No.288 of 2022 and paid a sum of Rs.74,00,000/- in compliance of the Interim order passed by this Tribunal.

3.5 Further, the applicant sent OTS letter dated 01.12.2022 to the respondent on 03.12.2022 which was accepted on condition that the applicants to pay Rs.11 lakhs as upfront payment and applicant has paid only Rs.3 lakhs and SA came to be dismissed on 09.02.2023 giving liberty for the applicant to approach the respondent bank for settlement to settle the loan account by or before 31.03.2023

3.6 However, the respondent refused to accept the balance payment and without considering any negotiation has issued the Sale notice dated 25.04.2023 scheduling the property to be sold on 17.05.2023 for recovery of Rs.2,55,62,775/- and Rs.75,11,446/- as on 20.04.2023 by fixing the Reserve Price of Rs.1,40,21,000/- and Rs.44,51,000/-. It is contended that the property is worth about Rs.3,70,14,000/- and in the Sanction letter the value of the property is mentioned as Rs.2,44,02,000/-. However, the

respondent bank has fixed the reserve price after 8 years at Rs.1,84,72,000/- for both the properties which is in violation of Rule 8(5) of SIE Rules.

3.7 The respondent bank has to obtain a valuation report under Rule 9(1) from an approved valuator and fix the reserve price. However, the respondent bank has failed to obtain the valuation report before issuance of sale notice and Government of Tamil Nadu had modified the guideline value on 01.04.2023 and guideline value was increased from old valuation as the Sale notice was issued on 25.04.2023 and valuation ought to have taken after 01.04.2023. However, the respondent bank has not obtained the valuation report after 01.04.2023 which is violation of SARFAESI Act and also played fraud to cheat the applicant.

3.8 The property has not valued as per the Market value, upset price and fixed the reserve price below the price mentioned in the sanction letter. The applicant has relied on the Judgment reported in 2020 (2) ALD 391 and relied on the Para 94 and 95 contending that the respondent bank has failed to obtain a fresh valuation before conducting the property to sale. The applicant has challenged the E-auction sale notice dated 25.04.2023 before this Tribunal which is pending for adjudication and the respondent bank has sold the property to the 2nd and 3rd respondent herein by playing fraud and sold the property at throw away price.

3.9 It is contended that the respondent bank has failed to publish the Sale notice in two Newspapers having sufficient circulation as prescribed

under Rule 8(6) of SIE Rules. The purpose of the paper publication of Sale notice is that the respondent has to invite tenders from the general public before auction with all the Terms and conditions.

3.10 In the instant matter the sale notice does not disclose the Terms and conditions, the authorized officer would not be appointed by the same bank or the financial institution as he is a statutory authority without any favor to the secured creditor. However, the authorized officer ought to have been neutral person then he can exercise his power under the Act for that legal maxim "nemo in propria causa judex, esse is debet", no one would be made as a judge in his own case. The Authorized officer as well as the secured creditor is one another same is against the SARFAESI Acts and SIE Rules.

3.11 In the Sale notice there is no reference of local office address and only a corporate office of the 1st respondent bank is mentioned, hence there could not be a true participant to the sale notice and the 1st respondent firm syndicate has sold the property at throw away price in favor of the 2nd and 3rd respondent. Further the mortgaged property is not registered as required under Section 26(D) and interest calculated by the respondent is not as per the RBI guidelines. Hence, the Demand Notice and Possession Notice are liable to be set aside.

3.12 The sale notice was not affixed on the property and Terms and conditions was not uploaded in the website as required under the Acts and Rules. The respondent has sold the properties to the 2nd and 3rd respondent

and didn't allow the general public to participate and completed the sale proceedings which cannot sustain as the proper auction purchasers as to approach the bank and get the locking number and log in to participate in the auction which an ordinary/ illiterate purchaser cannot participate. The 2nd and 3rd respondent have colluded with the respondent bank and played fraud to become the successful bidder.

3.13 As the respondent bank didn't publish the sale notice in two Newspapers, more participants more purchasers would have participated and didn't get more money. In fact, the property is sold for a meagre price which is worth more than about Rs.3,70,14,000/-. The respondent bank has charged exorbitant penal interest which is against the Tamil Nadu Exorbitant Interest Act, where the respondent has to charge only 9% of interest. The schedule mentioned property is not mentioned fully in the Sale notice as it is seen that there is an extent of Rs.391 sq.ft., where the actual area of land is 2200 sq.ft., and there is no reference about the assignment of assets to the 1st respondent herein and non-mentioning of assignment is fatal. Hence, the applicants prays to set aside the sale held on 17.05.2023 pursuant to the sale notice dated 25.04.2023.

4. **Objections of the respondent bank:**

4.1 The respondent bank has filed a detailed counter along with supporting documents contending that the present SA is challenging sale held on 17.05.2023 and the 2nd respondent is the highest bidder for Schedule A property and Sale certificate was registered on 31.05.2023 and

3rd respondent is the highest bidder for Schedule B property and Sale certificate was registered on 31.05.2023.

4.2 It is the case of the bank that the applicants have filed SA No.288 of 2022 challenging the Sale notice dated 22.05.2022 scheduling the property to be sold on 30.06.2022 for a sum of Rs.3,68,63,186/-. As the sale didn't take place for want of bidders, SA was rendered as infructuous and came to be disposed of. The applicants though had liberty to approach the respondent bank for settlement by or before 31.03.2023 and the applicants didn't settle the liability and failed to show any bonafides towards the settlement. Therefore, the respondent bank has proceeded in accordance with law.

4.3 The original lender M/s. City Union Bank had assigned the debt to the 1st respondent herein on 29.10.2021 by way of assignment agreement dated 02.03.2022 which is registered as Doc.No.2883 of 2022 and supplementary assignment agreement dated 11.07.2022 registered as Doc.No.2311 of 2022. Subsequently, the authorized officer has issued Sale notice dated 25.04.2023 and the allegation that the sale notice is issued by un authorized person is denied.

4.4 The contention of the applicants that the description of immovable property is not clearly mentioned which is in violation of Rule 8(6) A is baseless and frivolous. In fact, the 1st respondent has described the immovable property in sale notice. The sale notice was sent to the applicants and duly published and affixture on the property is also annexed

on the counter. Further, the sale notice is published in two Newspapers and the respondent has obtained the valuation report for Schedule A and Schedule B on 10.04.2023 and 06.04.2023 before the issuance of the sale notice dated 25.04.2023 as per Rule 8(5) and Rule 9(1) of SIE Rules. The respondent has obtained the valuation report from an approved valuator and the valuator has considered the Government of Tamil Nadu Instructions of the guideline value on 01.04.2023.

4.5 The valuation reports are produced at Page No.5 and 6 of counter, the Schedule A & B property was valued by considering the guideline value at Rs.1200 and Rs.1800 respectively. The respondent bank has placed reliance on the Judgment of Hon'ble DRAT, Allahabad in **Authorized Officer, SBI, & Other Vs. Ku. Kalpana Agarwal** in Appeal No. R-29/2019 and contends that respondent bank has never fixed below the distress value and fixed 10% above the reserve price and the property is auctioned for higher prize, hence the allegation that the reserve price is fixed is less than the guideline value cannot sustain.

4.6 It is submitted that the valuation report for Schedule A is obtained for same extent of land and building as land and building approval report which admeasures about 4306 sq.ft., of land & 4272 sq.ft., of building. However, 4071 sq.ft., is only used for construction of building as per measurement of valuer. The distress value of the property is considered in fixing the reserve price and the valuation report clearly reflects that the valuer has considered the extent of land and building.

4.7 The applicants had invoked the jurisdiction in W.P.No.1263 of 2024 before the Hon'ble High Court of Madras and vide order dated 22.01.2024 and instructed to remove the machineries within the period of 6 weeks which the applicant has failed to comply till date and failed to vacate the Schedule A property, thus the physical possession of the property could not be handed over to the auction purchaser. Further the auction purchaser had sent a legal notice dated 02.04.2024 for losses, damages, compensation.

4.8 Further the auction purchaser i.e., 2nd respondent pursuant to the legal notice, filed a W.P.No.11553 of 2024 seeking for a direction to 1st respondent to execute Section 14 order dated 25.07.2022 passed by Hon'ble CJM, Chengalpattu in Crl.M.P.No.8201 of 2021 to secure the vacant possession of the property. The Hon'ble High Court of Madras had directed the 1st respondent to take appropriate steps to execute the order expeditiously. The applicants have acted in wholly unlawful manner by failing to comply with the Hon'ble High Court of Madras, the respondent bank places reliance on the Judgment of Hon'ble Supreme Court in **Celir LLP Vs. Bafna Motors** (MANU/SC/1042/2023)

4.9 It is submitted that the applicant has failed to pay the entire due amount to the secured creditor before the auction sale notice was published, hence the right of the borrower to redeem the property stands extinguished from the date of publication. Further, once the sale is confirmed and the respondent bank cannot with hold the sale certificate and enter into private arrangement with the borrower for redemption where

the paper publication is evidenced. Further the physical possession of the Schedule B property was handed over to the 3rd respondent herein on 12.04.2024.

4.10 The respondent denies all the averments as baseless and first respondent has complied with all the statutory provisions and prays for dismissal of the present SA.

Heard both sides of the Counsels and perused the records of the case.

5.1 It is discernible from the records that the 1st applicant and 4th applicant are the proprietary firm represented by 2nd applicant and 3rd applicant is the co-obligant to the loan transactions. The credit facilities availed by the 1st and 4th applicant is listed below:

- i. OLCC for Rs.1,00,00,000/- vide A/c No.512020010009950 for Rs.1,00,00,000/-
- ii. CUB OSL Special – BR vide A/c No.501812080016321 for Rs.50,00,000/-
- iii. CUB OSL Term EMI – BR vide A/c No.501812080011105 for Rs.11,00,000/-
- iv. CUB OSL Term EMI – BR vide A/c No.501812080017672 for Rs.32,00,000/-
- v. CUB OSL Term EMI – BR vide A/c No.501812080031847 for Rs.25,00,000/-
- vi. CUB OSL Special – BR vide A/c No.501812080040748 for Rs.13,50,000/-

5.2 To secure the credit facilities availed by the 1st and 4th applicant, the 2nd applicant has executed equitable mortgage by way of Memorandum of

Deposit of Title Deeds which is not disputed by the applicants herein. The first contention raised is that respondent bank has failed to register the security interest before the central registry under Section 26(D) of Act is countered by the respondent bank by producing the CERSAI report at Page No.26 to 34 of respondent's counter which is a secured asset under the Act. The mortgage is registered under the central registry in compliance of Section 26(D) of the Act. Hence, the contention that the respondent bank failed to register the security interest before the central registry fails.

5.3 As the borrower, guarantor and mortgagor defaulted in repayment, the respondent bank has classified the loan account as NPA for both 1st and 4th applicant's loan accounts on 20.07.2018 and 24.07.2018 respectively which is un disputed fact and the same is admitted at Para No.2 in Page No.6 of the present SA.

5.4 After classifying the loan account as NPA, the respondent has proceeded under the Act and issued Section 13(2) Demand Notice dated 29.10.2018 which is sent through RPAD, which is admittedly received by 2nd applicant who is the proprietrix of 1st, 4th applicant firm and received by 3rd applicant as per the acknowledgement cards produced at Page No.24 of respondent's counter.

5.5 Even after the receipt of Section 13(2) Demand Notice, the applicants failed to liquidate the entire liability nor made any objections to the demand made within the period of 60 days. Hence, the respondent bank has proceeded further and issued Section 13(4) Possession Notice dated

16.02.2019 which is sent through RPAD, duly received by the 2nd and 3rd applicants herein as per the signature in the Possession Notice which is produced at page No.39 to 42 of respondent's counter.

5.6 The Possession Notice was duly affixed on the conspicuous part of the property as per Rule 8(1) and published in two Newspapers as per Rule 8(2) of SIE Rules. It is pertinent to note that any challenge to measures initiated by the respondent bank in issuing the Section 13(2) Demand Notice and 13(4) Possession Notice is not challenged by the applicant within 45 days from the date of measure, hence the same is barred by limitation and not sustainable.

5.7 The original lender M/s. City Union Bank of India has assigned the debt to the 1st respondent herein on 29.10.2021 vide Assignment agreement dated 02.03.2022 registered as Doc.No.2883 of 2022 and Supplementary Assignment Agreement dated 11.07.2022 registered as Doc.No.2311 of 2022. The 1st respondent stepped into the shoe of the secured creditor has issued the Sale notice dated 25.05.2022 scheduling the property to be sold on 30.06.2022.

5.8 The applicants have challenged the Sale notice dated 25.05.2022 before this Tribunal in SA No.288 of 2022 which came to be dismissed on 09.02.2023 and relevant portion is extracted here under:

Accordingly, this SA stands dismissed, however without costs. However, applicant is at liberty to approach respondent institution for a negotiated settlement and settle the loan account by or before 31.03.2023, failing which respondent institution will be at liberty to

proceed further in accordance to law beyond 31.03.2023. Interim stay, if any granted and subsisting till this day stands vacated and all other IAs, if any pending stand closed.

5.9 The applicants as per the direction in SA approached the respondent for an OTS Settlement vide letter dated 01.12.2022 which was accepted by respondent bank on condition to pay Rs.11 lakhs as upfront amount but the applicants paid only Rs.3 lakhs out of Rs.11 lakhs as upfront payment and did not comply with the terms of OTS.

5.10 Hence, respondent bank has proceeded further and issued another Sale notice dated 25.04.2023 scheduling the sale of schedule A and schedule B property was held on 17.05.2023 is challenged in the present SA. However, the applicant has challenged the Sale notice dated 25.04.2023 in SA No.267 of 2023 which came to be dismissed on 12.06.2026, after losing their right of redemption under Section 13(8) of SARFAESI Act.

5.11 Before the issuance of Sale notice dated 25.04.2023, the respondent has obtained valuation reports dated 10.04.2023, 06.04.2023 from an approved valuator under Rule 8(5) of SIE Rules. The applicant has raised specific contention that the respondent bank has failed to obtain valuation report based on Government of Tamil Nadu modified guidelines before the issuance of sale notice is opposed by bank as they have obtained the valuation report based on the Government of Tamil Nadu modified guideline value dated 01.04.2023.

5.12 Further, the applicants have relied on the valuation reports dated 26.06.2023 for Schedule A and B properties which is evidently obtained after the sale of schedule properties, thus the valuation report obtained by the applicants is only an afterthought. The applicants and respondent bank have failed to produce any Government of Tamil Nadu modified guideline value for reference in the matter. However, the Tribunal verified with the website porta of TNREGINET and verified guideline value applicable to Schedule A and B property, it is seen that the guideline value for Schedule A property is Rs.1200/- per Sq.ft., and for Schedule B property is Rs.1800/- per Sq.ft., For better appreciation the valuation reports obtained respondent bank and valuation reports produced by the applicants are extracted here under:

Valuation report for Schedule A by the Applicants and Respondent bank:

	Applicants	Respondent
Total value of the property as on 26.06.2023	Rs.2,62,39,000/-	Rs.1,40,21,800/-
Prevailing market value of land and current rate of land by bank	Rs.4,000/- per sq.ft.,	Rs.2,500/- per sq.ft.,
Building value for 1 st and 2 nd floor	Rs.1,500/- and Rs.1000/- sq.ft.,	Rs.1500/- per sq.ft.,
Guideline value and final value by bank	Rs.1,200/- per sq.ft.,	Rs.2,500/- per sq.ft.,
Total extent area	4306 sq.ft.,	4306 sq.ft.,

Valuation report for Schedule B by the Applicants and Respondent bank:

	Applicants	Respondent
Total value of the property as on 26.06.2023	Rs.1,07,75,000/-	Rs.50,79,250/-
Prevailing market value of land and current rate of land by bank	Rs.5,000/- per sq.ft.,	Rs.2,750/- per sq.ft.,
Building value	Rs.700/- per sq.ft.,	NIL
Guideline value and final value by bank	Rs.1,800/- per sq.ft.,	Rs.2,750/- per sq.ft.,
Total extent area	1847 sq.ft.,	1847 sq.ft.,

5.13 It is seen from the valuation report produced by the respondent that the bank has considered the modified guideline value. The valuator has also considered the 10 years old building and also considered the current value of the land for Schedule A property at Rs.2500/- and for Schedule B property at Rs.2750/-. The valuation report relied by the respondent bank and the reserve price fixed by the bank is after considering the failure of the 1st sale notice is appropriate. The respondent bank has obtained the valuation report as required under the Rule 8(5) of the SIE Rules.

5.14 Further it is also to be borne in mind that the present Sale notice is the 2nd sale notice and considering the attempts made by the bank to sell the property, the Authorized officer has fixed the reserve price considering

the valuation report given by the valuator. On contrary, the applicant has produced the valuation report dated 26.06.2023 which is after the sale held on 17.05.2023. Further, contention that the respondent bank has violated Rule 8(5) of SIE Rules is not sustainable and a mere statement that the valuation is low to set aside the sale would not come to the aid of the applicant herein.

5.15 The contention that the sale notice is not issued by the Authorized officer is contrary to the documents and on perusal of the Sale notice, it is seen that the Sale notice is issued by the Authorized officer. Further, the contention that sale notice is issued by the Authorized officer from the same bank and must be a neutral person would not come to the help of the applicant herein as the secured creditor is represented by its Authorized officer and has issued the Sale notice which is in accordance with Acts and Rules. Further, the Act mandates that the measures to be initiated by the secured creditor is authorized by the bank. In the instant matter, the notice is admittedly issued by the Authorized officer with the seal and signature and the name of Authorized officer who has issued the Sale notice.

5.16 The further contention that the property is not clearly mentioned or clearly described could not sustain, as on perusal of the description of the property in the sale notice for the Item No.1 and 2 property it clearly describes the nature of the property, measurement of the property with the building which is registered in the South Chennai in the SRO, Padappai. Further, it describes the total extent of the building with clear description and with clarity for identifying the property physically. Though the applicant

has raised a vague contention that the property is not clearly described have specifically contended that the built-up area of schedule property is 391 sq.ft., instead of 2200 sq.ft., on the other hand, the description of the property is as per the MODT executed by the applicant which is produced by the respondent by way of memo, hence the said contention is not sustainable and fails.

5.17 The respondent bank has issued the Sale notice dated 25.04.2023 through RPAD which is served to the applicants as per the postal receipts, acknowledgment cards, postal tracking reports produced at Page No.194 to 206 of respondent's counter. Further, the sale notice is affixed on the conspicuous part of the property as per Rule 8(7) and also published in two Newspaper as per Rule 8(6) of SIE Rules, the photograph of affixture and paper publications are evident from Page No.207 to 212 of respondent's counter. Thus, the respondent bank has complied all the procedures as required under the Rule 8 and 9 of SIE Rules.

5.18 The respondent bank has registered the schedule mentioned properties in EARC online E-Auction portal which is produced at Page No.213 to 222 of respondent's counter. Further contention as raised by the applicants that there is no reference about the assignment of assets to the present 1st respondent herein which is not sustainable and mentioned in Page No.2 of Sale notice dated 25.04.2023 which is extracted hereunder:

...properties mortgaged to City Union Bank Ltd. to secured the outstanding dues under the loan accounts assigned to Encore ARC (Secured Creditor) as stated above...

5.19 Further the respondent bank has disclosed the Terms and conditions of sale in Sale notice from Page No.5 to 7 of Sale notice dated 25.04.2023 as per Rule 9(4) of SIE Rules, hence the contention that the respondent bank has violated Rule 9(4) is not sustainable and fails.

5.20 The challenge to the sale held on 17.05.2023 pursuant to the sale notice dated 25.04.2023 is on the contention that the respondent bank has failed to obtain proper valuation report before the issuance of Sale notice dated 25.04.2023 which is not sustainable as the respondent bank as a secured creditor has obtained the valuation report from an approved valuator dated 06.04.2023 and 10.04.2023 which is admittedly after the period of Government of Tamil Nadu modified guidelines value dated 01.04.2023. Further the applicant has also challenged the Sale notice dated 25.04.2023 scheduling the sale to be held on 17.05.2023 in SA No.267 of 2023 before this Tribunal and is trying to thwart the proceedings taken by the bank under the Act.

5.21 On the other hand, the respondent bank has established the due compliances of the procedures as contemplated under the Act and Rules with supporting documents and have countered all the contention raised by the applicant in the SA. Hence the Tribunal concludes that the applicant has failed to make out a case for interference of this Tribunal in the sale held on 17.05.2023.

5.22 It is seen that applicant has filed an IA No.1813/2023 seeking for injunction restraining the 2nd and 3rd respondents creating any encumbrance on the property is disposed of as not maintainable

5.23 For the foregoing reasons, the present SA is only to be dismissed by upholding the Section 13(2) Demand Notice dated 29.10.2018 and Section 13(4) Possession Notice dated 16.02.2019 as valid statutory notices and the Sale notice dated 25.04.2023 and the sale held on 17.05.2023 as valid measures taken by the respondent bank under the provisions of SARFAESI Act and Rules made there under.

6. Resultantly the present SA is dismissed. Interim order granted if any stands vacated and pending IAs stands disposed of in terms of this final order. No order as to cost.

Sd/-
(S.V. GOWRAMMA)
PRESIDING OFFICER,
DRT-III, CHENNAI

(Dictated to Steno (Mogesh), transcribed by him, corrected, signed and pronounced by me on this the 18th day of June, 2026)

ANNEXURES

LIST OF DOCUMENTS PRODUCED BY THE APPLICANT

Sl. No.	Description of Documents	Document No.
1.	Sanction letter issued to the 1 st applicant dated 25.06.2015	A-1

2.	Sanction letter issued to the 4 th applicant dated 25.06.2015	A-2
3.	Sale notice dated 25.05.2022	A-3
4.	E-Auction sale notice dated 25.04.2023	A-4
5.	SA No.267 of 2023	A-5
6.	Encumbrance certificate for the period from 01.01.2010 to 21.06.2023 dated 22.06.2023	A-6
7.	Valuation report in respect of schedule A property dated 26.06.2023	A-7
8.	Valuation report in respect of schedule B property dated 26.06.2023	A-8

LIST OF DOCUMENTS PRODUCED BY THE 1ST RESPONDENT

Sl. No.	Description of Documents	Document No.
1.	Demand Notice under Section 13(2) issued by City Union Bank Ltd., to the applicant and Others dated 29.10.2018	R-1
2.	Acknowledgement cards evidencing the service of Demand Notice under Section 13(2) to the applicant and others	R-2
3.	CERSAI Certificates	R-3
4.	Possession Notice under Section 13(4) of SARFAESI Act issued by City Union Bank Ltd., to the applicant and others dated 16.02.2019	R-4
5.	Service of Possession notice under section 13(4) physically to the applicant & others by way of obtaining their signatures dated 16.02.2019	R-5
6.	Photographs for having affixed the Possession Notice under Section 13(4) by the City Union Bank Ltd., dated 16.02.2019	R-6
7.	Newspaper advertisement of Possession Notice issued in the Deccan Chronicle (English daily) and Dinakaran (Tamil daily) dated 20.02.2019	R-7
8.	Assignment agreement registered as Doc.No.2883 of 2022 dated 02.03.2022	R-8
9.	Supplementary Assignment agreement registered as Doc.No.2311 of 2022 dated 11.07.2022	R-9
10.	Valuation report for the property 1 as per schedule mentioned in the SA dated 10.04.2023	R-10
11.	Valuation report for the property 2 as per schedule mentioned in the SA dated 06.04.2023	R-11

12.	Notice of Sale and public notice for e-auction by fixing the date of sale on 17.05.2023 dated 25.04.2023	R-12
13.	Postal receipts and postal tracking receipts evidencing the service of notice of sale to the applicant & others	R-13
14.	Photographs for having affixed the notice of sale and public notice for e-auction dated 25.04.2023	R-14
15.	Newspaper advertisement of auction issued in the New Indian Express (English daily) and Dinamani (Tamil daily) dated 25.04.2023	R-15
16.	Registration of schedule mentioned properties in EARC online E-auction portal dated 25.04.2023	R-16
17.	Letter & Sale certificate for property 1 as per schedule mentioned in the S.A in favour of M/s. Perfect Tool & Die Makers Pvt. Ltd. dated 17.05.2023 and 07.06.2023	R-17
18.	Letter & Sale certificate for property 2 as per schedule mentioned in the S.A in favour of Mr. G. Karthikeyan dated 17.05.2023 and 31.05.2023	R-18
19.	Order passed by the Hon'ble DRT III in SA No.288 of 2022 dated 09.02.2023	R-19
20.	Certificate of Encumbrance on property 2	R-20
21.	Certificate of Encumbrance on property 1	R-21

LIST OF ADDITIONAL DOCUMENTS PRODUCED BY THE 1ST RESPONDNET BY MEMO

Sl. No.	Description of Documents	Documents No.
1.	Registered Memorandum of Deposit of Title Deeds dt. 27.08.2015 executed by the 1st Defendant (Doc. No. 6736/2015) dated 27.08.2015	R-1
2.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 01.02.2016 executed by the 1st Defendant (Doc. No. 425/2016); dated 01.02.2016	R-2
3.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 21.03.2016 executed by the 1st Defendant (Doc. No. 1526/2016); dated 21.03.2016	R-3
4.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 09.09.2016 executed by the 1st Defendant (Doc. No. 4771/2016); dated 09.09.2016	R-4

5.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 04.10.2017 executed by the 1st Defendant (Doc. No. 5353/2017); dated 04.10.2017	R-5
6.	Sale Deed executed by Tamilnadu Small Industries Development Corporation Limited in favour of the 1st Defendant (Doc.No. 6606/2015); dated 24.08.2015	R-6
7.	Consent Letter dt. 23.03.2015 by the 3rd Defendant expressing his willingness to offer his property as security; dated 23.03.2015	R-7
8.	Registered Memorandum of Deposit of Title Deeds dt. 02.07.2015 executed by the 3rd Defendant (Doc. No. 5245/2015); dated 02.07.2015	R-8
9.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 01.02.2016 executed by the 3rd Defendant (Doc. No. 582/2016); dated 01.02.2016	R-9
10.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 21.03.2016 executed by the 3rd Defendant (Doc. No. 1944/2016); dated 21.06.2016	R-10
11.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 02.08.2016 executed by the 3rd Defendant (Doc. No. 5381/2016); dated 02.08.2016	R-11
12.	Registered Memorandum of Extension of E.M by way of Deposit of Title Deeds dt. 04.10.2017 executed by the 3rd Defendant (Doc. No. 7524/2017); dated 04.10.2017	R-12
13.	Sale Deed executed by D.Sudha in favour of the 3rd Defendant (Doc.No. 2471/2002) dated 18.10.2002	R-13
14.	Sale Deed executed by Kanakaraj in favour of the 3rd Defendant (Doc.No. 2625/2004) dated 07.07.2004	R-14

SCHEDULE OF PROPERTY

Property 1:

All that piece and parcel of land bearing Plot No.AC 31/29 in the SIDCO Industrial Estate, Thirumudivakkam, admeasuring acres 0.9.88 (9.88 cents) comprised in the Survey No.98/3 (Part) situate in

Thirumudivakkam Village, Sripermbudur Taluk, Kanchipuram District bounded on:

North by: AC 31/28

South by: 9 Meter Road

East by: 9 Meter Road

West by: AC 31/30

In all admeasuring acres 0.9.88 (or 9.88 cents) together with building there on admeasuring 4272 sq.ft., and laying within the registration district of south Chennai and sub registration district of padappai.

Property 2:

Item 1:

All that piece and parcel of land measuring to the extent of 391 sq.ft., and building thereon land comprised in Survey No.200/5 situated at Old Door No.21, New Door No.22, Pillaiyar Koil Street, Pammal Village, Nagalkeni, Tambaram Taluk, Kancheepuram District bounded on the

North by: Property belonging to Kanakaraj

South by: Pillaiyar Koil Street

East by: Property belonging to Chellapa Naidu

West by: Kanagraj house and common pathway

East to west on the Northern side: 23 feet

East to west on the Southern side: 23 feet

North to south on the Eastern side: 17 feet

North to south on the Western side: 17 feet

In all admeasuring 391 sq.ft., and laying within the registration district of south Chennai and sub registration district of Pammal

Item 2:

All piece and parcel of land and building built of light roofing and measuring 1456 sq.ft., land comprised in Survey No.200/5, situated at Old No.21, New Door No.22, Pillayar Koil Street, Pammal Village, Nagalkeni, Tambaram Taluk, Kancheepuram, District bounded on

North by: Property belonging to Krishnamurthy

South by: Property belonging to S Elamathy

East by: Property belonging to C Kanagaraj

West by: 6 Feet Common Pathway

Linear Measurement:

East to west on the Northern side: 26 feet

East to west on the Southern side: 26 feet

North to South on the Eastern side: 56 feet

North to South on the Western side: 56 feet

In all admeasuring 1456 sq.ft., and lying within the registration district of south Chennai and sub registration district of pammal.

Sd/-
(S.V. GOWRAMMA)
PRESIDING OFFICER,
DRT-III, CHENNAI