

**IN THE DEBTS RECOVERY TRIBUNAL-III, CHENNAI**

Dated this the 24<sup>th</sup> day of June, 2026

**Present: SMT. S.V. GOWRAMMA**  
**Presiding Officer**

**ORIGINAL APPLICATION No.31 of 2019**

Canara bank,  
Vepary branch,  
137, Choolai High Road,  
Choolai, Chennai- 600 112  
Represented by its Senior Manager

...Applicant

**-Vs-**

1. M/s. Reach Telecommunications Pvt Ltd,  
M- 75/3, 3rd Avenue,  
Anna Nagar East,  
Chennai - 600 102

2. Mr. L. Ramachandran,  
S/o. V. Loganathan,  
Managing Director,  
No.4, Flat-D, I Floor,  
M/s. Reach Telecommunications Pvt Ltd,  
M- 75/3, 3rd Avenue,  
Anna Nagar East,  
Chennai - 600 102

Also at:

Mr. L. Ramachandran,  
S/o. V. Loganathan,  
Managing Director,  
136, A.P Road, Choolai,  
Chennai - 600 112

3. Mr. R. Girija,  
W/o L. Ramachandran,  
Director,  
M/s. Reach Telecommunications Pvt Ltd,  
M- 75/3, 3rd Avenue,  
Anna Nagar East,  
Chennai - 600 102

Also at:

136, A.P Road,  
Choolai, Chennai - 600 112

4. Mr. Selvam,  
S/o. Mr. V. Loganathan,  
No.136, A.P Road,  
Choolai, Chennai – 600 112 .....Defendants

**Counsels on record / appeared:**

Counsel for Applicant: Sh. M. Muthukumaran

Counsel for defendants: Sh. C.P.R. Kamaraj

**: - FINAL ORDER - :**

1. This Original Application is filed on 19.03.2018 by the applicant bank under Section 19 of Recovery of Debts and Bankruptcy Act, 1993 (formerly Recovery of Debts Due to Banks and Financial Institutions Act, 1993) against the defendants, jointly and severally for recovery of a total sum of **Rs.5,66,93,552.32p (Rupees Five Crore Sixty Six Lakhs Ninety Three Thousand Five Hundred And Fifty Two And Thirty Two Paise only)** as follows:

- (i) A sum of **Rs.5,40,52,626.12p** due in respect of **OCC Loan (A/c No.0943261005459)** repayable together with further interest @12.40% p.a. with monthly rests and penal interest @2% p.a. from the date of Application till the date of realization in full;
- (ii) A sum of **Rs.7,66,340/-** due in respect of **Term Loan (A/c No.0943768000040)** repayable together with further interest @12.40% p.a., with monthly rests and penal interest @2% p.a. from the date of Application till the date of realization in full;
- (iii) A sum of **Rs.18,74,586.20p** due in respect of **Term Loan**

**(A/c No.0943768000065)** repayable together with further interest @12.40% p.a. with monthly rests and penal interest @2% p.a. from the date of Application till the date of realization in full;

for sale of OA Schedule A and B mentioned hypotheca and immovable properties and for costs of this OA.

2. The Applicant submits that the application is filed within the period of limitation as prescribed under Section 24 of the Recovery of Debts and Bankruptcy Act, 1993, and the subject recovery claim falls within the jurisdiction of this Tribunal.

3. **Brief Facts of the case:**

3.1 It is the case of the applicant bank that the 1<sup>st</sup> defendant is a Private Limited Company, of which the 2<sup>nd</sup> Defendant is the Managing Director and 3<sup>rd</sup> Defendant is its Director. 4<sup>th</sup> defendant is the joint Mortgagor. The 1<sup>st</sup> defendant approached the applicant bank in 2004 for financial assistance for its Working Capital requirements. The defendant's nos. 2 to 4 and Mrs. L. Santha offered their personal guarantee for the credit facilities of defendant No. 1 and expressed their willingness to execute necessary documents. Apart from the above, defendants nos. 2 to 4 and Mrs. L.Santha have also offered their immovable properties as security for loan / limit to be availed by the defendant No.1.

3.2 It is submitted by the applicant bank that at the request of the 1<sup>st</sup> defendant, the applicant sanctioned an Open Cash Credit facility of Rs.20,00,000/- on 28.07.2004 and the defendants 1 to 3 and Mrs. L.

Santha executed following documents on 28.07.2004:-

- a) Promissory Note
- b) Request for overdraft facilities
- c) Cash credit agreement
- d) Agreement of guarantee

3.3 The 2<sup>nd</sup> defendant deposited the documents of title deeds relating to his Land and Building with land measuring 1008 Sq. Ft. building ground floor plinth area of 924 Sq. Ft. 1st floor 1006 Sq. Ft. Head room 116 Sq. Ft totally 2046 Sq. Ft. at Plot No. 678/10, Door No. 26, Dr. Ambedkar Street, Pulla Avenue, Shenoy Nagar, Chennai – 600 102, comprised in S. No.33/2, Block No.7 of Periya Kudal Village, Egmore- Nungambakkam Taluk, Chennai District, situated within the Sub- Registration District of Anna Nagar and Registration District of Central Chennai. With the applicant with intent to extend Equitable Mortgage in favour of the applicant over this property for the purpose of securing repayments to the applicant in respect of credit facilities mentioned above, availed by defendant no.1.

3.4 It is submitted by the applicant bank that at the request of the 1<sup>st</sup> defendant, on 25.10.2005, the applicant renewed the above referred facility and the defendants 1 to 3 and Mrs. L. Santha executed the following loan documents on 25.10.2005:-

- a) Letter of Renewal
- b) Acknowledgement of debt and security
- c) Letter from the guarantors

3.5 At the request of 1<sup>st</sup> defendant, on 01.11.2006, the applicant renewed the above referred facility and the defendants 1 to 3 and Mrs. L. Santha executed the following loan documents on 01.11.2006:-

- a) Letter of Renewal
- b) Acknowledgement of debt and security
- c) Letter from the guarantors

3.6 At the request of 1<sup>st</sup> defendant, on 22.10.2007, the applicant renewed and enhanced the above referred facility from Rs. 20,00,000/- to Rs, 35,00,000/- and the defendants 1 to 3 and Mrs. L. Santha executed the following loan documents on 22.10.2007:-

- a) Link Letter in respect of enhancement of enhancement of credit facilities
- b) Promissory Note
- c) Supplemental Agreement
- d) Letter of Renewal
- e) Letter of undertaking re: Loans/Advances
- f) Agreement of guarantee

3.7 At the request of 1<sup>st</sup> defendant on 31.01.2009, the applicant renewed and enhanced the above referred facility from Rs.35,00,000/- to Rs.40,00,000/- and the defendants 1 to 3 and Mrs. L. Santha executed the following loan documents on 31.01.2009:-

- a) Link Letter in respect of enhancement of enhancement of credit facilities
- b) Supplemental Agreement
- c) Letter of Renewal

d) Acknowledgement of debt and security

3.8 At the request of 1<sup>st</sup> defendant on 04.11.2009, the applicant renewed and enhanced the above referred facility from Rs.40,00,000/- to Rs.70,00,000/- and the defendants 1 to 3 and Mrs. L. Santha executed the following loan documents on 04.11.2009:-

a) Link Letter in respect of enhancement of enhancement of credit facilities

b) Request for overdraft facilities

c) Promissory note

d) Cash credit agreement

e) Supplemental agreement

f) Letter of undertaking re: Loans/ Advances

g) Letter of renewal

h) Acknowledgement of debt and security

i) Agreement of guarantee

3.9 It is submitted that the applicant bank has waived the personal guarantee of Mrs. L. Santha after getting prior approval from Regional office on 15.12.2010. At the request of 1<sup>st</sup> defendant on 22.12.2010, the applicant renewed and enhanced the above referred facility from Rs.70,00,000/- to Rs.1,20,00,000/- and the defendants 1 to 3 executed the following loan documents on 22.12.2010:-

a) Promissory Note

b) Supplemental Agreement

c) Letter of Renewal

d) Acknowledgement of debt and security

e) Agreement of Guarantee

3.10 At the request of 1<sup>st</sup> defendant on 12.01.2012, the applicant renewed and enhanced the above referred facility from Rs.1,20,00,000/- to Rs.1,50,00,000/- and the defendants 1 to 3 executed the following loan documents on 12.01.2012:-

- a) Link Letter in respect of enhancement of enhancement of credit facilities
- b) Promissory Note
- c) Common Hypothecation Agreement
- d) Supplemental Agreement
- e) Letter of Renewal
- f) Acknowledgement of debt and security
- g) Agreement of guarantee

3.11 At the request of 1<sup>st</sup> defendant on 20.12.2012, the applicant renewed and enhanced the above referred facility from Rs.1,50,00,000/- to Rs.1,80,00,000/- and fresh term loan facility of Rs. 21,00,000/- and the defendants 1 to 3 executed the following loan documents on 20.12.2012:-

- a) Promissory Note
- b) Supplemental Common Hypothecation Agreement
- c) Letter of Renewal
- d) Acknowledgement of debt and security
- e) Letter for loans/ advances against LIC policy/ NSC/ Post Office time deposits/ Govt. Securities/ National Deposit Receipts/KVP/ Bonds

3.12 The 2<sup>nd</sup> defendant deposited the documents of title deeds relating to

his property described in item No.4 of schedule – B with the applicant with an intent to extend Equitable Mortgage in favour of the applicant over the property described in item No.4 of Schedule – B for the purpose of securing repayment to the applicant in respect of credit facilities mentioned above, availed by defendant no.1 and the Memorandum of Deposit of Title Deeds dated 19.03.2013 was registered as Doc no. 825/2013 at S.R.O. Marakkanam.

3.13 The 2<sup>nd</sup> & 4<sup>th</sup> defendants deposited the documents of title deeds relating to their property described in item no.3 of Schedule – B with the applicant with an intent to extend Equitable Mortgage in favour of the applicant over the property described in item no.3 of Schedule – B for the purpose of securing repayment to the applicant in respect of credit facilities mentioned above, availed by defendants no.1 and the Memorandum of Deposit of Title Deeds dated 04.06.2013 was registered as Doc No, 7017/2013 at S.R.O. Avadi.

3.14 At the request of 1<sup>st</sup> defendant on 02.01.2014, the applicant renewed and enhanced the above referred and the defendants 1 to 3 executed the following loan documents on 02.01.2014:-

- a) Supplemental Agreement
- b) Letter of Renewal
- c) Acknowledgement of debt and security
- d) Letter from the guarantor whenever limits are renewed

3.15 At the request of 1<sup>st</sup> defendant on 08.08.2014, the applicant renewed and enhanced the open cash credit facility from

Rs.1,80,00,000/- to Rs.2,50,00,000/- and renewed the term loan – I and granted fresh term loan – II of Rs.15,00,000/- and the defendants executed the following loan documents on 08.08.2014:-

- a) Promissory Note
- b) Supplemental Common Hypothecation Agreement
- c) Acknowledgement of debt and security
- d) Letter of Renewal
- e) Agreement of Guarantee

3.16 The 2<sup>nd</sup> & 4<sup>th</sup> Defendants deposited the documents of title deeds relating to their properties described in item nos. 1 & 2 of schedule – B with the Applicants with an intent to extend Equitable Mortgage in favour of the Applicant over the properties described in item nos. 1 & 2 of Schedule – B for the purpose of securing repayment to the Applicant in respect of credit facilities mentioned above, availed by Defendant no.1 and the Memorandum of Deposit of Title deeds dated 01.08.2014 was registered as Doc. No. 4382/2014 at S.R.O Villivakkam.

3.17 At the request of 1<sup>st</sup> defendant on 31.12.2014, the applicant renewed and enhanced the open cash credit facility from Rs.2,50,00,000/- to Rs.3,20,00,000/- and renewed the term loan – II and defendants executed the following loan documents on 31.12.2014:-

- a) Promissory Note
- b) Supplemental Common Hypothecation Agreement
- c) Letter of Renewal
- d) Acknowledgement of debt and security
- e) Letter from the Guarantors

3.18 At the request of 1<sup>st</sup> defendant on 20.03.2015, the applicant sanctioned fresh Term loan – III of Rs. 40,00,000/- and the defendants executed the following loan documents on 20.03.2015: -

- a) Promissory Note
- b) Supplemental Common Hypothecation Agreement
- c) Letter of Renewal
- d) Letter from the Guarantors

3.19 At the request of 1<sup>st</sup> defendant on 31.07.2015, the applicant renewed and reduced the open cash credit facility from Rs.3,20,00,000/- to Rs.2,10,00,000/- and renewed the term loan – I to Rs. 21,00,000/-, Term Loan – II to Rs. 15,00,000/- and DPN limit – Rs. 40,00,000/- and the defendants executed the following loan documents on 31.07.2015: -

- a) Letter of Renewal
- b) Supplemental Common Hypothecation Agreement

3.20 It is submitted that as per sanction, Land and Building with land measuring 1008 Sq, Ft, building ground Floor Plinth area of 924 Sq. Ft 1st Floor Sq. Ft Head room 116 Sq. Ft, totally 2046 Sq. Ft at Plot no. 678/10, Door no. 26, Dr. Ambedkar Street, Pulla Avenue, Shenoy Nagar, Chennai – 600 102, comprised in S.No.33/2, Block No.7 of Periya Kudal Village, Egmore – Nungambakkam Taluk, Chennai District has been sold and proceeds of Rs. 1,90,00,000/- (Rupees One Crore Ninety Lakhs Only) has been credited to the OCC account on 31/07/2015 and thereby reducing the limit from Rs. 3,20,00,000/- to Rs. 2,10,00,000/-.

3.21 At the request of 1<sup>st</sup> defendant on 26.09.2016, the applicant

renewed and above referred facilities and the defendants executed the following loan documents on 26.09.2016: -

a) Letter of Renewal

b) Acknowledgement of debt and security

3.22 The defendants after availing the credit facilities, committed default in repayment of the loan inspite of repeated demands. In the view of the continuous default committed by the defendants, the loan account was classified as Non-performing Asset (NPA) on 21.02.2017 in accordance with the guidelines. The Authorized officer of the bank initiated action under SARFAESI Act. Despite repeated requests and demands, defendants did not come forward to repay the dues. Hence, the present Original Application (OA) has been filed by the applicant bank for recovery of its dues from the defendants.

4. After the filing of the OA, summons was sent to the Defendants 1 to 4 through Registered Post with Acknowledgment Due, which was duly served in respect of D-2 to D-4 while summons to D-1 returned with remarks 'Unclaimed'. However, defendants 1 to 4 entered appearance through their counsel and filed written statement.

5. **Brief averments of written statement filed by the defendants**

5.1 The 2<sup>nd</sup> defendant filed Written statement on his behalf and also on behalf of other defendants. The defendants admit availing of the credit facilities of an extent of Rs.5,66,93,552.32/- from the applicant bank on various dates. The schedule mentioned properties were offered as collateral security and the defendants created security interest over the

same by deposit of original title deeds in favour of Canara bank at No.136, A.P.Road, Choolai, Chennai – 600 112. All the current assets of the 1<sup>st</sup> defendant were under hypothecation to the applicant bank for the above mentioned credit facilities.

5.2 It is the case of the defendants that due to various factors including the high competition in the industry and also due to the short fall of service charges provided by the principal company of an extent of more than 50% resulted in the suffered huge losses in the business. The failure on the part of the applicant bank to provide proper credit facility to the defendants resulted in the defaulted repayment to the applicant bank for the credit facilities. Further the applicant bank at one stage started sanctioning the credit facility to the defendants only to the extent of repayment of interest portion alone to themselves. This had ultimately resulted in the total collapse of the business of the 2<sup>nd</sup> defendant though he was able to pay the interest portion till October, 2016 all the problems started thereafter.

5.3 It is further submitted that the loan account of the defendants with the applicant bank was classified as NPA with effect from 21.02.2017. The applicant bank did not communicate the declaration of NPA of the account of the 2<sup>nd</sup> defendant and no demand notice or possession notice were received by him from the applicant. The 2<sup>nd</sup> defendant had been making scheduled payments from time to time and further submits that he was unaware when his account was classified as NPA. This has been done without following the guidelines of the Reserve Bank of India in this

regard. It is obvious that the applicant bank had not taken any exercise to identify the debt as Non Performing Asset.

5.4 The 2<sup>nd</sup> defendant submits that though he had paid more than Rs.48,00,000/- per annum towards the interest portion alone, the applicant bank did not consider the same. More particularly the applicant bank debited a sum of Rs.65,44,686/- in the account of the 2<sup>nd</sup> defendant within a period of 10 months with an unjustifiable, exorbitant and illegal rate of interest and high handedly affixed Possession Notice dated 20.10.2017 for the schedule mentioned properties.

5.5 It is further contended that several times the 2<sup>nd</sup> defendant had met the applicant bank officials to regularize his account to save the livelihood of more than 100 employees of the company. The applicant bank had assured that they would regularize his account but the said account was not regularized willfully.

5.6 The applicant bank has violated the act and rules while issuing possession notice. The 2<sup>nd</sup> defendant was not served personally with the Possession Notice issued U/s 13(4) of the act dated 20.10.2017. The applicant bank did not effect paper publications within the time limit as per the statutory provision of the act. The notices issued under section 13(2) & 13(4) of the SARFAESI Act, 2002 are wholly without jurisdiction and sufficient cause of action.

5.7 The defendants contend that the applicant bank never informed the 2<sup>nd</sup> defendant regarding issue raised by him related to the loan

agreement, rate of interest and installments and the applicant bank did not take into consideration the huge payments made by the 2<sup>nd</sup> defendant towards interest portion alone. As per the Reserve Bank of India guidelines there has to be a separate and independent process of treating an account as NPA before issuing the notice of demand under sec.13(2) which was not informed to the 2<sup>nd</sup> defendant. As per RBI guidelines identification of an account as NPA ought to have been communicated to the borrower and his grievances in such identification should to be settled through "Specified internal channel". No such exercise was done by the applicant bank in this regard. The applicant bank failed to consider the payments made by the 2<sup>nd</sup> defendant thereby violating the act and principles of nature justice.

5.8 The defendants further contend that the applicant bank failed to comply with the legal requirement as prescribed under Rule 8(i) and 8(ii) of the Security Interest (Enforcement) Rules, 2002. The authorized officer who has initiated action is not competent to act as "Authorized officer" as per the act. The applicant had claimed varying alleged amounts as outstanding, which is inconsistent and not in accordance with law. Thus submitting, defendants prayed for dismissal of OA.

***Heard the submissions of both sides and perused the records.***

6. To prove the case of the Applicant Bank, Sh. D. Ravi Shankar, Senior Manager of the Applicant Bank, has filed his Affidavit by way of

evidence and same was considered as evidence of **AW-1** and list of documents came to be marked as **Ex A-1 to A-153**.

7. Despite availing five adjournments from 20.11.2025, 19.12.2025, 21.01.2026, 24.02.2026 and 21.04.2026, defendants did not choose to file Counter Proof Affidavit. Hence opportunity to file Counter Proof Affidavit was closed on 21.04.2026.

8. The defendants while admitting availing of loan, creation of mortgage in respect of the immovable properties belonging to them as security for the loan availed and also admitted the default committed in repayment due to business loss, contended that they suffered loss due to failure on the part of the applicant bank to provide credit facility to the defendants, which resulted in default of repayments. It is further alleged that the renewed credit facilities were granted only to the extent necessary to regularize the interest component outstanding in the loan account. The defendants, having availed the loan facilities from applicant bank, after expressly agreeing in writing to the terms and conditions governing the same, including the obligation to pay interest at the rates charged by the applicant bank from time to time, are bound to repay the amounts due. Now, the defendants cannot contend that the renewed facilities were adjusted solely towards interest when they themselves failed to service and pay the interest as and when it became due.

9. With regard to the contention that the classification of the loan account as a Non-Performing Asset (NPA) was not communicated to the defendants, it is pertinent to note that an account is classified as NPA

upon remaining overdue for a period of more than 90 days, in accordance with RBI regulations. The borrower, being fully aware of his default and failure to service the loan account, ought reasonably to have been aware that the account was liable to be classified as an NPA. Moreover, the applicant bank has produced the Demand Notice issued under Section 13(2) of the SARFAESI Act dated 11.07.2017, which was admittedly received by the defendants on 14.07.2017, as evidenced by the acknowledgement cards produced by the applicant bank and marked as Ex. A-137. The said Demand Notice specifically disclosed the outstanding dues as on the date of issuance of the notice and granted a period of 60 days to the borrowers and guarantors to discharge their liabilities. The issuance and receipt of the said notice clearly apprised the defendants of the status of the loan account and the outstanding liability. In view of the above facts and circumstances, the contention of the defendants that the date of NPA classification was not communicated to them is devoid of merit and is accordingly rejected.

10. The further contention of the defendants regarding non-service of Section 13(2) Demand Notice and Section 13(4) Possession Notice and paper publication not being effected within the time limit as per the statutory provisions of the Act, cannot sustain as the measure under Section 13(4) of the SARFAESI Act is not challenged as required under Section 17 of the Act. In fact, the defendants have lost the right of redemption available under Section 13(8) of the SARFAESI Act. Further, it is a settled legal position that proceeding under RDB Act and recovery

proceedings under SARFAESI Act are independent recovery mechanisms. Hence, grievances under SARFAESI cannot be taken as a defense in an OA. The borrower's contentions regarding alleged procedural irregularities under the SARFAESI Act are entirely irrelevant and not maintainable in this OA proceeding.

11. With regard to the contention that the applicant bank failed to take into account the substantial payments made by the defendants and that such payments were appropriated solely towards the interest component, it is observed that the applicant bank has produced the statement of accounts, which clearly reflects the sanction and disbursement of the loan facilities, the interest debited from time to time, and the repayments made by the defendants. The said statement of accounts evidences the transactions carried out in the loan account. On the other hand, the defendants have failed to produce any documentary evidence to substantiate their allegation that the statement of accounts maintained by the applicant bank is contrary to the agreed terms and conditions governing the loan facilities. They have also failed to demonstrate that any payments made by them have not been duly credited or reflected in the loan account. In the absence of any documentary evidence to disprove the statement of accounts produced by the applicant bank, the contention of the defendants that their payments were adjusted only towards interest and not properly accounted for cannot be accepted. Accordingly, the said contention is rejected as being unsupported by any material evidence.

12. In this regard, this Tribunal places reliance on the decision reported in **2012(6) SCC 430 A. Vamsathu Madalaya Nandhavana Paripalanai Sangam**, wherein it was held as under:

*"The pleadings must set-forth sufficient factual details to the extent that it reduces the ability to put forward a false or exaggerated claim or defence. The pleadings must inspire confidence and credibility. If false averments, evasive denials or false denials are introduced, then the Court must carefully look into it while deciding a case and insist that those who approach the Court must approach it with clean hands."*

Thus, in the absence of any such proof or evidence to disprove the claim of applicant bank, the allegations made by the Defendants falls to the ground and deserve rejection.

13. A careful examination of the pleadings in the Proof Affidavit and documents Exhibits A-1 to A-153 evidence that the borrowal of credit facilities and execution of loan and security documents are true, in terms of averments made in Original Application as well as Proof Affidavit filed by applicant bank establishing its claim. Applicant bank filed Statement of Accounts duly certified under Bankers' Book Evidence Act, evidencing the amount claimed against defendants.

14. Despite contesting the matter by filing Written statement, the defendants failed to file Counter Proof Affidavit along with documents in support of their contentions. Further, a careful scrutiny of records makes it clear that present application is filed well within limitation and this Tribunal possesses necessary and proper jurisdiction to entertain and

adjudicate the claim. No oral or documentary evidence on the side of defendants are produced or filed to dispute the claim of applicant bank. Hence, it can be concluded that applicant bank has proved its claim against defendants.

15. During the pendency of OA, Applicant Bank had reported part satisfaction of OA claim in a sum of Rs.2,44,87,000/- by way of sale of Schedule -B (Item No.1, Item No.2, Item No.3) immovable properties under SARFAESI Act on 04.09.2024. Accordingly, part satisfaction of sum of Rs.2,44,87,000/- was duly recorded vide proceedings dated 30.04.2025 and documents marked as Ex A-95, A-138 to A-145 were returned to applicant bank on 09.05.2025 under proper acknowledgement

16. Upon consideration of the pleadings, evidence on record, and the submissions advanced by both sides, and having regard to the loan amount sanctioned and disbursed, the rate of interest applied, the conduct and operation of the loan account, and the default committed by the defendants in repayment of the dues, this Tribunal is of the considered view that the applicant bank has established its claim and is entitled to a final order on the following terms:

**: O R D E R :**

17. The OA is allowed with costs,

- (a) The applicant bank is allowed to recover from the Defendants 1 to 4 jointly and severally, for recovery of a total sum of **Rs.5,66,93,552.32p (Rupees Five Crore Sixty Six Lakhs**

**Ninety Three Thousand Five Hundred And Fifty Two And Thirty Two Paise only) as follows:**

- (i) A sum of **Rs.5,40,52,626.12p** due in respect of **OCC Loan (A/c No.0943261005459)** repayable together with further interest @12.40% p.a. with monthly rests and penal interest @2% p.a. from the date of Application till the date of realization in full;
  - (ii) A sum of **Rs.7,66,340/-** due in respect of **Term Loan (A/c No.0943768000040)** repayable together with further interest @12.40% p.a., with monthly rests and penal interest @2% p.a. from the date of Application till the date of realization in full;
  - (iii) A sum of **Rs.18,74,586.20p** due in respect of **Term Loan (A/c No.0943768000065)** repayable together with further interest @12.40% p.a. with monthly rests and penal interest @2% p.a. from the date of Application till the date of realization in full along with costs of this OA.
- (b) The sum of Rs.2,44,87,000/- realized by way of sale of Schedule B (Item No. 1, Item No.2, Item No.3) immovable properties is directed to be given credit to the borrower's loan account as on date of realization.
- (c) In the event of failure of the Defendants to pay the aforesaid amount, the bank is at liberty to recover the amount by sale of the Schedule A Hypothecated Assets and Schedule B (Item No.4)

immovable property morefully detailed in the OA schedule.

(d) OA Schedule A and B (Item No.4) shall be appended to this final order.

(e) If the sale proceeds of the hypothecated assets and immovable properties are not sufficient to satisfy the dues as ordered above, the applicant bank is at liberty to sell the personal assets of the Defendants 2 to 4 (both movable and immovable) to recover the balance dues as required under law for which the Defendants 2 to 4 to disclose to the Tribunal particulars of other properties or assets owned by the Defendants 2 to 4.

(f) The applicant bank shall file the latest memo of calculation of OA amount together with interest, costs etc., to be paid by the Defendants duly considering the amounts, if any, paid by the Defendant and/or amount realized by sale of assets etc., during the intervening period after the filing of the OA, enabling the Registry to prepare Recovery Certificate for the amount to be paid by Defendants to the applicant bank.

(g) The applicant bank shall file memo of costs within ten days from the date of receipt of this final order.

(h) Recovery Certificate shall be drawn up and issued to the Recovery Officer in terms of the final order.

18. A copy of this order be communicated to the parties concerned.

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

*(Dictated to PS, transcribed by her, corrected, signed and pronounced by me on this the 24<sup>th</sup> day of June, 2026)*

### **ANNEXURES**

#### **WITNESSES EXAMINED FOR THE APPLICANT BANK:**

**AW-1:** Sh. D. Ravi Shankar, Senior Manager of the Applicant Bank

#### **Exhibits on the part of the Applicant:**

<b>Sl. No.</b>	<b>Date</b>	<b>Description of Documents</b>	<b>Exhibit No.</b>
1.	28.07.2004	Pronote from defendants to applicant	A-1
2.	28.07.2004	Request for Overdraft Facilities from defendants to applicant	A-2
3.	28.07.2004	Cash Credit Agreement from defendants to applicant	A-3
4.	28.07.2004	Guarantee Agreement from 2 <sup>nd</sup> defendant to applicant	A-4
5.	28.07.2004	Guarantee Agreement from 3 <sup>rd</sup> defendant to applicant	A-5
6.	28.07.2004	Guarantee agreement from 2 <sup>nd</sup> defendant to applicant	A-6
7.	25.10.2005	Letter of Renewal from 1 <sup>st</sup> defendant to applicant	A-7
8.	25.10.2005	Acknowledgement of debt and security from 1 <sup>st</sup> defendant to applicant	A-8
9	25.10.2005	Account opening form for companies by 1 <sup>st</sup> defendant to applicant	A-9
10	25.10.2005	Letter from the Guarantor whenever limits are Renewed from 2 <sup>nd</sup> defendant to applicant	A-10
11	25.10.2005	Letter from the Guarantor whenever limits	A-11

		are Renewed from 3rd defendant to applicant 25.10.2005	
12	25.10.2005	Letter from the Guarantor whenever limits are Renewed from Mrs. L. Santha to applicant	A-12
13	25.10.2005	Particulars of the Guarantor/Co-Obligant from 2nd defendant to applicant	A-13
14.	25.10.2005	Particulars of the Guarantor/Co-Obligant from 3rd defendant to applicant	A-14
15.	25.10.2005	Particulars of the Guarantor/Co-Obligant from Mrs. L. Santha to applicant	A-15
16.	25.10.2005	Renewal letter of OC limit Rs.20 lakhs between applicant and 1 <sup>st</sup> defendant	A-16
17.	25.10.2005	Certificate of loan papers obtained between applicant and 1 <sup>st</sup> defendant	A-17
18.	25.10.2005	Letter of evidencing execution of documents between applicant and 1 <sup>st</sup> defendant	A-18
19.	01.11.2006	Acknowledgement of debt and security from 1 <sup>st</sup> defendant to applicant	A-19
20.	01.11.2006	Letter of renewal from 1 <sup>st</sup> defendant to applicant	A-20
21.	22.10.2007	Certificate of loan papers obtained from 1 <sup>st</sup> defendant to applicant	A-21
22.	22.10.2007	Letter of renewal from 1 <sup>st</sup> defendant to applicant	A-22
23.	22.10.2007	Supplemental Agreement from 1st defendant to applicant	A-23
24.	22.10.2007	Letter of undertaking Re: Loans/ Advances from 1 <sup>st</sup> defendant to applicant	A-24
25.	22.10.2007	Company profile to 1 <sup>st</sup> defendant to applicant	A-25
26.	22.10.2007	Acknowledgement of debt and security from 1 <sup>st</sup> defendant to applicant	A-26
27.	22.10.2007	Link Letter in respect of enhancement of enhancement of credit facilities from 1st defendant to applicant	A-27
28.	22.10.2007	Pronote from 1st defendant to applicant	A-28
29.	22.10.2007	Guarantee Agreement from 2nd defendant to applicant	A-29
30.	22.10.2007	Supplementary Letter of Guarantee - Extension of Guarantee for Supplementary limits from 2nd defendant to applicant	A-30
31.	22.10.2007	Guarantee Agreement from 3rd defendant to applicant	A-31
32.	22.10.2007	Supplementary Letter of Guarantee -	A-32

		Extension of Guarantee for Supplementary limits from 3rd defendant to applicant	
33.	22.10.2007	Guarantee Agreement from Mrs. L. Santha to applicant	A-33
34.	22.10.2007	Supplementary Letter of Guarantee - Extension of Guarantee for Supplementary limits from Mrs. L. Santha to applicant	A-34
35.	31.10.2009	Letter of renewal executed by 1 <sup>st</sup> defendant to applicant	A-35
36.	31.10.2009	Supplemental Agreement executed by the 1st defendant to applicant	A-36
37.	31.10.2009	Acknowledgement of debt and security executed by the 1st defendant to applicant	A-37
38.	31.10.2009	Link Letter in respect of enhancement of enhancement of credit facilities executed by the 1st defendant to applicant	A-38
39.	16.11.2009	Sanction Letter executed by 1st defendant applicant	A-39
40.	04.11.2009	Letter of renewal executed by 1 <sup>st</sup> defendant to applicant	A-40
41.	04.11.2009	Supplemental agreement executed by 1 <sup>st</sup> defendant to applicant	A-41
42.	04.11.2009	Pronote executed by 1 <sup>st</sup> defendant to applicant	A-42
43.	04.11.2009	Acknowledgement of debt and security executed by 1st defendant to applicant	A-43
44.	04.11.2009	Cash Credit Agreement executed by 1st defendant to applicant	A-44
45.	04.11.2009	Request for Overdraft Facilities executed by 1st defendant to applicant	A-45
46.	04.11.2009	Letter of undertaking Re: Loans/Advances executed by 1st defendant to applicant	A-46
47.	04.11.2009	Guarantee Agreement executed by 2 <sup>nd</sup> defendant to applicant	A-47
48.	04.11.2009	Guarantee Agreement executed by 3 <sup>rd</sup> defendant to applicant	A-48
49.	04.11.2009	Guarantee Agreement executed by Mrs.L.Santha to applicant	A-49
50.	16.11.2010	Particulars of the Guarantee/Co- obligant from 2 <sup>nd</sup> defendant to applicant	A-50
51.	16.11.2010	Particulars of the Guarantee/Co- obligant from 3 <sup>rd</sup> defendant to applicant	A-51
52.	15.12.2010	Sanction Memorandum executed by Applicant to Defendants	A-52
53.	15.12.2010	Board Resolution of the company passed about authorization of 2nd defendant to	A-53

		sign on behalf of 1st defendant	
54.	19.12.2010	Acknowledgement of debt and security from 1 <sup>st</sup> defendant to applicant	A-54
55.	22.12.2010	Certificate of loan papers by Applicant to SME Sulabh	A-55
56.	22.12.2010	Pronote from 1st defendant to applicant	A-56
57.	22.12.2010	Letter of Evidencing execution of documents from 1st defendant to applicant	A-57
58.	22.12.2010	Letter of Renewal from 1 <sup>st</sup> defendant to applicant	A-58
59.	22.12.2010	Supplemental Agreement from 1st defendant to applicant	A-59
60.	22.12.2010	Guarantee Agreement executed by 2 <sup>nd</sup> defendant to applicant	A-60
61.	22.12.2010	Guarantee Agreement executed by 3 <sup>rd</sup> defendant to applicant	A-61
62.	22.12.2010	Acknowledgement of debt and security from 1st defendant to applicant	A-62
63.	06.01.2012	Sanction Letter executed by defendants to applicant	A-63
64.	12.01.2012	Pronote executed by 1st defendant to applicant	A-64
65.	12.01.2012	Common Hypothecation Agreement executed by 1st defendant to applicant	A-65
66.	12.01.2012	Supplemental Agreement from 1st defendant to applicant	A-66
67.	12.01.2012	Letter of Renewal executed by 1st defendant to applicant	A-67
68.	12.01.2012	Acknowledgement of debt and security from 1st defendant to applicant	A-68
69.	12.01.2012	Link Letter in respect of enhancement of credit facilities by 1st defendant to applicant	A-69
70.	12.01.2012	Certificate of loan papers by Applicant to SME Sulabh	A-70
71.	12.01.2012	Guarantee Agreement executed by 2nd defendant to applicant	A-71
72.	12.01.2012	Guarantee Agreement executed by 3 <sup>rd</sup> defendant to applicant	A-72
73.	19.07.2012	Enhancement Letter by defendant to applicant	A-73
74.	14.09.2012	Scrutiny of loan documents by applicant R & L Section to Applicant Bank	A-74
75.	20.12.2012	Pronote executed by 1st defendant to applicant	A-75

76	20.12.2012	Supplemental Agreement from 1st defendant to applicant	A-76
77.	20.12.2012	Letter of Renewal executed by 1st defendant to applicant	A-77
78.	20.12.2012	Letter for Loans/Advances against LIC Policy/NSC Post Office Time Deposit/ Govt Securities/ National Deposit Receipts/ KVP/ Bonds executed by 2nd defendant to applicant	A-78
79.	20.12.2012	Letter Evidencing deposit of title deeds executed by 2nd defendant to applicant	A-79
80.	20.12.2012	Certificate of Loan Papers by applicant to SME - Sulabh	A-80
81.	20.12.2012	Letter from 1st defendant to applicant	A-81
82	20.12.2012	Letter to be obtained from the company for obtaining personal guarantee of the directors from 1 <sup>st</sup> defendant to applicant	A-82
83.	20.12.2012	Letter to be taken from the director for obtaining their personal guarantee from 2 <sup>nd</sup> defendant to applicant	A-83
84.	20.12.2012	Supplementary Letter of Guarantee - Extension of Guarantee for Supplementary limits from 2nd defendant to applicant	A-84
85.	20.12.2012	Letter to be taken from the Directors for the obtaining their personal guarantee from 3 <sup>rd</sup> defendant to applicant	A-85
86.	20.12.2012	Supplementary Letter of Guarantee - Extension of Guarantee for Supplementary limits from 3rd defendant to applicant	A-86
87.	20.12.2012	Memorandum of Deposit of Title Deeds from the 1st Defendant to Applicant	A-87
88.	19.03.2013	Certificate of Loan Papers for obtained for OCC Account from Applicant to SME Sulab, SME	A-88
89.	02.01.2014	Supplemental Common Hypothecation Agreement executed by the 1st defendant to applicant	A-89
90.	02.01.2014	Letter from the Guarantor whenever limits are renewed executed by the 2nd defendant to applicant	A-90
91.	02.01.2014	Letter from the Guarantor whenever limits are renewed executed by the 1 <sup>st</sup> defendant to applicant	A-91
92.	02.01.2014	Letter to be obtained from the company for obtaining personal guarantee of the directors from 1st defendant to applicant	A-92
93.	02.01.2014	Letter of Renewal executed by the 1st	A-93

		defendant to applicant	
94.	02.01.2014	Acknowledgement of debt and security executed by the 1st defendant to applicant	A-94
95.	02.01.2014	Memorandum of Deposit of Title Deeds from the 1st Defendant to Applicant	A-95
96.	01.08.2014	Certificate of Loan Papers obtained by Applicant to SME Sulabh, SME	A-96
97.	08.08.2014	Supplemental Common Hypothecation Agreement executed by the 1st defendant to applicant	A-97
98.	08.08.2014	Acknowledgement of debt and security executed by the 1st defendant to applicant	A-98
99.	08.08.2014	Pronote executed by the 1st defendant to applicant	A-99
100.	08.08.2014	Letter of Renewal executed by the 1st defendant to applicant	A-100
101.	08.08.2014	Guarantee Agreement executed by the 4th defendant to applicant	A-101
102.	08.08.2014	Letter to be taken from the directors for obtaining their personal guarantee from defendant to applicant	A-102
103.	08.08.2014	Letter evidencing deposit of title deeds executed by 2 <sup>nd</sup> defendant to applicant	A-103
104.	08.08.2014	Supplementary letter of guarantee-extension of guarantee for supplementary limits from 3 <sup>rd</sup> defendant to applicant	A-104
105.	08.08.2014	Pronote executed by the 1st defendant to applicant	A-105
106.	31.12.2014	Supplemental Common Hypothecation Agreement executed by the 1st defendant to applicant	A-106
107.	31.12.2014	Letter of Renewal executed by the 1 <sup>st</sup> defendant to applicant	A-107
108.	31.12.2014	Acknowledgement of debt and security by the 1st defendant to applicant	A-108
109.	31.12.2014	Certificate of Loan Papers obtained by Applicant to SME Sulabh	A-109
110.	31.12.2014	Letter to be obtained from the firm for obtaining personal guarantee of the firm from 1st defendant to applicant	A-110
111.	31.12.2014	Letter to be taken from the Directors for the obtaining their personal guarantee from 2nd defendant to applicant	A-111
112.	31.12.2014	Supplementary Letter of Guarantee - Extension of Supplementary limits from	A-112

		2nd defendant to applicant	
113	31.12.2014	Letter to be taken from the Directors for the obtaining their personal guarantee from 3rd defendant to applicant	A-113
114	31.12.2014	Supplementary Letter of Guarantee - Extension of guarantee for Supplementary limits from 3rd defendant to applicant	A-114
115	31.12.2014	Undertaking Letters by defendants to applicant	A-115
116	31.12.2014	Sanction Memorandum executed by Applicant to Defendants	A-116
117.	18.03.2015	Pronote executed by the 1st defendant to applicant	A-117
118	20.03.2015	Take Delivery note to DPN by the 1st defendant to applicant	A-118
119.	20.03.2015	Supplemental Common Hypothecation Agreement executed by the 1st defendant to applicant	A-119
120.	20.03.2015	Certificate of Loan Papers obtained by Applicant to AGM – CAC SME - Sulabh	A-120
121.	20.03.2015	Supplementary Letter of Guarantee - Extension of guarantee for Supplementary limits from 2nd defendant to applicant	A-121
122.	20.03.2015	Supplementary Letter of Guarantee - Extension of guarantee for Supplementary limits from 3 <sup>rd</sup> defendant to applicant	A-122
123.	20.03.2015	Letter regarding documents for handing the credit over limit enhancement by 1st defendant to applicant	A-123
124.	20.03.2015	Sanction Letter executed by Applicant to Defendants	A-124
125.	31.07.2015	Letter of Renewal executed by the 1st defendant to applicant	A-125
126.	31.07.2015	Supplemental Common Hypothecation Agreement executed by the 1st defendant to applicant	A-126
127.	31.07.2015	Certificate of Loan Papers obtained by Applicant to AGM – CAC SME - Sulabh	A-127
128.	31.07.2015	Sanction Memorandum executed by Applicant to Defendants	A-128
129.	27.07.2016	Letter of Renewal by the 1st defendant to applicant	A-129
130.	26.09.2016	Acknowledgement of debt and security by the 1st defendant to applicant	A-130
131.	26.09.2016	Certificate of Loan Papers obtained by Applicant to Regional Office II	A-131
132	26.09.2016	Letter from the Guarantor whenever limits	A-132

		are renewed executed by the 2nd defendant to applicant	
133.	26.09.2016	Letter from the Guarantor whenever limits are renewed executed by the 3rd defendant to applicant	A-133
134.	26.09.2016	Undertaking Letter by 2nd defendant to applicant	A-134
135.	26.09.2016	Undertaking Letter by 3rd defendant to applicant	A-135
136.	26.09.2016	Acknowledgement of debt and security by the 1st defendant to applicant	A-136
137.	16.06.2017	Notice under Section 13(2) of SARFASI Act along with Acknowledgement cards by applicants to defendants	A-137
138.	-	Sale Deed registered as Doc. No. 1443/1976	A-138
139.	09.07.1976	Sale Deed registered as Doc. No. 1775/1998	A-139
140.	31.07.1998	General Power of Attorney registered as Doc. No. 260/1993	A-140
141.	19.03.1993	Patta No.2205	A-141
142.	-	Encumbrance Certificate	A-142
143.	01.01.1995 to 21.04.2014	Mortgage Deed registered as Doc. No. 3798/2009	A-143
144.	29.07.2011	Receipt registered as Doc.No.3114/2011	A-144
145.		Patta for Item No.2	A-145
146.	17.03.1954	Sale deed registered as Doc.No.2210/2007	A-146
147.	21.05.2011	Sale deed registered as Doc.No.2210/2007	A-147
148.	27.07.2007	Sale deed registered as Doc.No.3650/2007	A-148
149.	12.10.2007	Sale deed registered as Doc.No.4223/2007	A-149
150.	09.08.2010	Sale deed registered as Doc.No.2908/2007	A-150
151.	-	Patta No.1118	A-151
152.	01.11.2012	Encumbrance certificate	A-152
153.		True extract statement of accounts	A-153

**Witness Examined for the Defendants: -Nil-**

**List of Documents Exhibited for the Defendants: -Nil -**

**SCHEDULE OF PROPERTY**

**SCHEDULE-A**

- a) New Generation computer systems, Air conditioning, Furniture & fittings, Electrical fittings- value Rs.28 lakhs
- b) Standard work including ms grid, ACP cladding work, wall paints, furniture fittings, A/c, computer with total fixed value of Rs.20.26 lakhs

**SCHEDULE-B**

**Item No.4**

Tindivanam registration district, Marakanam sub registration district, Villupuram district, Tindivanam circle, Marakanam Panchayat union, Nerkanam (VADA) village ACC new Survey No.92/4 part vacant land and bounded on the

North by: Land owned by Mr. Balaraman and vacant land belonging to Raji and passage for the schedule mentioned property

South by: Punjai land belonging to Raja

East by: Punjai land belonging to Mr. Krishnan

West by: Punjai land belonging to Suganthi Ammal

Admeasuring

East to west on the northern side: 37.2 meter

East to west on the southern side: 38.2 meter

North to south on the eastern side: 52.2 meter

North to south on the western side: 54.4 meter

In all measuring 2025sq.mtr (21,800sq.ft) 50cents land and 3 meter breadth and 158.5 meter length common passage un divided share of 1/20<sup>th</sup> right of ownership.

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