IN THE DEBTS RECOVERY TRIBUNAL-III, CHENNAI

Dated this the 21st day of July, 2026

Present: SMT. S.V. GOWRAMMA
Presiding Officer

SARFAESI APPLICATION No. 384 of 2023

P.Venkatesan
S/o. Palani,
A3, block, Winner Visaka Apartment,
2nd Street, S R Colony,
Madambakkam, Chennai -600 126. ….Applicant

-Vs-

The Authorized Officer,
M/s. Indian Bank,
Gandhi Nagar, No.91, First Main Road,
Adyar Branch,
Chennai – 600 020. ….Respondent

Counsels on record / appeared:

Counsel for Applicant : M/s. S. Senthil Kumar & M. Gopi

Counsel for respondent : M/s. CK. Venkatesh, K. Mohammed Hussen

ORDER ON SA 384/2023

1. The present Securitization Application [SA] is filed on 26.07.2023 under sub section [1] of S.17 of the Securitization And Reconstruction of Financial Asset and Enforcement of Security Interest Act,2002 (for short the 'Act') challenging the action and the measure taken by the secured creditor under the Security Interest Enforcement Rules, 2002 [for short the Rules].

2. The applicant has challenged the Sale held on 28.07.2023 pursuant to E-Auction Sale Notice dated 10.07.2023 and the outstanding amount due as per Sale Notice is Rs.44,64,017/-

3. The applicant is the borrower availed a Housing Loan of Rs.36 Lakhs from the respondent bank on 28.09.2017 for the purchased of a flat, vide A/c.No.6566705606, and the applicant's wife Rajalakshmi is the guarantor to the loan availed and the credit facility was secured by creation of equitable mortgage by deposit of title deeds.

3.1 The applicant was regularly repaying the EMI and has paid an amount of Rs.15,50,000/- the respondent bank without giving proper remittance for more than Rs.15 lakhs have classified the account as NPA on 27.05.2021 and issued the demand notice dated 14.07.2021 for an outstanding balance of Rs.37,71,040/- which is illegal.

3.2 On receipt of the demand notice, the applicant approached the respondent bank seeking clarification about the statement and have also receive the possession notice dated 12.10.2021 and after the receipt of the possession notice the applicant has made a payment of Rs.2 Lakhs and has also approached the respondent bank for an OTS settlement.

3.3 The bank without considering the OTS proposal issued a sale notice dated 10.07.2023 which was challenged by the applicant in the present SA, for an outstanding an amount of 44,64,017/-.

3.4 Further, the bank issued the sale notice dated 10.07.2023 without giving an opportunity for the applicant to settle the outstanding due and have claimed an amount of Rs.44,64,017. It is contended that the sale notice has been issued without giving due credit to the payments made by the applicant and the respondent bank has not mentioned the extent of the applicant's property which is against the Rules. The respondent has failed to affix the sale notice on the conspicuous part of the property and have violated Rule 3 of the SIE Rules.

3.5 Hence, the auction of the property is arbitrary and outstanding amount claimed in the sale notice dated 10.07.2023 is arbitrary, illusory and tainted by several irregularities. The respondent bank has grossly violated the procedures laid down under the SARFAESI Act, and proceed to issue the sale notice dated 10.07.2023.

3.6 In the grounds, it is contended that the respondent bank has not followed the provisions of the SARFAESI Act and has not complied with Rule 6(2) & 8(6) and not informed the loan amount and the loan details. The applicant made a payment of Rs.15,50,000/- is not credited in their loan account. The possession notice and sale notice is not affixed on the property and the sale notice does not contain proper measurement and identification of the property and the Authorized Officer has failed to comply with Rule 3A(a), 3A(b), 3A(c) of SIE Rules. Hence, the applicant prays to set aside the sale notice dated 10.07.2023 fixing the sale on 28.07.2023.

4. The respondent bank has filed detailed counter inter alia contending that the applicant and his wife Mrs. V. Rajalakshmi as co-borrower had approached the respondent bank requested to provide Home Loan Resident for purchase of ready built flat to the tune of Rs.36 Lakhs which was sanctioned vide sanction letter dated 21.09.2017 as per sanctioned terms and conditions.

4.1 Further, all relevant documents executed favoring the respondent bank and mortgaged the property by way of Memorandum of Deposit of Title Deeds favoring the respondent bank on 28.09.2017 which is also confirmed by execution of registered MODT dated 28.09.2017 registered as Doc.No.10671 of 2017 before the SRO at Selaiyur.

4.2 The original construction agreement dated 28.09.2017 executed by M/s. Winner Foundations Private Limited, represented by its Managing Director Mr. S. Radhakrishnan in favor of the applicant's son which was duly registered as Doc.No.10669 of 2017 before the SRO Selaiyur and Original registered sale deed which has been deposited with the respondent bank vide sale dated 28.09.2017 executed by Mr. A. Ramachandranand 3 others represented by their General Power Attorney Agent Mrs. Sri Divya in favor of the applicant's son, which was duly registered as Doc.No.10670 of 2017 before the SRO Selaiyur.

4.3 As per the loan agreement, the applicant and his wife have failed to repay the regular repayments and failed to comply with terms of the sanction despite regular follow ups, repeated reminders granted by the bank. The applicant willfully and deliberately failed to regularize the loan account. Hence, the loan account was classified as NPA on 08.01.2021 as per the RBI guidelines.

4.4 The respondent had issued the Sec.13(2) demand notice dated 14.07.2021 demanding an outstanding dues of a sum of Rs.37,71,040.93/- as on 12.07.2021. The demand notice sent to the applicant and his wife by RPAD on 15.07.2021 to the permanent address which was received by both of them on 20.07.2021, and the notice sent to address of the secured creditor retuned unserved. In spite of receipt of demand notice 20.07.2021 applicant have taken contention that the demand notice was not served upon them which is countered by production of acknowledgement cards. Hence, the bank was constrained to take possession of the mortgaged property u/s.13(4) of the Act, as contemplated after the completion of 60 days from the date of issuance of demand notice.

4.5 Accordingly, the possession notice dated 12.10.2021 was issued read with Rule 8(1) of the said Rules, and the possession notice was pasted and affixed on the conspicuous part of the property. The notice sent to the applicant and his wife is received and acknowledged by them. The Possession Notice was also published in two leading newspapers one in Tamil "Dinamani" and another one in English "The New Indian Express" both dated 17.10.2021 as mandated under the Act.

4.6 In spite of the service of the statutory notices after the competition of 45 days from the date of issuance of the possession notice, the respondent bank have obtained the valuation report from its panel valuer on 26.11.2021 who has valued the property at Rs.35,12,480/-.

4.7 Accordingly, the bank issued the intended sale dated 21.05.2022 under Rule 6(2) and 8(6) of SIE Rules under the SARFAESI Act, fixing the date of auction on 22.06.2022 fixing reserve price at Rs.35,12,000/- and the sale notice was affixed on the property and same was sent by RPAD on

22.05.2022 which is received and also published in the two newspapers one in Tamil “Dinamani” and another one in English “The New Indian Express” both dated 22.05.2022. The respondent bank could not conduct the auction on 22.06.2022 as there were no bidders, and consequently, the sale did not take place.

4.8 Subsequently, the second notice of intended sale dated 13.07.2022 was issued, fixing the date of auction on 29.07.2022 at a reserve price of Rs.28,50,000/- and affixed on the property and published in the two newspapers one in Tamil “Dinamani” and another one in English “The New Indian Express” both dated 14.07.2022. However, the second notice of intended sale to be held on 29.07.2022 did not materialize for want of bidders.

4.9 Accordingly, third notice of intended sale dated 06.08.2022 was issued under Rule 6(2) & 8(6) of SIE Rules, and fixing the date of auction on 26.08.2022 at a reserve price of Rs.28,50,000/- and bank is also pasted the notice and affixed on the property. The notice sent by RPAD on 08.08.2022 returned on 10.08.2022 for the notice sent to the secured asset address and the notice sent to the permanent address has been received by the applicant. The third auction notice was also published in two newspapers one in Tamil “Dinamani” and another one in English “The New Indian Express” both dated 08.08.2022. Even after issuance of the third notice of intended sale also did not materialize for want of bidders.

4.10 Hence, the bank issued fourth notice of intended sale dated 10.07.2023 was issued under Rule 6(2) & 8(6) of SIE Rules, and fixing the date of auction on 28.07.2023 at a reserve price of Rs.26,00,000/- and bank is also pasted the notice and affixed on the property. The notice sent to the secured asset by RPAD on 11.07.2023 returned on 12.07.2023 but notice sent to the permanent address has been received by the applicant as well as his wife and acknowledged by them on 18.07.2023. The fourth auction notice was also published in two newspapers one in Tamil "Dinamani" and another one in English "The New Indian Express" both dated 12.07.2023. The Notice was also served, giving a clear 15 days' notice as mandated under the SARFAESI Act.

4.11 The respondent bank had already registered the security interest with CERSAI portal on 07.12.2017. Hence, the contention that the charge was not registered with CERSAI is false.

4.12 Further, the applicant has not sent any representation under section 13(3)(A) of SARFAESI Act, hence the Rule 3(A), 3(B) and 3(C) is not applicable and the Authorized officer has failed to comply with Rule 3(A), 3(B) and 3(C) of the Security Enforcement Rules is an false statement.

4.13 The respondent bank obtained a valuation on 26.11.2021 after taking possession of the property and have issued the intended sale notices, gave sufficient time for the applicant to clear the liability from the date of NPA. As the applicant failed to come forward to settle the liability and no payments were received from December 2019. The applicant has not complied with the interim order granted and the bank proceeded as per the liberty granted conducted the auction sale on 28.07.2023. However, the respondent bank could not conduct the auction on 28.07.2023 for want of bidders.

4.14 The bank has complied and has rendered all the details relating to the auction and description of the property, reserve price and upset price as per the Act. The applicant have come out with concocted stories against the respondent bank and filed this application only to protract the proceedings with ulterior motive. Hence, the respondent bank prays for dismissal with cost.

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

5. There is no dispute that the applicant along with his wife had availed a housing loan of Rs.36 Lakhs vide A/c.No.6566705606, and had mortgaged the flat as collateral security towards the respondent bank and have deposited the title deeds on 28.09.2017 registered as Doc.No.10671 of 2017 in the Office of the Sub Registrar, Selaiyur.

5.1 As the applicant fail to repay as per the agreed terms and conditions of sanction, the bank has classified the account as NPA on 08.01.2021 and have issued U/s.13(2) demand notice dated 14.07.2021 to the applicant and his wife who is co-borrower on 14.07.2021 claiming an amount of Rs.37,71,040.93/-. The demand notice was duly received, however the applicant has not raised any objections u/s.13(3A). Hence, the bank proceeded and issued S.13(4) possession notice dated 12.10.2021 which is also served and affixed on the property and published in two newspapers one in Tamil "Dinamani" and another one in English "The New Indian Express" both dated 17.10.2021.

5.2 In spite of receipt of the statutory notices as the applicant did not liquidated the entire liability, the bank has obtained the valuation on 26.11.2021 and have issued the intended sale notice dated 21.05.2022, second intended sale notice dated 13.07.2022, third intended sale notice dated 26.08.2022 and the SA is filed challenging the fourth intended sale notice dated 10.07.2023. It seen from the documents produced by the respondent bank that the respondent have issued the sale notices by RPAD which is duly received by them at the address rendered at the time of the loan and the notices sent to the secured asset as returned "unclaimed".

5.3 However, the bank has published the possession notice and affixed on the property and has followed all the due compliances as mandated under the Act and Rules. Further, the respondent bank has registered the charge with the CERSAI portal on 07.12.2017 itself. The procedures required under the Act and have been duly complied with, and due compliance is supported by the relevant documents.

5.4 Further, it is seen that the applicant, though obtained a conditional order vide order dated 27.07.2023, has not complied and the sale could not be materialize for want of bidders. Hence all the four sale notices are rendered infructuous.

5.5 It is also seen from the proceedings dated 07.07.2026, that the applicant was not represented in the matter. Hence, the Registry was directed to issue notice. Accordingly, the Registry issued notice on 22.09.2025 directing the applicant to appear before this Tribunal on 07.10.2025. In spite of the notice from the registry none represented the matter. Hence, the present SA is adjudicated based on the available records, as the applicant is not representing and is not keen prosecution of the matter.

5.6 It is evident from the records produced by the respondent bank that as secured creditor they have followed all the procedures in initiating the measure under the Act and have followed the procedures as mandated under the Act and the Rules made thereunder. Hence the Tribunal concludes that the S.13[2] demand notice dated 14.07.2021 and possession notice issued under S.13[4] dated 12.10.2021 are held as valid notices issued under the Act.

5.7 For the foregoing reasons, the present SA fails, accordingly SA stands dismissed. Interim Order granted, if any stands vacated, pending IAs are disposed of in terms of this final order. No order as to cost.

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

(*Dictated to Steno (Suriya), transcribed by him, corrected, signed and pronounced by me on this the 21st day of July, 2026)*

Uploaded on 21.07.2026 at 2.00PM

ANNEXURES

LIST OF DOCUMENTS PRODUCED BY THE APPLICANT

Sl. No.	Description of Documents	Documents No.
1.	Sale Notice dated 10.07.2023.	A-1

LIST OF DOCUMENTS PRODUCED BY THE RESPONDNET

Sl. No.	Description of Documents	Documents No.
1.	Home Loan Sanction Number HLNB87299/2017-18 dated 21.09.2017.	R-1
2.	Sale Deed executed by Mr. A. Ramachandran and 3 others rep by their General Power Pf Attorney Agent Mrs. Sri Divya to and in favour of Mr. P. Venkatesan son of Mr. A. Palani registered as Document No.10670 of 2017 registered before the SRO Selaiyur dated 28.09.2017.	R-2
3.	Construction agreement entered by and between M/s. Winner Foundations Private limited, rep by its Managing Director Mr. S. Radhakrishnan to and in favour of Mr. P. Venkatesan registered as Document No.10669 of 2017 registered before the SRO selaiyur dated 28.09.2017.	R-3
4.	Term Loan Agreement for Home Loan dated 21.09.2017.	R-4
5.	Memorandum of Deposit of Title deeds executed by Mr. P. Venkatesan to and in favour of Indian Bank, Adyar Branch vide Doc.10671 of 2017 registered before the SRO Selaiyur dated 28.09.2017.	R-5
6.	CERSAI Registration in CERSAI Portal dated 07.12.2017.	R-6
7.	Demand Notice dated 14.07.2021.	R-7
8.	Demand Notice-RPAD Returned Covers and Acknowledgement Cards dated 16.07.2021 & 20.07.2021.	R-8
9.	Possession Notice (for Immovable Properties) dated 12.10.2021.	R-9
10.	Possession Notice-RPAD-Acknowledgement cards dated 18.10.2021.	R-10

11.	Possession Notice-Paper publication published in Tamil and English daily namely The new Indian Express and Dinamani dated 17.10.2021.	R-11
12.	Auction Notice dated 21.05.2022.	R-12
13.	Auction Notice-RPAD Acknowledgement Covers dated 23.05.2022.	R-13
14.	Auction Notice-paper publication published in Tamil and English Daily namely the New Indian Express and Dinamani dated 22.05.2022.	R-14
15.	Second Auction Notice dated 13.07.2022.	R-15
16.	Second Auction Notice paper publication published in Tamil and English daily namely the New Indian Express and Dinamani dated 14.07.2022.	R-16
17.	Third Auction Notice dated 06.08.2022.	R-17
18.	Third Auction Notice RPAD Returned cover and Acknowledgement covers dated 10.08.2022.	R-18
19.	Third auction notice paper publication published in Tamil and English daily namely the new Indian Express and Dinamani dated 08.08.2022.	R-19
20.	Fourth Auction Notice dated 10.07.2023.	R-20
21.	Fourth Auction Notice RPAD Postal Receipt returned covers and acknowledgment cards dated 18.07.2023.	R-21
22.	Fourth auction notice paper publication published in Tamil and English daily namely the New Indian Express and Dinamani dated 12.07.2023.	R-22
23.	Fourth Auction Notice Affixture Photo dated 13.07.2023.	R-23
24.	Panel valuer-valuation report dated 26.11.2021.	R-24
25.	Statement of account dated 10.11.2023.	R-25
26.	Authorized Officer-Authorization letter dated 17.10.2023.	R-26

SCHEDULE OF PROPERTY

A" Schedule:

All that piece and parcel of vacant house site, bearing Plot Nos 29 and 30, measuring an extent of 5. 760 Square feet, comprised in Survey No 745/ 1, Patta No 2861, as per Patta Sub-Division Survey Nos.745/28 and 745/29 in the layout named "S R Colony approved by P.P.D/LO No.41/85, (Revised Plan No PPD/L No 85/84) situated in No.54

Madambakkam Village. Saidapet Taluk now Tambaram Taluk, Kancheepuram District.

Building Planning Permit No 16/2013-2014, Letter No 156/2013, dated 09.04.2013, Executive Officer Madambakkam Town Panchayat, Chennai 600 126/Member Secretary, CMD.A. Chennai 600 008 and Aa Mu 156/2013, Ka Aa No. 16/2013-2014, dated 09.04.2013, Executive Officer, Madambakkam Town Panchayat for Plot No. 29

Building Planning Permit No. 17 /2013-2014 Letter No 157 /2013, dated 09.04.2013. Executive Officer, Madambakkam Town Panchayat. Chennai 600 126/Member Secretary, CM.DA Chennai 600 008 and Aa Mu. No. 157 /2013, Ka Aa No .17 /2013-2014, dated 09.04.2013, Executive officer, Madambakkam Town Panchayat for Plot No.30.

The above property is situated within the Madambakkam Town Panchayat Limits and within the Registration District of Chennai South and Registration Sub-District of Selayur

"B" Schedule:

463 Square feet undivided share of land (out of "A" schedule mentioned property).

"C" Schedule:

Flat No.: A-3, Plot Nos 29 and 30 Floor First Floor, Flat Name Winner Visaka, Super Builtup Area 911 Square feet (including common area). Boundaries North by Plot Nos.16 and 17, South by Park and 24 feet road, East by: Vacant land, West by Plot Nos 28 and 24 feet road.

Sd/-

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

Uploaded on 21.07.2026 at 2.00PM