IN THE DEBTS RECOVERY TRIBUNAL-III, CHENNAI

Dated this the 06th day of July, 2026

Present: SMT. S.V. GOWRAMMA
Presiding Officer

ORIGINAL APPLICATION No.78 of 2022

Canara Bank,
Kellys Corner Branch,
No.207, Purasawalkam High Road,
Chennai-600 007,
Rep. by its Chief Manager ….Applicant

-Vs-

1. M/s. Red Sun International,
Rep. by its proprietrix Mrs. A. Balkees Banu,
At No.31/2, V.V. Koil Street,
Periamet, Chennai-600 003

2. Mrs. A. Balkees Banu,
W/o Mr.Abdul Gafoor,
No.23/31, Hyder Garden 4th Street,
1st Floor, 3rd Block, Jamalia,
Perambur Barracks, Chennai-600 012

3. Mr. K.S. Abdul Gafoor,
S/o Mr. T.K. Syed Mohammed,
No.23/31, Hyder Garden 4th Street,
1st Floor, 3rd Block, Jamalia,
Perambur Barracks, Chennai-600 012 …..Defendants

Counsels on record / appeared:

Counsel for Applicant: M/s. S.Kesavan

Defendant was set ex-parte on 14.06.2022

: - FINAL ORDER- :

1. This Original Application is filed on 01.02.2022 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 1 and 2, jointly and severally for recovery of a total sum of **Rs.2,62,23,597.32p (Rupees Two Crores Sixty Two Lakhs Twenty Three Thousand Five Hundred and Ninety Seven and Thirty Two Paise only) as** follows:

(i) A sum of **Rs.1,94,26,545.02p** due in respect of **OCC limit under ODSME scheme (A/c No. 0907261010438)** repayable together with further interest @15.90% p.a. with monthly rests from the date of Application till the date of realization in full;

(ii) A sum of **Rs.37,66,880.90p** due in respect of **GECL Loan (A/c No. 0907755000005)** repayable together with further interest @7.50% p.a. with monthly rests from the date of Application till the date of realization in full;

(iii) A sum of **Rs. 30,30,171.40p** due in respect of **OCC limit under WCTL (A/c No. 0907746000019)** repayable together with further interest @13.90% p.a. with monthly rests from the date of Application till the date of realization in full;

for sale of Schedule A and B mentioned immovable properties belonging to 2nd and 3rd defendants respectively and Schedule C mentioned hypothecated goods belonging to 1st defendant and for costs of this OA.

Brief Facts of the case:

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. It is the case of the applicant bank that the 2nd defendant is the proprietrix of the 1st defendant and the 3rd defendant is the husband of the 2nd defendant. The 1st defendant is carrying on leather business under the name and style of M/s.Red Sun International. The 1st defendant in order to improve her leather business, was in requirement of financial assistance by way of OCC limit. When the 1st defendant approached the applicant bank, she has specifically agreed to create hypothecation of leather stocks as well as execute the personal guarantee of the 2nd and 3rd defendants and also specifically agreed to create immovable securities in respect of the properties belonging to the 2nd and 3rd defendants herein. In this connection, the 1st defendant has submitted the necessary loan application on 17.07.2014 together with the particulars of their personal guarantee. Taking into consideration of the defendants' request, the applicant bank agreed to grant a loan of Rs.50 Lakhs under ODSME scheme against the hypothecation of the stocks and book debts.

4. The Applicant further states that taking into consideration of their request as well as immovable security offered by the defendants 2 & 3, the applicant bank issued necessary sanction memorandum on 17.07.2014 with certain terms and conditions. At the time of availment of

the OCC limit of Rs.50 Lakhs, the defendants have executed the following documents to and in favour of the applicant bank on 18.07.2014:

(i) Cash Credit Agreement.

(ii) Guarantee covering letter together with guarantee agreement by the 2nd defendant.

(iii) Guarantee covering letter together with guarantee agreement by the 3rd defendant.

5. It is submitted by the applicant bank that the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 12.95% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to treat it as a prime security in respect of the loan availed by the 1st defendant.

6. The Applicant further submits that as the said OCC limit were tenable for the limited period, the 1st defendant again required the said limit to be renewed and thereby approached the applicant bank to renew the same for further period along with the particulars of the guarantees.

Taking into consideration of the existing immovable security, the applicant bank by their sanction memorandum dated 18.07.2015 permitted for such renewal of the existing OCC limit of Rs.50 Lakhs, which was valid upto 18.07.2016. As such, the applicant bank imposed certain terms and conditions and the same has been accepted by the 1st defendant. Thus, at the time of renewal of the OCC limit, the defendants have executed the following documents to and inf favour of the applicant bank on 18.07.2015:

i) Letter of renewal.

ii) Guarantee covering letter together with guarantee agreement by the 2nd defendant.

iii) Guarantee covering letter together with guarantee agreement by the 3rd defendant.

7. Thus, the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 12.75% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. Moreover, the 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to treat it as a prime security.

8. It is submitted by the applicant bank that the said OCC limit under ODSME scheme have been utilized by the 1st defendant as Working Capital Limit to develop their trading activities. However, in view of the expiry of the said limit, the 1st defendant again required the said limit to be renewed with enhancement from Rs.50 Lakhs to Rs.120 Lakhs. Thus, the 25% of the stocks and 40% of the book debts have been treated as margin in respect of renewal with enhancement. Therefore, taking into consideration of the existing securities, the applicant bank by their Sanction Memorandum dated 02.03.2017 agreed for renewal with enhancement in respect of the OCC limit to the extent of Rs.120 Lakhs with certain terms and conditions. Thus, the stocks and book debts have been treated as prime security in additional to the immovable security offered by the defendants 2 & 3.

9. The Applicant further submits that at the time of renewal with enhancement to the extent of Rs.120 Lakhs, the following documents have been executed by the defendants to and in favour of the applicant bank on 02.03.2017:

(i) Letter of renewal.

(ii) Common hypothecation agreement.

(iii) Pronote for Rs.70 Lakhs.

(iv) Guarantee covering letter together with guarantee agreement by the 3rd defendant.

(v) Letter of guarantor whenever limits are renewed.

(vi) Acknowledgement of debt and security.

10. Thus, the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 10% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to treat it as a prime security in respect of the loan availed by the 1st defendant.

11. The Applicant bank submits that as the said OCC limit under ODSME scheme has been expired as per the terms and conditions of the sanction memorandum, the 1st defendant again required the said OCC limit under ODSME scheme had to be renewed based on the existing securities. Taking into consideration of their request as well as immovable security together with prime security, the applicant bank by their sanction memorandum dated 03.01.2018 has agreed to renew the said OCC limit under ODSME scheme to the extent of Rs.120 Lakhs with certain terms and conditions, which is tenable upto 02.01.2019.

12. It is submitted by the applicant bank that at the time of renewal of the said OCC limit under ODSME scheme, the following documents have

been executed by the defendants to and in favour of the applicant bank on 03.01.2018:

(i) Letter of renewal.

(ii) Guarantee covering letter together with guarantee agreement by the 2nd defendant.

(iii) Guarantee covering letter together with guarantee agreement by the 3rd defendant.

(iv) Letter from the guarantor whenever limits are renewed.

(v) Acknowledgement of debt and security.

13. Thus, the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 10.35% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to consider it as a prime security in respect of the loan availed by the 1st defendant.

14. The applicant submits that in the course of such existing transactions, the 1st defendant again approached the applicant bank to

renew the OCC limit under ODSME scheme for working capital purposes, based on the prime and collateral securities offered by the defendants. Thus, the said OCC limit under ODSME scheme has been permitted based on the sanction memorandum dated 27.11.2018 with certain terms and conditions. As such, the tenability of the said limit was 26.11.2019. Moreover, the 1st defendant has accepted the terms and conditions of the sanction memorandum.

15. The Applicant further states that at the time of renewal of the said OCC limit of Rs.120.00 Lakhs under ODSME scheme as stated above, the following documents have been executed by the defendants to and in favour of the applicant on 27.11.2018:

(i) Letter of renewal.

(ii) Letter from the guarantor when the limits are renewed by the 2nd and 3rd defendants.

16. Thus, the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 11% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant

bank to consider it as a prime security in respect of the loan availed by the 1st defendant.

17. It is submitted by the applicant bank that in view of the expiry of the said OCC limit under ODSME scheme as per the terms and conditions of the said sanction memorandum, the 1st defendant again approached the applicant bank to renew with enhancement of the said OCC limit under ODSME scheme for Working Capital requirement. Taking into consideration of the existing prime and collateral securities, the applicant bank by their sanction memorandum dated 29.07.2019 agreed to renew with enhancement from Rs.120 Lakhs to Rs.175 Lakhs with certain terms and conditions. As such, the tenability of the limit was upto 28.07.2020. At the time of renewed with enhancement of the said OCC limit under ODSME scheme upto Rs.175 Lakhs, the following documents have been executed by the defendants to and in favour of the applicant on 13.08.2019:

(i) Letter of renewal.

(ii) Supplemental common hypothecation agreement.

(iii) Link letter in respect of enhancement of credit facilities.

(iv) Pronote for Rs.55 Lakhs.

(v) Guarantee covering letter together with guarantee agreement by the 2nd defendant.

(vi) Guarantee covering letter together with guarantee agreement by the 3rd defendant.

(vii) Letter evidencing deposit of title deeds by the 3rd defendant.

(viii) Acknowledgement of debt and security.

18. Thus, the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 10.35% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to consider it as a prime security in respect of the loan availed by the 1st defendant.

19. The Applicant further submits that in view of the expiry of the said limit as per the terms and conditions of the sanction memorandum, the 1st defendant again required the said OCC limit under ODSME scheme to be renewed. Therefore, based on his request as well as prime and collateral securities, the applicant bank by their sanction memorandum dated 03.06.2020 agreed to renew the said OCC limit for Rs.175.00 lakhs under ODSME scheme for working capital requirements with certain terms and conditions. Accordingly, the tenability of the said limit was upto 02.06.2021.

20. It is submitted by the applicant bank that based on the Sanction Memorandum dated 03.06.2020, necessary loan application has been submitted by the 1st defendant together with particulars of the guarantors on 05.06.2020. In view of the renewal of the said limit on 05.06.2020, the following documents have been executed by the defendants to and in favour of the applicant bank on 05.06.2020:

(i) Letter of renewal.

(ii) Guarantee covering letter together with guarantee agreement by the 2nd defendant.

(iii) Guarantee covering letter together with guarantee agreement by the 3rd defendant.

(iv) Link Letter to be obtained when the additional loan is granted by the 2nd defendant.

(v) Link Letter to be obtained when the additional loan is granted by the 3rd defendant.

(vi) Acknowledgement of debt and security.

(vii) Letter evidencing deposit of title deeds by the 2nd defendant.

(viii) Letter evidencing deposit of title deeds by the 3rd defendant.

21. Thus, the defendants have specifically agreed for the terms and conditions referred in the same. As such, the 1st defendant has specifically agreed to regularize the said loan amount with interest at 10.35% per annum compounded monthly over and above the said rate of interest. As such, the rate of interest charged herein may change from time to time as

per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to consider it as a prime security in respect of the loan availed by the 1st defendant.

22. It is the further case of the applicant bank that at the time of availment / renewal of the said OCC limit under ODSME scheme, the 2nd defendant has deposited her title deeds with the applicant bank, which is more fully described in the A-Schedule to the OA, in order to create equitable mortgage. As such, the equitable mortgage has been confirmed by Memorandum of Deposit of Title Deeds dated 07.03.2017 vide document No.647/2017 in SRO Dindigul. Thus, the A-Schedule property has been secured by the applicant bank, subject to the maximum limit of Rs.1,80,00,000/-. As such, the previous mortgage created by the 2nd defendant has been continued as security for the additional loan granted / to be granted by the applicant bank. Thus, in view of the renewal of the said limit again the said mortgage has been confirmed under Supplemental Memorandum of Deposit of Title Deeds dated 06.08.2019 and 09.06.2020, vide document Nos.4305/2019 and 2285/2020 in SRO Dindigul, respectively.

23. The Applicant further submits that the 3rd defendant who is the absolute and lawful owner of the properties, which is more fully described in the B-Schedule to the OA, has deposited his title deeds with the applicant bank in respect of the said properties on 16.07.2014 and the same has been confirmed under Memorandum of deposit of title deeds dated 23.07.2014 vide document No.4173/2014 in SRO Dindigul. Subsequently, at the time of enhancement of the said limit in favour of the 1st defendant, the same has been confirmed under Memorandum of deposit of title deeds dated 07.03.2017 vide document No.1440/2017 in SRO Dindigul. In the meantime, in view of the enhancement of the said OCC limit and other limits, again the 3rd defendant has confirmed the existence of the mortgage vide executing Supplemental Memorandum of deposit of title deeds on 06.08.2019 and 09.06.2020, vide document Nos.4400/2019 and 2398/2020 in SRO Dindigul, respectively. As such, the said maximum securities has been extended upto Rs.1,80,00,000/-. Moreover, the 3rd defendant has confirmed the execution of the previous mortgages to and in favour of the applicant bank.

24. The Applicant further submits that while in the course of such transactions, due to the declaration of the lock down in connection with the corona virus, the defendants could not keep up the repayment schedule in accordance with the terms and conditions of the loan documents. Therefore, based on the head office circulars and in terms of the Government of India's (Emergency Credit Line Guarantee Scheme)

(ECLGS), the applicant bank agreed to grant Guaranteed Emergency Credit Line (GECL) and thereby issued offer letter dated 05.06.2016 to the 1st defendant for their necessary approval to grant such emergency loan by way of working capital term loan to the extent of Rs.35,00,000/- with certain terms and conditions.

25. The Applicant further states that based on the approval granted by the defendants, the applicant bank agreed to grant maximum of Rs.35,00,000/- as Working Capital Term Loan under Guaranteed Emergency Credit Line (GECL). In this connection, the 1st defendant submitted letter of undertaking to the applicant bank on 05.06.2020 and thereby agreed for the terms and conditions referred therein. Under such circumstances, the applicant bank by their sanction memorandum dated 05.06.2020 agreed to grant WCDL under GECL to the effected customers due to covid 19 lock down for a sum of Rs.35,00,000/- to meet Working Capital requirements in order to meet operational expenses with certain terms and conditions.

26. The Applicant further submits that at the time of availment of a loan of Rs.35,00,000/- under GECL, the defendants have executed the following documents to and in favour of the applicant bank on 05.06.2020:

(i) Letter of renewal.

(ii) Supplemental common hypothecation agreement.

(iii) Pronote for Rs.35,00,000/-.

(iv) Link letter to obtain when the additional loan is granted by the 2nd defendant.

(v) Link letter to obtain when the additional loan is granted by the 3rd defendant.

(vi) Guarantee covering letter together with guarantee agreement by the 2nd defendant upto the limit of Rs.2,10,00,000/- exclusive of interest.

(vii) Guarantee covering letter together with guarantee agreement by the 3rd defendant upto the limit of Rs.2,10,00,000/- exclusive of interest.

(viii) Acknowledgement of debt and security.

27. Thus, the defendants have specifically agreed to repay the said loan amount with interest at 7.90% per annum compounded monthly over and above the said rate of interest in 36 monthly installments including 12 months holiday period. As such, the interest should be paid as and when due. Whereas, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. The 1st defendant also submitted the particulars in respect of the leather stocks to enable the applicant bank to consider it as a prime security in respect of the loan availed by the 1st defendant.

28. It is submitted by the applicant bank that the 1st defendant was expected to regularize the OCC limit A/c.No.0907261010438 as per the terms and conditions of the aforesaid loan documents. Moreover, the defendants also miserably failed to submit the stock statement and book debts statement which was due for a long time. In this connection, the applicant bank brought to their notice and attention by sending a letter on 20.11.2020 followed by issuance of another demand letter dated 28.12.2020. However, there was no any response from the 1st defendant and thereby further demand letter was sent on 21.01.2021 and 20.02.2021. Although the defendants have received the same did not come forward to comply with their demand for the reasons best known to them.

29. The Applicant further submits that despite the helping hand extended by the applicant bank on various occasions as stated above and due to pandemic, the defendants unable to pay the outstanding under the various limits. As such, there was any response from the defendants. Therefore, it is necessitated to the applicant to grant additional finance assistance as part of restructuring of the original arrangements without prejudice to the terms and conditions of the loan documents. Accordingly, the applicant and the 1st defendant entered into debt restructuring agreement on 29.03.2021. Accordingly, a further sum of Rs.27,00,000/- was granted under WCTL to the 1st defendant with repayment period of 3 years. Moreover, there has been a Debtor Creditor Agreement entered between the parties herein on 29.03.2021 in respect of the aforesaid OCC

limit availed by the defendants. Despite the developments, the defendants miserably failed to comply with the terms and conditions of the Debt Restructuring Agreement and Debtor Creditor Agreement dated 29.03.2021 and thereby the entire attempts made by the applicant bank to recover the secured limit from the defendants ended in vain. Moreover, the operation and conduct of the aforesaid loan accounts became Non-functioning and as consequences on committing default in the repayment of the principal debt / installment and interest thereon, the applicant bank has no other option except to classify the said loan accounts as Non-Performing Assets (NPA) as on 29.06.2021 in accordance with the directive / guidelines relating to the asset classification issued by the RBI.

30. The Applicant further submits that noticing the indifferent attitude of the defendants towards the payment of the outstanding in respect of the aforesaid liabilities, the applicant bank has proceeded on the secured properties of the defendants 2 & 3, which is more fully described in the A and B schedule to the OA, by issuance of the Demand Notice under Section 13(2) of the SARFAESI Act on 07.07.2021. As such, the applicant bank granted 60 days time to clear the entire liability as contended in the said demand notice. Since, the defendants miserably failed to comply with the demand they have no other option except to proceed further and thereby issued Possession Notice on 23.09.2021 and took symbolic possession of the Schedule mentioned properties. Thus, the steps taken

by the applicant bank to recover the entire liabilities under the aforesaid limits from the defendants ended in vain.

31. The Applicant further submits that the defendants are not entitled for any specific relief under Debts Relief Act. Moreover the interest levied on the transactions is in accordance with the terms and conditions of the loan documents executed by the defendants. As such, the rate of interest charged herein may change from time to time as per the guidelines issued by the RBI and head office circulars. The defendants also specifically undertook to pay the additional interest at the rate of 2% per annum compounded monthly in case of default or non-regularization of the said loan account. Despite repeated requests and demands, as defendants did not come forward to repay the dues, the present Original Application (OA) has been filed by the applicant bank for recovery of its dues from the defendants.

32. After the filing of the OA, summons were sent to the Defendants 1 to 3 through Registered Post with Acknowledgment Due, which was returned with remarks 'Left' in respect of D-1 to D-3. Applicant Bank had caused paper publication of the notice and filed proof thereof. When OA was taken up on 14.06.2022 even after giving sufficient time, there was no appearance or representation from the defendants. Hence, Defendants 1 to 3 were placed ex-parte on 14.06.2022.

Heard the submissions of Applicant Bank and perused the records.

33. To prove the case of the Applicant Bank, Sh. S. Dineshkumar, 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-81.**

34. A careful examination of the pleadings in the Proof Affidavit and documents Exhibits A-1 to A-81 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.

35. The defendants were set ex-parte on 14.06.2022, but till this day they did not take any action to set aside the ex-parte order and did not choose to contest the claim. 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.

36. During the pendency of OA, Applicant Bank had reported part satisfaction of OA claim in a sum of Rs.79,70,760/- by way of sale of

Schedule immovable property under SARFAESI Act as follows:

(i) Applicant Bank had reported part satisfaction claim of sum of Rs.16,60,000/- by way of sale of Schedule-B (Item No.2) immovable property under SARFAESI Act on 22.02.2025. Accordingly, part satisfaction of sum of Rs. 16,60,000/- was duly recorded vide proceedings dated 15.04.2026 and document marked as Ex A-69 was returned to applicant bank on 08.05.2026 under proper acknowledgment.

(ii) Applicant Bank had reported part satisfaction claim of sum of Rs. 53,24,000/- by way of sale of Schedule-A (Item No.1 and 2) immovable property under SARFAESI Act on 24.01.2024. Accordingly, part satisfaction of sum of Rs. 53,24,000/- was duly recorded vide proceedings dated 26.11.2024 and documents marked as Ex A-58 to A-67 were returned to applicant bank on 17.12.2024 under proper acknowledgement.

(iii) Applicant Bank had reported part satisfaction claim of sum of Rs.10,40,000/- by way of sale of Schedule-B (Item No.1) immovable property under SARFAESI Act on 24.01.2024. Accordingly, part satisfaction of sum of Rs. 10,40,000/- was duly recorded vide proceedings dated 26.11.2024 and documents marked as Ex A-58 to A-67 were returned to applicant bank on 17.12.2024 under proper acknowledgement.

37. With regard to the amount advanced, the interest applied the

conduct and operations in the account and the default committed, this Tribunal comes to the conclusion that the applicant bank is entitled for a final order on the following terms:

: O R D E R :

38. The OA is allowed with costs,

(a) The applicant bank is allowed to recover from the Defendants 1 to 3 for recovery of a total sum of **Rs. 2,62,23,597.32/- (Rupees Two Crores Sixty Two Lakhs Twenty Three Thousand Five Hundred and Ninety Seven and paise Thirty Two only)** as follows:

(i) A sum of **Rs.1,94,26,545.02p** due in respect of **OCC limit under ODSME scheme (A/c No. 0907261010438)** repayable together with further interest @15.90% p.a. with monthly rests from the date of Application till the date of realization in full;

(ii) A sum of **Rs.37,66,880.90p** due in respect of **GECL Loan (A/c No. 0907755000005)** repayable together with further interest @7.50% p.a. with monthly rests from the date of Application till the date of realization in full;

(iii) A sum of **Rs. 30,30,171.40p** due in respect of **OCC limit under WCTL (A/c No. 0907746000019)** repayable together with further interest @13.90% p.a. with monthly rests from the date of Application till the date of realization in full along with costs of this OA.

(b) The sum of Rs. Rs.79,70,760/- realized by way of sale of Schedule A (Item No.1 and 2), Schedule B (Item No.1 and Item No.2) 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 B (Item No. III) and schedule C mentioned hypothecated properties morefully detailed in the OA schedule.

(d) Schedule B (Item No.III) and schedule C shall be appended to this final order.

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

(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.

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

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

(Dictated to Roshnee, transcribed by her, corrected, signed and pronounced by me on this the 06th day of July, 2026)

ANNEXURES

WITNESSES EXAMINED FOR THE APPLICANT BANK:

AW-1: Sh. S. Dineshkumar, Manager of the Applicant Bank

Exhibits on the part of the Applicant:

Sl. No.	Date of Document	Description of Documents	Exhibit No.
1.	17.07.2014	Loan application by the 1st defendant.	A-1
2.	17.07.2014	Sanction memorandum issued by the applicant.	A-2
3.	18.07.2014	Cash credit agreement by the 1st defendant.	A-3
4.	18.07.2014	Pronote for Rs.50 lakhs.	A-4
5.	18.07.2014	Guarantee covering letter together with guarantee agreement by the 2nd defendant.	A-5
6.	18.07.2014	Guarantee covering letter together with guarantee agreement by the 3rd	A-6

		defendant.	
7.	18.07.2014	Particulars of the guarantor (2nd defendant).	A-7
8.	18.07.2014	Particulars of the guarantor (3rd defendant).	A-8
9	20.07.2014	Particulars of the hypothecation by the 1st defendant.	A-9
10	18.07.2015	Sanction memorandum issued by the Applicant.	A-10
11	18.07.2015	Particulars of the guarantor (2nd defendant).	A-11
12	18.07.2015	Particulars of the guarantor (3rd defendant).	A-12
13	18.07.2015	Letter of renewal by the 1st defendant.	A-13
14.	18.07.2015	Guarantee covering letter together with guarantee agreement by the 2nd defendant.	A-14
15.	18.07.2015	Guarantee covering letter together with guarantee agreement by the 3rd defendant.	A-15
16.	02.03.2017	Sanction memorandum for renewal with enhancement issued by the Applicant.	A-16
17.	02.03.2017	Letter of renewal by the 1st defendant.	A-17
18.	02.03.2017	Common hypothecation agreement executed by the 1st defendant.	A-18
19.	02.03.2017	Pronote for Rs.70 Lakhs.	A-19
20.	02.03.2017	Guarantee covering letter together with guarantee agreement by the 3rd defendant.	A-20
21.	02.03.2017	Letter from the guarantor whenever limits are renewed by the 3rd defendant.	A-21
22.	02.03.2017	Particulars of the guarantor (3rd defendant).	A-22
23.	02.03.2017	Acknowledgement of debt and security by the 1st defendant.	A-23

24.	03.01.2018	Sanction memorandum issued by the applicant.	A-24
25.	03.01.2018	Letter of renewal by the 1st defendant.	A-25
26.	03.01.2018	Guarantee covering letter together with guarantee agreement by the 2nd defendant.	A-26
27.	03.01.2018	Guarantee covering letter together with guarantee agreement by the 3rd defendant.	A-27
28.	03.01.2018	Letter from the guarantor whenever limits are renewed by the 3rd defendant.	A-28
29.	03.01.2018	Acknowledgement of debt and security by the 1st defendant.	A-29
30.	27.11.2018	Sanction memorandum issued by the applicant.	A-30
31.	27.11.2018	Letter of renewal by the 1st defendant.	A-31
32.	27.11.2018	Letter from the guarantor whenever limits are renewed by the 2nd defendant.	A-32
33.	27.11.2018	Letter from the guarantor whenever limits are renewed by the 3rd defendant.	A-33
34.	29.07.2019	Sanction memorandum for renewal with enhancement issued by the applicant.	A-34
35.	13.08.2019	Letter of renewal by the 1st defendant.	A-35
36.	13.08.2019	Supplemental common hypothecation agreement by the 1st defendant.	A-36
37.	13.08.2019	Link letter with enhancement by the 1st defendant.	A-37
38.	13.08.2019	Pronote for Rs.55 Lakhs.	A-38
39.	13.08.2019	Guarantee covering letter together with guarantee agreement by the 2nd defendant.	A-39
40.	13.08.2019	Guarantee covering letter together with guarantee agreement by the 3rd	A-40

		defendant.	
41.	13.08.2019	Letter evidencing deposit of title deeds by the 2nd defendant.	A-41
42.	13.08.2019	Letter evidencing deposit of title deeds by the 3rd defendant.	A-42
43.	13.08.2019	Acknowledgement of debt and security by the 1st defendant.	A-43
44.	05.06.2020	Offer letter by the Applicant to the 1st defendant.	A-44
45.	05.06.2020	Pre-approval letter by the 1st defendant.	A-45
46.	05.06.2020	Undertaking letter by the 1st defendant.	A-46
47.	05.06.2020	Sanction memorandum to grant working capital under GECL for covid-19 effected customers, issued by the applicant.	A-47
48.	05.06.2020	Letter of renewal by the 1st defendant.	A-48
49.	05.06.2020	Supplemental common hypothecation agreement by the 1st defendant.	A-49
50.	05.06.2020	Pronote for Rs.35,00,000/-.	A-50
51.	05.06.2020	Link letter to be obtained when addition loan is granted by the 2nd defendant.	A-51
52.	05.06.2020	Link letter to be obtained when addition loan is granted by the 3rd defendant.	A-52
53.	05.06.2020	Guarantee covering letter together with guarantee agreement by the 2nd defendant.	A-53
54.	05.06.2020	Guarantee covering letter together with guarantee agreement by the 3rd defendant.	A-54
55.	05.06.2020	Acknowledgement of debt and security by the 1st defendant.	A-55
56.	05.06.2020	Letter evidencing deposit of title deeds by the 2nd defendant.	A-56
57.	05.06.2020	Letter evidencing deposit of title deeds by the 3rd defendant.	A-57

58.	07.03.2017	Memorandum of deposit of title deeds executed by the 2nd defendant, vide document No.647/2017 in SRO Dindigul.	A-58
59.	06.08.2019	Supplemental memorandum of deposit of title deeds executed by the 2nd defendant, vide document No.4305/2019 in SRO Dindigul.	A-59
60.	09.06.2020	Supplemental memorandum of deposit of title deeds executed by the 2nd defendant, vide document No.2285/2020 in SRO Dindigul.	A-60
61.	16.03.2015	Settlement deed in favour of the 2nd defendant, vide document No.1231/2015 in SRO Dindigul, together with English translation.	A-61
62.	09.09.2015	Sale deed in favour of the 2nd defendant, vide document No.4380/2015 in SRO Dindigul, together with English translation.	A-62
63.	23.07.2014	Memorandum of deposit of title deeds executed by the 3rd defendant, vide document No.4173/2014 in SRO Dindigul.	A-63
64.	07.03.2017	Supplemental memorandum of deposit of title deeds executed by the 3rd defendant, vide document No.1440/2017 in SRO Dindigul.	A-64
65.	06.08.2019	Supplemental memorandum of deposit of title deeds executed by the 3rd defendant, vide document No.4400/2019 in SRO Dindigul.	A-65
66.	09.06.2020	Supplemental memorandum of deposit of title deeds executed by the 3rd defendant, vide document No.2398/2020 in SRO Dindigul.	A-66
67.	26.10.2012	Sale deed executed in favour of the 3rd defendant, vide document No.7235/2012 in SRO Dindigul, together with English translation.	A-67
68.	19.05.2011	Sale deed executed in favour of the 3rd defendant, vide document No.2429/2011 in SRO Vedasandur,	A-68

		together with English translation.	
69.	11.11.2011	Sale deed executed in favour of the 3rd defendant, vide document No.4502/2011 in SRO Vedasandur, together with English translation.	A-69
70.	20.11.2020	Reminder letter issued by the applicant to the 1st defendant together with returned cover.	A-70
71.	28.12.2020	Reminder letter issued by the applicant to the 1st defendant together with returned cover.	A-71
72.	21.01.2021	Reminder letter issued by the applicant to the 1st defendant together with returned cover.	A-72
73.	20.02.2021	Reminder letter issued by the applicant to the 1st defendant together with returned covers.	A-73
74.	29.03.2021	Debt Restructuring agreement by the 1st defendant.	A-74
75	29.03.2021	Debtor Creditor agreement by the 1st defendant.	A-75
76	07.07.2021	Notice under Sec.13(2) of the SARFAESI Act issued by the Applicant to the Defendants 1 & 2.	A-76
77.	07.07.2021	Notice under Sec.13(2) of the SARFAESI Act issued by the Applicant to the 3rd Defendant.	A-77
78.	23.09.2021	Possession notice issued by the applicant to the defendants.	A-78
79.	31.01.2022	Statement of Account in respect of OCC Limit under ODSME scheme together with enclosures.	A-79
80.	31.01.2022	Statement of Account in respect of GECL together with enclosures.	A-80
81.	31.01.2022	Statement of Account in respect of WCTL together with enclosures.	A-81

Witness Examined for the Defendants: -Nil-

List of Documents Exhibited for the Defendants: -Nil –

SCHEDULE OF PROPERTY

Item No. III: (As per Sale Deed dt: 19.05.2011, vide document No.2429/2011 in JSRO-2, DINDIGUL)

Item No.III:

1) S.No.610/2A & 2B the Plot No.16 measuring 990 sq.feet
Extend of land:

East-West on the Northern side – 40 ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 23 ft
North-South on the Western side – 26½ ft

2) S.No.610/2A & 2B the Plot No.17 measuring 1000 sq.feet
Extend of land:
East-West on the Northern side – 25 ft
East-West on the Southern side – 25 ft
North-South on the Eastern side – 40 ft
North-South on the Western side – 40 ft

3) S.No.610/2A & 2B the Plot No.18 measuring 1200 sq.feet
Extend of land:
East-West on the Northern side – 40 ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 30 ft
North-South on the Western side – 30 ft

4) S.No.610/2A & 2B the Plot No.19 measuring 1200 sq.feet
Extend of land:
East-West on the Northern side – 40 ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 30 ft
North-South on the Western side – 30 ft

5) S.No.610/2A & 2B the Plot No.20 measuring 1349 sq.feet
Extend of land:
East-West on the Northern side – 40¼ ft

East-West on the Southern side – 40 ft
North-South on the Eastern side – 31¼ ft
North-South on the Western side – 35¾ ft

Boundaries : (Plot Nos.16,17,18,19 & 20)
North : Road to Marampadi
South : Odai
East : 20 ft layout road
West : Plot Nos.21,22,23,24 & 25

6) S.No.610/2A & 2B the Plot No.21 measuring 1178½ sq.feet
Extend of land:
East-West on the Northern side – 40¼ ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 31½ ft
North-South on the Western side – 27¼ ft

7) S.No.610/2A & 2B the Plot No.22 measuring 1200 sq.feet
Extend of land:
East-West on the Northern side – 40 ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 30 ft
North-South on the Western side – 30 ft

8) S.No.610/2A & 2B the Plot No.23 measuring 1200 sq.feet
Extend of land:
East-West on the Northern side – 40 ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 30 ft
North-South on the Western side – 30 ft

9) S.No.610/2A & 2B the Plot No.24 measuring 1000 sq.feet
Extend of land:
East-West on the Northern side – 40 ft
East-West on the Southern side – 40 ft
North-South on the Eastern side – 25 ft
North-South on the Western side – 25 ft
10) S.No.610/2A & 2B the Plot No.25 measuring 831 sq.feet
Extend of land:
East-West on the Northern side – 40 ft
East-West on the Southern side – 37¾ ft

North-South on the Eastern side – 23 ft
North-South on the Western side – 19¾ ft

Boundaries : (Plot Nos.20,21,22,23,24 & 25)
North : Road to Marampadi
South : Odai
East : Plot Nos.16,17,18,19 & 20
West : South-North 20 feet Layout Road

SCHEDULE – C

(Belongs to the 1st defendant)

Stocks and book debts and finished and unfinished leather goods lying

No.31/2, V.V.Koil Street, Periamet, Chennai-600 003.

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