

IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this 18th day of June, 2026

PRESENT: SHRI SHARANG DHAR UPADHYAY
Presiding Officer

SA No.235 of 2025

1. M/s Kasuals Clothing
A Partnership firm, Represented by its Partners
P.B. Rajesh & P.B. Sathish
No.7, Nathan Building
North Usman Road, T. Nagar
Chennai – 600 017
2. P.B. Rajesh
S/o Mr. K. Achuthan
No.35/55, Veerapandia Nagar 2nd Street
Choolaimedu, Chennai – 600 094
3. P.B. Sathish
S/o Mr. K. Achuthan
No.35/55, Veerapandia Nagar 2nd Street
Choolaimedu, Chennai – 600 094
4. K. Achuthan (since deceased)
S/o M. Damodaran
No.35/55, Veerapandia Nagar 2nd Street
Choolaimedu, Chennai – 600 094
(Applicants 2 and 3 are recognized as LR's of deceased
4th applicant) (Amended as per orders dated 25.09.2025
in Memo Dy No.6625/2025)

...Applicants

Versus

The Authorised Officer
Union Bank of India
Asset Recovery Branch
No.9, "Elcanso building", Casa Major Road
Egmore, Chennai – 600 008

...Respondent

Counsel on Record / Appeared

Applicant by : M/s R. Venkata Varathan, T. Paranthaman & B. Rajesh
Respondent by : Mr. A. Jaishankar

ORDER

1. This petition is filed under Section 17(1) of the SARFAESI Act challenging the measures initiated by the respondent bank pursuant to the order of the Learned Chief Metropolitan Magistrate, Egmore in Crl. M.P. No.63882 of 2024 dated 13.02.2025.

Facts of the case as averred in the SA

- 2.0 The 1st Applicant is a registered Partnership Firm, represented by its Partners, engaged in sale of fabrics, in wholesale and retail basis for several years. The 1st Applicant had availed loan facility from the Andhra Bank in the year 2016 to the tune of Rs.52 Lakhs and for the due repayment of the amount due under the loan facility, the Applicants 2 to 4 created equitable mortgage over the schedule mentioned properties by executing the Memorandum of Deposit of Title Deed dated 16.09.2016, registered as Doc. No.3828 of 2016, at S.R.O., Kodambakkam. Subsequently, in view of the amalgamation of Andhra Bank with Union Bank of India, the loan account was taken over by the Union Bank of India.
- 2.1 The Applicants were regular in repayment, however, due to COVID-19 Pandemic and the resultant Lock Down announced by the Government and the recession in the market and the applicants suffered huge loss in business. The applicants, therefore, approached the respondent bank for rescheduling the loan, however, the same was not considered and

the bank proceeded to issue the Demand Notice dated 25.08.2020, demanding a sum of Rs.55,79,798.51p.

2.2 After receipt of the said Demand Notice, the Applicants 2 to 4 have approached the Respondent Bank and negotiated with the Officials for One Time Settlement, but in vain. The Respondent bank subsequently issued the Possession Notice dated 09.12.2020 under Section 13(4) of the SARFAESI Act read with Rule 8(1) of Security Interest (Enforcement) Rules, 2002 by post on 11.12.2020. The Applicants submit that the Possession Notice dated 09.12.2020 was affixed in the secured asset much prior to the service of the same on the borrowers. Thus, the Possession Notice dated 09.12.2020 is effected in complete violation of the statutory rules and therefore the same is invalid in law. The amount mentioned as due in the said notice is not correct and further the description of the property therein differed from the description in the Memorandum of Deposit of Title deeds.

2.3 Thereafter, the Respondent Bank issued the Sale Notice dated 12.09.2022 under Rule 8(6) of Security Interest (Enforcement) Rules 2002 fixing the date of e-auction sale on 20.10.2022. The amount due was mentioned as Rs.69,26,787.93 as on 31.08.2022. It has also been mentioned that there was no encumbrance known to the secured creditor. The Reserve Price was fixed at Rs.1 Crore 60 Lakhs as against the value of the secured property which is more than Rs.2 Crores. It is significant that the Statement of Account dated 09.03.2023

states that a sum of Rs.58,70,953.49 was the due amount as on 20.07.2022. Therefore, the amount mentioned as Rs.69,26,787.93 in the Sale Notice dated 12.09.2022 is not correct and the same is excessive.

- 2.4 Aggrieved by the same, the Applicants filed SA No.545 of 2022 before this Tribunal and paid a sum of Rs.10 Lakhs on 20.10.2022 in compliance of the conditional order. However, the Applicants could not comply with the subsequent conditional order for payment of Rs.10 Lakhs on or before 20.11.2022 due to financial constraint. Subsequently, the said SA got dismissed as infructuous.
- 2.5 The Respondent Bank again issued the Sale Notice dated 10.11.2022 fixing the date of e-auction sale on 30.11.2022. The Reserve Price was fixed at Rs.1.44 Crores. The Applicants had therefore filed SA No.620 of 2022 before this Hon'ble Tribunal, in which the Applicants have been directed to pay a sum of Rs.15 Lakhs in two instalments and consequently, the Applicants had paid a sum of Rs.5 Lakhs by Demand Draft dated 28.11.2022 and another sum of Rs.10 Lakhs through WISE transfer (obtained from USA) on 08.12.2022. Subsequently, the said SA was also dismissed as infructuous.
- 2.6. The Respondent Bank continued issuing Sale Notices, month after month, in respect of the schedule secured property. The Respondent Bank had issued the Sale Notice dated 02.03.2023 fixing the date of e-

auction sale on 28.03.2023. The Reserve Price was fixed at Rs.1,53,75,000/-. No sale took place on 28.03.2023. The Respondent Bank had issued the Sale Notice dated 03.04.2023 fixing the date of e-auction sale on 26.04.2023. The Reserve Price was fixed at Rs.1,38,50,000/-. The Respondent Bank had failed to give 30 days notice prior to the auction sale, as contemplated under Rule 8(6). Similarly, the Respondent Bank had subsequently issued the Sale Notice dated 22.01.2024 fixing the date of e-auction sale on 14.02.2024. The Reserve Price was fixed at Rs.1.25 Crores. Admittedly, the Respondent Bank had failed to give 30 days notice prior to the auction sale, as contemplated under Rule 8(6). The reserve price was fixed by the respondent bank without obtaining proper valuation report.

- 2.7 The Respondent Bank had issued the Sale Notice dated 14.05.2024 scheduling sale on 12.06.2024 fixing the Reserve Price at Rs.1.25 Crores for recovery of a sum of Rs.54,79,739.79p. The Applicants sent an e-mail communication on 11.06.2024 requesting the respondent stop the auction sale and assuring to pay Rs.10 to 15 Lakhs by the end of the month but the same was rejected by reply mail on the same day.
- 2.8 The Applicants have not been given any information about the e-auction held on 12.06.2024. The Applicants have approached the Respondent Bank several times but the Respondent Bank has refused to furnish any details about the e-auction held on 12.06.2024. Therefore, having no other option, they have sent a Petition dated 24.06.2024 under RTI Act

to the Public Information Officer/AGM of the Respondent Bank seeking necessary details about the e-auction held on 12.06.2024 and the same though was received on 26.06.2024, the bank refused to give the details.

- 2.9 The personal interest shown by the respondent bank would be clear from the fact that the secured property was brought into sale, month after month, nearly 9 times within a period of 1 year. Further, inspite of specific requests made in person as well as written request in the form of petitioner under RTI Act, the respondent bank refused to furnish the details about the e-auction sale held on 12.06.2024.
- 2.10 The respondent ha not followed the laid down procedures in conducting the sale. There was a collusion between the respondent bank and auction purchaser in the sale of the property. Therefore sale is liable to be set aside in limine.
- 2.11 During the pendency of SA No.381 of 2024 and 410 of 2024 to their utter shock and surprise, the applicants came to know that the respondent bank had much earlier initiated proceedings under Section 14 of the Act on 8.3.2024 and the respondent bank deliberately suppressed the fact the respondent has filed Crl. M.P. No.63882 of 2024 before Ld. CMM, Egmore. The respondent bank having sold the property to the auction purchaser on 12.5.2024 is not entitled to proceed with the proceedings under Section 14 of the Act. The

respondent deliberately suppressed the fact of sale before the Ld. CMM and obtained an order dated 31.1.2025.

2.12 The Applicants 2 to 4 are residing in the schedule property with their family for decades and the said property is the only property available for their residence. Further, the asset is in the name of the mother of the Applicants 2 and 3 and the wife of the 4th applicant who is not alive at the moment and therefore they have got sentimental value on the property and therefore they are making all attempts to somehow or other settle the loan account and save the property. In the meantime, if the same is allowed to be knocked away by the illegal and fraudulent act of the respondent bank, the applicants would be put to serious and irreparable loss and they will be losing their valuable property. Hence this SA is filed.

Grounds of Appeal

3.0 The applicant has raised the following grounds in the SA: -

- (a) The demand notice under Section 13(2) of the SARFAESI Act was not issued by the respondent bank.
- (b) The Possession Notice was issued in complete violation of the statutory provisions.
- (c) The description of property is not proper.

- (d) The Respondent has failed to comply with Rule 8(6) of the Security Interest (Enforcement) Rules, 2002.
- (e) The amount claimed in the impugned notice is not correct.
- (f) The property is undervalued.
- (g) The sale notice was neither affixed nor published in newspapers as mandated under law.

Documents filed by the Applicants along with SA

4.0 The applicants filed the following documents along with the SA: -

- (a) Memorandum of Deposit of Title deeds dated 16.9.2016 registered as Doc. No.3828 of 2016, SRO, Kodambakkam
- (b) Demand Notice dated 25.8.2020 issued under Section 13(2) of the Act.
- (c) Possession Notice dated 09.12.2020 issued under Section 13(4) of the Act.
- (d) E-auction sale notice dated 12.9.2022 scheduling sale on 20.10.2022.
- (e) E-auction sale notice dated 14.05.2024 scheduling sale on 12.06.2024.
- (f) Petition given under RTI Act by applicants dated 24.6.2024.

- (g) Sale certificate dated 29.6.2024
- (h) Letter dated 16.7.2024 by applicants to respondent bank.
- (i) Letter by applicants dated 19.7.2024 to the respondent bank.
- (j) Reply by e-mail by respondent dated 19.7.2024
- (k) Mail communication between applicant and respondent
- (l) Reply dated 9.8.2024 by Union Bank of India to the petition dated 21.9.2024.
- (m) Application filed under Section 17 of the SARFAESI Act in SA No.381 of 2024
- (n) Counter filed by the respondent bank in SA No.381 of 2024.
- (o) Petition dated 17.02.2025 under RTI Act.
- (p) Petition filed under Section 14(1) and (2) in Crl M.P. No.63882 of 2024 by the respondent bank.
- (q) Proof Affidavit dated 31.01.2025 by Mr. B. Gayathri in Crl M.P. No.63882 of 2024
- (r) Order dated 13.2.2025 in Crl. M.P. No.63882 of 2024 by Ld. CMM, Egmore.

Counter by 1st Respondent Bank

- 5.0 Upon notice, the 1st Respondent bank filed its counter contending therein that the present application challenging the order dated 4.7.20187 in Crl. M.P. No. 2071 of 2017 passed by Ld. CMM, Egmore, Chennai. The applicant had already challenged the auction sale held on 12.06.2024 before this Tribunal in SA No.381 of 2024 and the same is posted for arguments on 17.5.2025.
- 5.1 The first applicant is a Partnership firm and second and third applicant are its partners approached erstwhile Andhra Bank and availed Cash Credit facility of Rs. 52,00,000/- on 08.09.2016. The first applicant executed necessary loan documents in favour of the respondent, agreed to repay the said facility together with interest. Further at the request of the applicants, the said loan was renewed, and limit reduced to 47,00,000/- as per sanction letter dated 17.05.2019 and the same was acknowledged by the applicants. The applicants 2 to 4 also executed Guarantee Agreements in favour of the Bank, thereby guaranteeing due repayment of the facility availed by the first applicant.
- 5.2 The fourth applicants deposited the title deeds of his property more fully described in Schedule with an intention to create equitable mortgage over the same and executed Memorandum of Deposit of title deeds dated 30.08.2011, 31.10.2012 & 16.09.2016 Reg. Doc. Nos. 2867/2011, 3395/2012 and 3828 / 2016 respectively.

- 5.3 Since the operation of the accounts by the borrower were not satisfactory and as the borrowers defaulted in repayments, the account was classified as NPA on 28.02.2020 as per the guidelines issued by RBI and the demand notice under Section 13 (2) of SARFAESI Act came to be issued on 25.08.2020. The notice was duly served on the applicants and also the borrower and guarantor on 27.08.2020. The applicants had not given any reply to the said Demand Notice.
- 5.4 As the applicants did not come forward to regularize the loan account, the respondent initiated further steps under the SARFEASI Act by issuing a possession notice under Section 13(4) of the SARFAESI Act read with Rule 8 on 09.12.2020 in respect of the Schedule property and the same was duly served on the borrower and guarantors on 11.12.2020, affixed on the secured asset on 09.12.2020 and published in newspapers “New Indian Express” and Dinamanai”. Thus the bank has complied with the statutory provisions. The applicants have not challenged the said possession notice till now.
- 5.5 The Respondent issued Sale Notice dated 12.09.2022 after obtaining the valuation of the property from the approved valuer. The sale Notice was duly served to the applicants on 15.09.2022 by giving clear 30 days notice. Challenging the same the applicants S.A.No.545 of 2022 before this Tribunal and ultimately the SA came to be dismissed as infructuous as no sale took place on the schedule date.

- 5.6 The respondent bank issued fresh Sale Notice dated 10.11.2022 fixing the sale on 30.11.2022, the applicants had also challenged the said sale notice before this Hon'ble Tribunal in S.A.No.620 of 2022. This Hon'ble Tribunal has directed the applicants to deposit a sum of Rs.15 Lakhs in two installments, for which the first installment of Rs.5 Lakhs to be paid on or before 30.11.2022 and second installment of Rs.10 Lakhs to be paid on or before 09.12.2022. However, the applicants have failed to comply the second condition within time. Since, there was no bids in the said auction sale, the above SA was dismissed by this Hon'ble Tribunal vide order dated 15.12.2022. The above fact has not been brought before this Hon'ble Tribunal by the applicants in the present SA.
- 5.7 This Respondent had issued Sale Notice dated 14.05.2024 for E-Auction Sale fixed on 12.06.2024, after obtaining the valuation of the property from the approved valuer. The sale notice duly served to the applicants on 16.05.2024, this respondent had duly complied the provisions of Rule 8(6) of the Act. The Respondent bank has also published the sale notice in compliance with Rule 9. The sale notice has also affixed in the said premises. The sale Notice has been duly published in the newspapers on 26.05.2024 in one issue of English daily namely "The New Indian Express" and in one issue of Tamil daily namely "Dinamani" in Chennai Edition. The Authorised Officer has followed all the mandatory provisions of the SARFAESI Act and Rule.

- 5.8 The Auction was conducted on 12.06.2024 by the Respondent, one Mr. M. Kannan, S/o. Mr. AP. Mohan , New N.152, Old No.22 Hunters Road, Choolai, Chennai – 600112, had quoted bid amount of Rs.1,26,00,000/- as against reserved price for Rs.1,25,00,000/- for purchasing the Schedule Property. The said Mr. M. Kannan was declared as Successful bidder by the respondent. The auction purchaser had remitted 25% bid amount on 12.06.2024, the respondent had confirmed the sale in favour of the auction purchaser vide Letter dated 13.06.2024. The auction purchaser remitted entire sale consideration on 27.06.2024 and Sale Certificate has been issued in favour of the auction purchaser on 29.06.2024.
- 5.9 The respondent bank filed a petition under Section 14 of the SARFAESI Act before the Ld. Chief Metropolitan Magistrate, Egmore, Chennai in Crl M.P. No.63882 of 2024 for taking physical possession and the Ld. CMM appointed Advocate Commissioner for taking physical possession of the property vide order dated 13.2.2025. However, the applicants have not handed over the physical possession and have filed the present SA without any valid ground.
- 5.10 It is incorrect to state that the enforcement of security interest is barred by limitation. It is submitted that the applicants had availing Cash Credit facility of Rs. 52,00,000/- for their business purpose from the respondent vide Sanction Letter dated 08.09.2016, as per request of the applicants, the said loan was renewed, and limit reduced to 47,00,000/-

as per sanction letter dated 17.05.2019 and the same was acknowledged by the applicants. After availing the said facility, the applicant's account became irregular and even interest was not serviced by the applicants. Thereafter, the account was declared as NPA on 28.02.2020 as per the guidelines issued by RBI. The applicant account has declared as NPA much prior to the COVID -19 Pandemic. Hence the Respondent was forced to initiate measures under the provisions of the SARFAESI Act. The Demand Notice and Possession Notice has been duly served to the applicants, however, the respondent had not received any reply to the said Demand Notice from the applicants.

5.11 The Authorized officer has issued possession notice on 09.12.2020 under Section 13(4) of the SARFAESI Act, the said possession notice was duly served to the applicants on 11.12.2020. The Respondent Bank had affixed the possession notice on 09.12.2020 to the said premises and the respondent had also published the Possession Notice on 12.12.2020 in Chennai edition in one issue of English daily namely the New Indian Express and in one issue of Tamil daily namely Dinamani. The Respondent bank has followed all the procedures as prescribed under SARFAESI Act. The applicants had not chosen to challenge the said possession notice till now.

5.12 The applicants had filed the appeal in S.A.No.545 of 2022 before the Hon'ble DRT-II, Chennai to challenge the said Sale Notice dated

12.09.2022. This Tribunal has granted stay of confirmation of the sale subject to the applicant deposit a sum of Rs. 10 Lakhs in two installments, however, the applicants failed to comply the second condition. Further the applicant had filed another SA before this Hon'ble Tribunal vide S.A.No.620 of 2022 to challenge the Sale Notice dated 10.11.2022. This Hon'ble Tribunal has directed the applicants to deposit a sum of Rs.15 Lakhs in two installments, for which the first installment of Rs.5 Lakhs to be paid on or before 30.11.2022 and second installment of Rs.10 Lakhs to be paid on or before 09.12.2022. However, the applicants have failed to comply the second condition within time.

5.12 Admittedly the respondent had brought the property for sale 12 time from 12.9.2022 to 14.05.2024, however, none of the auction could be concluded as the applicants after obtaining interim order failed to comply the same.

5.13 It is incorrect to state that the schedule property is more than Rs.2Crores,the respondent did not value the property in accordance with law and the respondent was very keen in selling the property alone. It is further state that the schedule property has been sold on 12.06.2024 by the respondent through E-auction after obtaining the valuation of the property from the approved valuer. It is submitted that as per Sec. 13(8) of the act, if the applicant want to settle the dues only prior to the date of

publication of notice for public auction. However, the applicant did not come forward to settle the dues even before auction sale.

5.13 It is incorrect to state that the respondent have not been given any information about the E-auction. It is submitted that the respondent had given reply to their letter dated 19.07.2024 through e-mail on 19.07.2024 and had given information about the e-auction sale held on 12.06.2024. Whenever, the Bank had issued sale notice to bring schedule property for e-auction. They filed application before this Hon'ble Tribunal and obtained interim stay order against the auction sale. Hence, the respondent could not conclude the most of the auction sale. The applicants have no intention to settle the dues and seeking intervention only to delay the recovery process.

5.14 It is incorrect to state that the sale held on 12.06.2024 is fraudulent on the part of the respondent Bank in collusion with Auction Purchaser. It is submitted that the respondent had issued E-auction sale notice on 14.05.2024 public sale and also issued publication notice in two leading newspapers to invite the tender from the public to sale the secured assets for higher price. The above Auction conducted by the respondent only after followed all the procedure laid down under the SARFAESI Act.

5.15 It is submitted that the applicants have filed the present application challenging the sale notice dated 14.05.2024 without complying the

earlier conditional order passed in earlier SAs. The applicant's sole intention is to drag the proceedings. The applicant has not approached this Tribunal with clean hands. Hence, the above SA liable to be dismissed with costs. It is further stated that the schedule property has been sold on 12.06.2024 by the respondent through E-auction after obtaining the valuation of the property from the approved valuer. The respondent has realized the entire claim amount and the same has been appropriated to the loan account and third party interest has been created over the schedule property, hence the question of settlement does not arise at all.

5.16. It is incorrect to state that the respondent has deliberately suppressed the issuance of sale certificate before CMM Egmore Chennai. The respondent has sufficiently proved the actions before the Ld. CMM, Egmore and having fully satisfied the Ld. CMM has appointed Advocate Commissioner to take physical possession of the secured assets.

5.17 It is submitted that the this Respondent had issued Demand Notice dated 25.08.2020 under Sec. 13 (2) of the SARFAESI Act and Possession Notice dated 09.12.2020 to the applicants and the same were duly served. The copy of notice and acknowledgement are filed along with typed set. It is submitted that the Authorised officer has followed all the mandatory provisions of the SARFAESI Act.

5.18 It is submitted that the schedule Property had been mentioned as per Rule 8 (7) (a) of the Act, the boundaries of the schedule Properties has been mentioned in the sale notice at presently available as per site as mentioned in the Valuation Report. The copy of Valuation report is filed along with typed set. The sale Notice is duly served to the applicants on 16.05.2024. This respondent had duly complied with Rule 8(5) & 8(6) of the Rules.

5.19 The respondent has clearly mentioned the total outstanding dues as on 31.01.2024 is Rs.54,79,739.70 with further interest from 01.02.2024 in the sale notice dated 14.05.2024. Hence, the amount mentioned in the sale notice dated 12.09.2022 is no way relevant to the present application. It is incorrect to state that the respondent fraudulently colluded with the auction purchaser. The above Auction is conducted by the respondent only after following all the procedure laid down under the SARFAESI Act and the Rules made thereunder.

5.20 Despite several sale notices the respondent was not able to sell the secured asset and the respondent proceeded under Section 14 of the SARFAESI Act and order dated 13.2.2025 was passed by the Ld. CMM, Egmore. It is false to say that the respondent is neither followed the guidelines, norms and procedures of RBI. No legally valid ground has been made by the applicants questioning the validity of the Ld. CMM, Egmore dated 13.02.2025 in Crl. M.P. No.63882 of 2024.

Documents filed by the 1st Respondent along with counter

5.21 The 1st respondent filed the following documents: -

- (a) Demand Notice dated 25.8.2020 issued under Section 13(2) of the SARFAESI Act along with postal acknowledgements.
- (b) Possession Notice dated 09.12.2020 issued under Section 13(4) of the SARFAESI Act along with postal acknowledgements.
- (c) Photograph evidencing affixture of Possession Notice.
- (d) Publication of Possession Notice in “The Indian Express” and Dinamani both date 12.12.2020.
- (e) Order of the Tribunal dated 17.11.2022 in SA No.545 of 2022.
- (f) Order of the Tribunal dated 15.12.2022 in SA No.620 of 2022.
- (g) Sale certificate dated 29.6.2024 issued by the respondent.
- (h) Copy of SA No.410 of 2024 filed by the applicant.

Points for consideration

6.0 Having heard the Ld. Counsels appearing on behalf of both the parties and after perusing the entire records including the written submissions filed by the parties, the following points arises for consideration.

“Whether the impugned order of Ld. Chief Metropolitan Magistrate, Egmore dated 13.02.2025 in CrI. M.P. No.63882 of 2024 suffers from any illegality or impropriety rendering it void in law?”

Answers to Point for Consideration

7.0. It is to be noted that the Hon'ble Supreme Court in “***NKGSB Co-operative Bank Limited Vs. Suber Chakravarty***” and “***R.D. Jain and***

Company Vs. Capital First Limited CA 1755 of 2022 dated 27.07.2022 ruled that no adjudicatory powers are vested while deciding the application under Section 14. In the matter of ***“Indian Bank Vs. Vishalakshi and Another CA 6295/2015 dated 23.09.2019”***, the Hon'ble Supreme Court had further held that the proceedings under Section 14 is a procedural step and purely an administrative order and there is no adjudicatory process involved. Keeping in mind the above rulings, this Tribunal can only examine whether there was compliance of the provisions by the defendant bank before the Learned CMM as mandated under Section 14(1) of the SARFAESI Act.

- 7.1 As per Section 14(1) of the SARFAESI Act, on a request being made by the by the secured creditor, the Chief Metropolitan Magistrate or the District Magistrate as the case be take possession of such asset and documents relating thereto and forward such assets and documents to the secured creditor. The financial institutions are to declare under the affidavit the aggregate sum of financial assistance and dues payable as on the date of the application. It should be averred that the borrower / guarantor having created security interest over the property and that the borrower had committed default; upon such default the account must have been classified as NPA. It is also mandatory to aver in the affidavit regarding the issuance of demand notice, the reply thereof and the response of the secured creditor and that the borrower had not

made any repayment and therefore entitled to take possession and that the other provisions of the Act have been complied.

- 7.2 This Tribunal is aware of the Ruling of the Hon'ble Supreme Court in **“Authorised Officer, Indian Bank Vs. Vishalakshi and another CA No.6295/2015 disposed on 23.09.2019”** holding that the spirit of Section 14 of the SARFAESI Act is only a procedural step. It is purely an administrative order and no adjudication is involved. The orders of the Ld. CMM / DM is only an aid to the proceedings initiated u/s.13(4) of the Act.
- 7.3 It is only to be looked into whether the provision of section 14(1) of the Act is complied or not. From the impugned order it is seen the necessary details to be furnished u/s.14(1) of the Act has been complied. The Ld. CMM at para 10 of the impugned order had come to a finding that *“Hence perusal of all the relevant records and documents submitted by the authorized officer shows that it is a fit case for proceeding u/s 14 of SARFAESI Act, 2002”* , Whether this finding is supported by the proper documents is also answered by the Ld. CMM.
- 7.4 However, this Tribunal has also considered the documents filed by the defendant. This includes the documents produced at S. No. 2 which is the demand notice dated 25.08.2020 and the postal acknowledgement, the same clearly reveals that the demand notice is duly served on the applicant.

- 7.5 As regards the contention of the applicants that the respondent has failed to comply with the Rule 8 (1) and 8(2) of the Security Interest (Enforcement) Rules, 2002 is concerned the respondent has filed the possession notice dated 9.10.2020 and the postal acknowledgements (Pages 28 to 35), the proof of affixture of the possession notice at Sl. No.4 (Page 36) and the proof of publication of the possession notice in two newspapers viz., Dinamani and The Indian Express at Sl. No. 5 (Page 37 & 38) which clearly evidence that the possession notice has been served, published and affixed on the secured asset. Therefore, this ground of the applicants fall to the ground. The other grounds raised by the applicants relates to the sale notices and the same are considered in the SAs filed by the applicant challenging the same and has no relevance in this SA filed challenging the Section 14 orders obtained by the bank.
- 7.6. Further, the applicants have not urged any grounds with regard to non-compliance of provisions under Section 14(1) of the SARFAESI Act by the secured creditor.
- 7.7 Therefore, in the absence of any allegations regarding non-compliance of the provisions of Section 14(1) of the Act and documentary evidence produced by the defendant bank, this Tribunal is unable to find any illegality, impropriety or otherwise to set aside the impugned order. Hence the following:

ORDER

- (i) The SA stands dismissed. The orders of the Ld. Chief Metropolitan Magistrate dated 13.02.2025 in CrI. M.P. No.63882 of 2024 is hereby affirmed. All other pending IAs thus stand disposed of.
- (ii) Parties to bear their own costs.
- (iii) A copy of this order be communicated to the parties 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 18th day of May, 2026)