Fair Order

IN THE DEBTS RECOVERY TRIBUNAL AT MADURAI

DATED THIS 29th DAY OF JULY 2026

PRESENT: SEEMA SINHA
[PR. DISTRICT & SESSIONS JUDGE - Retd]
PRESIDING OFFICER

SA No.836/2024 &
Connected SA No. 311/2025

Sri Ramakrishna Tapovanam,
Through its Secretary,
Swami Sathyananda,
Sri Ramakrishna Tapovanam,
Thiruparauathurai, Srirangam Taluk,
Tiruchirappalli District. --- Applicant/Third Party

-Vs-

1. The Branch Manager,
Indian Bank,
Bodinayakkanur Branch,
Theni District.

2. The Authorized Officer,
Indian Bank,
Bodinayakkanur Branch,
Theni District. ---- 1st & 2nd Defendants Bank

3. G. Vijayakumar,
S/o. V. Gnanasekaran,
No. 11/10, Rani Mangammal Street,
Bodi, Theni District – 625 513.

4. K. Mudundhan,
S/o. P. Krishnamoorthy,
No. 5/58-1B, Rajiv Gandhi Nagar,
Karamadai Road, Sikkadasapalayam Village,
Mettupalayam, Coimbatore – 641 301.

5. S. Anand,
S/o. V.K.P. Selvaraj,

No. 7-20/25, Onnichettiyar Street,
Chinnalapatti,
Dindigul District.

6. J.V. Nititha,
D/o. R. Venkatesan,
Sanjeevi Illam,
Bharathi Nagar,
Uthamapalayam Taluk,
Theni District.

7. R. Venkatesan,
S/o. B. Rajagopal,
Sanjeevi Illam,
Bharathi Nagar,
Uthamapalayam Taluk,
Theni District.

8. P. Selvaraj,
S/o. Parameshwaram,
No. 7-20/25, Onnichettiyar Street,
Chinnalapatti,
Dindigul District. ---- 3rd to 8th Defendants

9. S.Palvannan,
S/o. Shanmugavel,
No.63, South Street,
K.K.Kulam, Chinnamanur,
Theni – 625 515. ---- 9th Defendant/Auction Purchaser

<u>Appearance of Advocates:</u>
Mr. T. Antony Arul Raj ---- Counsel for the Applicant
Mr. M.Senthil Kumar ---- Counsel for the 1st & 2nd Defendants Bank
Mr. D. Sarvanan ---- Counsel for the 9th Defendant/Auction Purchaser
The Defendants 3 to 8 are set exparte

SA No.836/2024 &
Connected SA No. 311/2025

Sri Ramakrishna Tapovanam,
Through its Secretary,
Swami Sathyananda,
Sri Ramakrishna Tapovanam,
Thiruparauathurai, Srirangam Taluk,
Tiruchirappalli District. --- Applicant/Third Party

-Vs-

1. The Authorized Officer,
   Indian Bank,
   Bodinayakkanur Branch,
   Theni District. --- 1st Defendant Bank

2. The Chief Judicial Magistrate,
   Theni District CJM Court,
   District Court Complex,
   Theni --- 2nd Defendant

3. S.Palvannan,
   S/o. Shanmugavel,
   No.63, South Street,
   K.K.Kulam, Chinnamanur,
   Theni – 625 515. ---- 3rd Defendant/Auction Purchaser

4. M/s. Frozen Fruits and Vegetables,
   represented by its Partners,
   Mr. G. Vijayakumar,
   Mr. K. Mugunthan,
   Mr. S. Anand, and
   Mrs. J.V. Nikitha,
   No. 306, NH 220,
   Govindampatty Village,
   Uthamapalayam Taluk,
   Theni District – 626 533.

5. G. Vijayakumar,
   S/o. V. Gnanasekaran,
   No. 11/10, Rani Mangammal Street,
   Bodi, Theni District – 625 513.

6. K. Mudundhan,
   S/o. P. Krishnamoorthy,
   No. 5/58-1B, Rajiv Gandhi Nagar,
   Karamadai Road,
   Sikkadasapalayam Village,
   Mettupalayam, Coimbatore – 641 301.

7. S. Anand,
   S/o. V.K.P. Selvaraj,
   No. 7-20/25, Onnichettiyar Street,
   Chinnalapatti,
   Dindigul District.

8. J.V. Nititha,
   D/o. R. Venkatesan,
   Sanjeevi Illam,
   Bharathi Nagar,
   Uthamapalayam Taluk,
   Theni District.

9. S. Gnanavel,
   S/o. V. Subramani,
   No. 2/55, Ayyanan Street,
   P.H. Road,
   Bodinayakanur – 625 513.

10. R. Venkatesan,
    S/o. B. Rajagopal,
    Sanjeevi Illam,
    Bharathi Nagar,
    Uthamapalayam Taluk,
    Theni District.

11. P. Selvaraj,
    S/o. Parameshwaram,
    No. 7-20/25, Onnichettiyar Street,
    Chinnalapatti,
    Dindigul District.

12. S. Ambigavathy,
    W/o. V. Subramani,
    No. 2/55, Ayyanan Street,
    P.H. Road,
    Bodinayakanur – 625 513. ---- 4th to 12th Defendants

Appearance of Advocates:

Mr. T. Antony Arul Raj ---- ***Counsel for the Applicant***
Mr. M.Senthil Kumar ---- ***Counsel for the 1st Defendant Bank***
Mr. D. Sarvanan ---- ***Counsel for the 3rd Defendant/Auction Purchaser***
The Defendants 4 to 12 are set exparte

These both SAs were heard together in the presence of the Counsels for the Applicant , the Defendants Bank, the Auction Purchaser and both SAs have been fixed for passing final orders before me, as both cases arose out of the same cause of action, and upon hearing the arguments of the

Counsels and having stood over for consideration till this day, this Tribunal delivers the following:

O R D E R

1.a. SA No. 836/2024: This Application has been filed under Sec. 17(1) of the SARFAESI Act, 2002 by the Applicants praying that this Hon'ble Tribunal may be pleased to pass an order setting aside the impugned E-auction Notice dated 14.11.2024, published in the Daily Thanthi newspaper on 14.11.2024 by Defendants 1 and 2 for conducting the auction in respect of the property comprised in S. Nos. 9/2A1, 9/2A2, 9/2B, 9/2A3 and 9/5, situated at Seepalakottai Village, a hamlet of Chinnamanur Village, Uthamapalayam Taluk, Theni District, under Rule 9(1) of the Security Interest (Enforcement) Rules, 2002, as illegal, null and void.

Further in

b. SA 311/2025: To pass an order setting aside the order dated 21.04.2025 passed by the 2nd Defendant in Crl.M.P. No. 535 of 2025 under Section 14 of the SARFAESI Act in respect of the schedule-mentioned property, pending disposal of this application, and thus render justice.

2. The brief averments of the Application filed by the Applicant is as follows:-

a) It is submitted that, Sri Ramakrishna Tapavoanam is a spiritual organization founded by His Holiness Swami Sidbavanandar in the year 1943. Later, the same was registered as a society, and its registration under the Societies Registration Act, 21 of 1860, and its registration No. is 35 of 1961. As per the by-laws of the society, the said society shall have monastic members who are Sanyasis and renounced the world and initiated into Sanyasa by the President of Sri Ramakrishna Tapovanam, Thiruppurayathurai. The said monastic members shall not own personal properties, and all the movable and immovable properties, including cash, acquired in any manner by any monastic member by himself or in association with others by forming a separate trust or in any other mode shall automatically vest with Sri Ramakrishna Tapovanam, Thiruppurayathurai, vide Clause 3(b) of the By-laws.

b) It is further submitted that, the properties in Survey No.9/2A1, 9/2A2, 9/2B, and 9/5 in Seepalakottai Village, hamlet of Chinnamannur Village, Uthamapalayam Taluk, Theni District belonged to the Applicant Society. The same was originally purchased by one Swami Athmananda, who was a member of the Applicant Society as its monastic member. However, the said Swami Athmananda, while he was the monastic member of Sri Ramakrishna Tapovanam, Thiruppurayathurai, purchased the said property and other vast extent of properties in Chinnamannur and other nearby villages by floating a trust under the name and style of "Sri Ramakrishna Sevashramam" by proclaiming the same was also a wing of the Applicant. Later, he started to make a claim over the said properties as if the same belonged to his trust, which made the Applicant file a suit in O.S. No.1254 of 1994 on the file of the Sub Court, Trichy, for a declaration that the properties so purchased by the said Swami Athmananda by floating the trust Sri Ramakrishna Sevashramam and also in his name are the properties of the Applicant. The said suit was decreed. Swami Athmananda preferred an appeal in A.S. No.586 of 1998 on the file of the Hon'ble Madras High Court. The said appeal was dismissed, and the judgment and decree of the Trial Court were confirmed by specifically holding that the properties purchased by Swami Athmananda by floating Sri Ramakrishna Sevashram Trust are the properties of the Applicant. Thereafter, the said Swami Athmananda preferred an appeal in C.A. No.2395 of 2000 before the Hon'ble Supreme Court of India, which was also dismissed by holding that the properties acquired by Swami Athmananda had been acquired by him in his capacity as the agent of the Applicant Tapovanam. Thus, the title in respect of the above said properties was upheld by the Hon'ble Supreme Court of India.

c) It is further submitted that, after the dismissal of the appeal by the Hon'ble Supreme Court of India, the above said Swami Athmananda made a fervent plea to the Applicant that he may be permitted to enjoy the properties in Chinnamannur, Uthamapalayam Taluk, as well as in Kungumapalayam in Karur Taluk till his lifetime to be used by him for social and educational purposes. Considering the fact that Swami Athmananda was a monastic member of the Applicant Tapovanam and a senior Sanyasi, the governing body of the Applicant, by its resolution dated 25.04.2009, permitted the said Swami Athmananda to enjoy the above said properties and other properties in Chinnamannur as well as in Kungumapalayam Village till his lifetime. Significantly, the said permission was granted by the governing council to Swami Athmananda only to enjoy the said properties till his lifetime, and it has not empowered him to convey or alienate or dispose of the said properties or any portion thereof in any capacity, much less as an agent or a settlee or as an authorized signatory of the Applicant. Significantly, as per Clause 11(b) of the By-laws of the Applicant, any resolution that may be passed by the governing body of the Applicant in case of sale or lease of land and building belonging to the Applicant shall be placed before the general body of the Applicant, and such a resolution shall take effect only after the approval of the general body. In view of the fact that the above said properties and other properties in Chinnamannur and Kungumapalayam were permitted to be enjoyed by Swami Athmananda till his lifetime and they were not gifted or transferred in favour of Swami Athmananda with absolute rights, and only a limited right to enjoy the property was given, and that too till his lifetime, the same was not placed before the general body.

d) It is further submitted that, the above said Swami Athmananda, in gross violation of the permission granted to him, created fraudulent documents as if the above said properties had been sold in favour of one Kumaresan and three others by virtue of a registered Sale Deed dated 31.03.2010 as if the same belonged to Ramakrishna Sevashram and by suppressing the judicial verdicts up to the level of the Hon'ble Supreme Court of India. Later, to fortify the said fraudulent transaction, he, along with the above said four persons, executed a Sale Deed dated 07.01.2011 in favour of the 5th Respondent herein. Significantly, in the Sale Deed dated 07.01.2011, it has been clearly mentioned that the properties belonged to the Applicant Society, i.e., Sri Ramakrishna Tapovanam at Thiruppurayathurai, alleging that the Applicant had gifted the property to Swami Athmananda. Significantly, no such gift was ever made by the Applicant in favour of Swami Athmananda. Moreover, it was also fraudulently recited in the said Sale Deed that the said Swami Athmananda was the authorized signatory of the Applicant and also an agent of the Applicant. Later, the said transferee, the 5th Respondent, in turn created a fraudulent Sale Deed dated 20.12.2011 in favour of one B. Rajagopal.

e) It is further submitted that, one Venkatesh, S/o. Rajagopal, hand in glove with the other Respondents, as if they are the partners of M/s. Frozen Fruits and Vegetables, availed a loan from the 1st Defendant Bank by mortgaging the above said property for about Rupees Eight Crores. It is relevant to note that all these documents were created within a period of one year. The private Respondents herein traced the title from the said Swami Athmananda. It is an admitted fact that the said Swami Athmananda was not the owner of the property, and his claim was denied by the Hon'ble Supreme Court of India, which declared that the Applicant is the owner of the property. Thereafter, the borrower committed a default, and the property was brought to auction by paper publication dated 14.11.2024.

f) It is further submitted that, the above said Swami Athmananda was not empowered by the Applicant to alienate or transfer the above said properties either as its agent or authorized signatory, and the above said properties were not gifted to him by the Applicant also. It transpires that Respondents 3 to 6 have borrowed a huge amount from the 2nd Respondent Bank for their business, for which the above said Rajagopal as well as Respondents 7 and 8 stood as guarantors by offering the above said properties as security. From out of the enquiries, it came to the notice of the Applicant that originally, some other properties were given as security, and later the said properties were released and the above said properties were offered as security. Significantly, the above said properties were throughout mentioned as Punja lands, which were meant for agricultural purposes and not as commercial property even in the documents which were deposited with the 1st Respondent as security for the alleged loan. By conveniently and stealthily branding a vast extent of about 18.34 acres in a hamlet village as commercial property, the loan transaction was fraudulently entertained by the 2nd Respondent. Thus, it may be seen that, to get over the provisions of Section 31(i) of the SARFAESI Act, it has been fraudulently mentioned in the loan documents that the property offered as security was commercial property. Moreover, the title or right of Swami Athmananda to convey the above said properties by sale was not at all scrutinized properly before granting the loan by keeping the above said properties as security.

g) It is further submitted that, the governing council of the Applicant, on coming to know about the fraudulent transactions of Swami Athmananda and also the subsequent creation of huge liability by his transferees over the said properties, cancelled the permission granted in favour of Swami Athmananda by its resolution dated 26.06.2021, which was also later approved by the general body meeting of the Applicant held on 25.07.2021.

h) It is further submitted that, subsequent to the cancellation of the said permission, a legal notice dated 21.08.2021 was issued to the said Swami Athmananda as well as to Respondents 3 to 6 and the above said Rajagopal to cancel the fraudulent Sale Deeds created by them and hand over the possession of the properties to the Applicant, for which no response was made. Therefore, a Civil Suit in O.S. No.45 of 2022 was filed by the Applicant on the file of the District Judge, Theni, for a declaration that the Sale Deeds created by Swami Athmananda in respect of the above said properties and subsequent transactions entertained by his transferees are null and void and not binding on the Applicant. In the said suit, the above said B. Rajagopal was also arrayed as the 7th Defendant to get recovery of possession from him. The said suit is still pending.

i) It is further submitted that, during the pendency of the above said suit, it came to the notice of the Applicant that the above said Rajagopal died and the 7th Defendant herein was in possession of the above said properties. The 7th Defendant, on coming to know about the actual ownership of the property and also the fraudulent nature of the transactions created by Swami Athmananda, repented for purchasing the above said properties by his father and entertained discussions with the Applicant and handed over the physical possession and enjoyment of the above said properties to the Applicant and acknowledged the same by executing a letter dated

15.04.2022 to that effect that he acknowledges and concedes to the title of the Applicant in respect of the above said properties. The Applicant took the physical possession of the properties and has put up a barbed wire fence covering the entire properties and cultivated Punja crops in the above said properties. Currently, the Applicant has cultivated maize crops, and the standing crops of three months old are there in the above said properties. Moreover, to enable the general public to know about the actual ownership of the above said properties and also by referring to the judgment of the Hon'ble Apex Court, signboards have been placed in various conspicuous places in the above said properties. Thus, it may be seen that none of the borrowers or the alleged guarantors of the 1st Defendant nor the 2nd Defendant are in possession and enjoyment of the above said properties.

j) It is further submitted that, that on 05.12.2024, it was brought to the notice of the Applicant that the 2nd Defendant, as the Authorized Officer of the 1st Defendant, had given a publication that the above said properties would be brought for sale through E-Auction for the alleged loan borrowed by Defendants 3 to 6, for which Defendants 7 and 8, along with B. Rajagopalan, had stood as guarantors. In the said publication, it has been fraudulently stated as if the above said properties are commercial lands. Moreover, in the said publication, it has been stated as if the above said Mr. B. Rajagopalan was alive as a guarantor, when especially he died as early as 2022 itself. The Defendants 1 and 2, in their publication, have fraudulently mentioned that the above said properties are without any encumbrance, thereby misleading the general public. Thus, it may be seen that attempts have been made by Defendants 1 and 2 to bring the properties of the Applicant, who is not at all a party to the alleged loan transactions referred to in the above said Sale Notice dated 14.11.2024 and published in newspapers. Knowing fully well that the said properties were not commercial properties and that they are agricultural lands, which are exempted under the provisions of Section 31(i) of the SARFAESI Act, it has been fraudulently mentioned as commercial properties in the said publication.

k) It is further submitted that, a bare perusal of the Sale Deed executed by Swami Athmananda in respect of the above said properties itself would reveal the fact that the properties belong to the Applicant. The recitals in the said Sale Deed are very categorical and specific to the effect that the properties are the properties of the Applicant and such ownership of the Applicant has been upheld by the Hon'ble Apex Court. In such circumstances, without proper and legal scrutiny of the documents, it transpires that the loan facility was extended by the 1st Defendant in collusion with the borrowers and guarantors, and thereby a false liability was sought to be imposed on the above said properties behind the back of the actual owner of the above said properties. Without analyzing the fact that there is no document of gift or power of attorney in favour of Swami Athmananda, the title was allegedly conveyed by him on the basis of his unilateral assertion that the above said properties had been gifted to him by the Applicant. There is no deed such as sale, exchange, or transfer of the subject property in favour of Swami Athmananda. What was relied upon by him is the only resolution that was also manipulated by the said Swami Athmananda. It is relevant to note that the said resolution will not confer any title on the said Swami Athmananda. This was not at all considered by the Defendant Bank while lending the loan. It is very strange that the resolution, that too manipulated by Swami Athmananda, was accepted by the Defendant Bank. It shows that there is a clear collusion between the Bank and Swami Athmananda and the purchasers and borrowers. In these circumstances, the Applicant is constrained to file this Application for the following grounds.

- It is an admitted fact that the title of the Applicant was decided by the Hon'ble Supreme Court of India in C.A. No.2395 of 2000, dated 13.04.2005. Therefore, the title has always vested with the Applicant. The Bank is bound by the order of the Hon'ble Apex Court, and it cannot proceed against the order of the Hon'ble Supreme Court of India.

- The very initiation of the proceedings under the SARFAESI Act is not maintainable in law. This is because the subject property is agricultural in character. Therefore, it is exempted under Section 31(i) of the SARFAESI Act.

- The properties in question are admittedly owned by the Applicant Society, and the alleged transfer by Swami Athmananda was unauthorized and in violation of the permission granted by the Applicant's Governing Council. The Governing Council of the Applicant had only permitted Swami Athmananda to enjoy the property during his lifetime, without any authority to sell or alienate it, nor was he appointed as an agent of the Applicant, and the properties were not gifted to him.

- The ownership of the Applicant over the disputed properties was upheld up to the Hon'ble Supreme Court of India in the earlier litigations, which facts are glaringly admitted. The fraudulent transactions by Swami Athmananda were conclusively invalidated by judicial pronouncements.

- The Defendants 1 and 2 accepted the properties as security for loans by fraudulently classifying the agricultural lands as commercial properties and, in the loan documents, suppressed material facts regarding the ownership and nature of the properties.

- The E-Auction Sale Notice incorrectly described the properties as commercial properties, while they are agricultural lands. Additionally, the notice falsely claimed that there were no encumbrances, disregarding the Applicant's acknowledged ownership.

- The granting of the loan was made without scrutinizing the documents regarding the right of Swami Athmananda to transfer these properties and without proper scrutiny of the legal title, thereby violating the mandatory safeguards.

- The Petitioner has been in possession and cultivation of the property since 2022, with physical possession acknowledged by the purported transferee's legal heir. This fact undermines the claim of Defendants 1 and 2 to auction the property.

- When the properties are agricultural lands, they are exempted under Section 31(i) of the SARFAESI Act from the provisions of the said Act and cannot be brought for sale.

- The impugned order came to be passed without disclosing the pendency of S.A. No.836 of 2024 on the file of the Hon'ble Debts Recovery Tribunal, Madurai.

SCHEDULE OF IMMOVABLE PROPERTY

All the parts and parcel of the property in Periyakulam Registration District, Chinnamannur Sub Registration Office Theni District, Uthamapalayam Taluk, Seepalakottai Village, Seepalakottai Main Road having an extent of 18.34 acres in S.No. 9/2A1, 9/2A2, 9/2B, 9/2A3 and 9/5 with Patta no.8167 & 8162 with the following boundaries:

North: S.No.9/3, 10/1B, & 10/1A2

South: East West Seepalakottai Road

East: barren land belonging to Sundaravalli in S.No.13

West: S. No. 9/1 & 8

The Applicant has submitted the following typed set of papers in support of his claim in the SA, which are as follows: (SA No. 836 of 2024)

SI. NO.	DATE	PARTICULARS
1.	14.11.2024	Impugned E-auction Notice issued by the 1st Defendant.
2.	07.08.1988	Decree in O.S. No.1254 of 1994 on the file of the Sub Court, Trichy.
3.	13.10.1999	Judgment of this Hon'ble Court in A.S. No.568 of 1988.
4.	13.04.2005	Judgment of the Hon'ble Supreme Court of India in C.A. No.2395 of 2000.
5.	25.04.2006	Resolution of the Governing Council of the Applicant.
6.	31.03.2010	Swami Athmananda fraudulently executed a Sale Deed for the properties in favour of Kumaresan and three others.
7.	07.01.2011	Subsequent Sale Deed executed by Swami Athmananda and others in favour of S. Anand.
8.	20.12.2011	S. Anand executed a fraudulent Sale Deed transferring the properties to B. Rajagopal.
9.	26.06.2021	Resolution of the Governing Council of the Applicant.
10.	25.07.2021	Resolution of the General Body of the Applicant.
11.	21.08.2021	Legal Notice issued by the Applicant.
12.	23.12.2021	Plaint in O.S. No.45 of 2022 on the file of the District Court, Theni.
13.	15.04.2022	Letter executed by the 7th Defendant in favour of the Applicant.
14.	11.09.2024	Order of this Hon'ble Court in W.P.(MD). No.29768 of 2023.
15.	14.11.2024	Impugned E-Auction Sale Notice issued by the 1st Defendant.
16.	07.12.2024	Reply publication issued by the Applicant in Dinamalar News Daily.
17.	07.12.2024	Reply publication issued by the Applicant in Dhinathanthi News Daily.
18.	—	Photographs.

The Applicant has submitted the following typed set of papers in support of his claim in the SA, which are as follows: (SA No. 311 of 2025)

SI. NO.	DATE	PARTICULARS
1.	21.02.2025	CJM Order in Crl.M.P. No.738 of 2025.
2.	12.12.2024	SARFAESI Application in S.A. No.835 of 2024.
3.	14.11.2024	E-Auction Notice publication.

ADDITIONAL TYPED SET - I FILED BY THE APPLICANT

SI. NO.	DATE	DESCRIPTION
1.	07.08.1988	Decree in O.S. No.1254 of 1994 on the file of the Sub Court, Trichy.
2.	13.10.1999	Judgment of the Hon'ble Court in A.S. No.568 of 1988.
3.	13.04.2005	Judgment of the Hon'ble Supreme Court of India in C.A. No.2395 of 2000.
4.	25.04.2009	Resolution of the Governing Council of the Petitioner.
5.	31.03.2010	Swamy Athmananda fraudulently executed a Sale Deed in favour of Kumaresan and three others.
6.	07.01.2011	Sale Deed executed by Kumaresan and three others in favour of S. Anand.
7.	20.12.2011	S. Anand executed a fraudulent Sale Deed transferring the property to B. Rajagopal.
8.	21.08.2021	Legal Notice issued by the Petitioner.
9.	23.12.2021	Plaint in O.S. No.45 of 2022 on the file of the District Court, Theni.
10.	07.12.2024	Reply publication issued by the Petitioner in *Dinamalar* News Daily.
11.	07.12.2024	Reply publication issued by the Petitioner in *Dhinathanthi* News Daily.
12.	—	Photographs.

ADDITIONAL TYPED SET - II FILED BY THE APPLICANT

SI. NO.	DATE	DESCRIPTION
1.	21.04.2025	The Chief Judicial Magistrate order dated 21.04.2025

ADDITIONAL TYPED SET - III FILED BY THE APPLICANT

SI. NO.	DATE	DESCRIPTION
1.	11.03.2025	Office letter dated 27.03.2025

3. On the other hand, the Counsel for the Defendants Bank appeared before this Tribunal and filed Reply Statement, Typed set, Consolidated Typed set, Additional typed set – I, II & III of papers in which they have submitted that, save those that are expressly admitted, all the other allegations made in the affidavit are all denied as incorrect and misleading. It is further submitted that the allegations made in paragraphs 5 (i) (i) (v) of the application are all denied as incorrect and misleading. The allegation that monastic members of the Applicant Society are not empowered to have any personal properties and that the properties comprised in Survey Nos. 9/2A 1, 9/2A2, 9/2 B and 9/5 Seepalakottai Village, Uthamapalayam Taluk, Theni District belongs to the Petitioner's Society and that one Swamy Athmananda was a monastic member of the Petitioner's Society and that the above said Swamy Athmananda floated a Trust under the name and style of Sri Ramakrishna Seva Ashramam and that the Petitioner/Applicant has filed various litigations and that up to Hon'ble Supreme Court, the applicant's title has been declared and that on the request of the above said Swamy Athmananda, the properties situated in Seelapalakottai hamlet of Chinnamanur village was permitted to be enjoyed by him only during his life time and that the above said Swamy Athmananda was not empowered to alienate the above said properties and that the properties that are subject matter of this litigation was not gifted or transferred in favour of Swamy Athmananda with absolute rights and that only with limit right to enjoyment was given during his life time and that the above said Swamy Athmananda has illegally sold the properties in favour of Mr. Murugesan and 3 others on 31.03.2010 and that sale deed dated 07.01.2011 was executed by said Swamy Athmananda in respect of the properties in S.No. 2A/1, 9/2A2, 9/2B, 9/2A3, and 9/5 measuring 7.42.50 Hectares and that subsequently the said properties were sold in favour of one Mr. Anand and that subsequently the said Mr. Anand has sold the said properties by means of a registered sale deed dated 20.12.2011 and that many documents were created within a period of one year and that the 1st defendant Bank had obtained an order to take physical possession of the said property in violation of the principles of natural justice are all denied as incorrect and misleading.

a) It is also submitted that the petitioner/applicant has suppressed various previous litigations in this application and approached this Hon'ble Tribunal for obtaining an interim order. It is also submitted that the petitioner has filed a SA No.35 of 2020 earlier before this Hon'ble Tribunal challenging the recovery action initiated by the bank. Further the petitioner/applicant has not prosecuted the said SA No.35 of 2020 and the same was dismissed for default on 15.03.2024.

b) It is also submitted that the Petitioner/applicant appears to have filed a civil suit in OS No.45 of 2022 on the file of learned District Court, Theni as against the above said Swamy Athmananda and the transferees under him ending up with Mr. B.Rajagopal who has mortgaged the property in favour of the 1st Defendant Bank for declaration of the title and for recovery of possession. Further it is submitted that the pendency of the above suit has been suppressed in this present application by the petitioner/applicant.

c) It is also submitted that the above suit in OS No.45 of 2022, the petitioner/applicant has also filed an interim injunction petition in IA No.1 of 2022. Further it is submitted that till date the petitioner/applicant was not able to get any order of injunction from the Court. Further it is submitted that the petitioner/applicant having admitted in the suit that they are not in possession and enjoyment of the mortgaged properties has prayed for recovery of possession. In the said circumstances the petitioner/applicant is not entitled to ask for stay of operation of the order passed by the Hon'ble Chief Judicial Magistrate in Crl.MP.No.135 of 2024 dated 21.04.2025.

d) It is also submitted that the said properties appears to have been sold only by swamy athamananda after an arrangement of compromise between the Petitioner/Applicant and himself. Further, the Petitioner/Applicant society have been patiently watching the sale of the properties by swamy athamananda and had initiated litigations belated only in the year 2022. Further, it is also submitted that even in the said suit in O.S. No.45/2022, the Petitioner/Applicant was not able to obtain any order of injunction from the civil court even after a lapse of 3 years.

e) It is also submitted that the repeated allegation that title of the petitioner/applicant's society has been confirmed up to Hon'ble supreme court and that the above properties in question were handed over to the said swamy athamananda only for enjoyment during his life time and that the swamy athamanada was not having authority to sell the properties are all meaningless. It is also submitted that no such recitals were mentioned in the resolution passed by the Petitioner society.

f) Further it is also submitted that the title and possession of the property was with B.Rajagopal, who mortgaged the property in favour of Bank and now possession is with the legal heirs of the mortagagor. Further it is submitted that the petitioner/applicant is falsely alleging that they are cultivating the secured asset. As a matter of fact, now the property is lying as vacant land. Further it is submitted that the property has been mortgaged in favour of the

Bank even during 24.11.2014 and the petitioner/applicant has not chosen to challenge the mortgage made in favour of the 1st respondent/1st defendant. In the said circumstance, the Petitioner/Applicant cannot at any stretch of imagination stall the recovery proceedings by falsely claiming title over the property. It is also submitted that the Petitioner/Applicant has not pleaded in the above said litigation both in his affidavit and in the main application in SA No.311/2025. In the above circumstances, the Petitioner/Applicant is trying to mislead this Hon'ble Tribunal by suppression of material facts and trying to get an order of stay of recovery proceedings.

g) It is also submitted that in the Civil suit in OS No.45/2022 the petitioner has not impleaded the Bank as a defendant with ulterior motive. And in OS.No.45/2022 the petitioner has not impleaded the legal heirs of B.Rajagopal the mortgagor for many years after his death and the suit stood abated against the mortgagor.

h) It is also submitted that the present application has been filed in a collusive manner with the legal heirs of the deceased mortgagor in order to scuttle the recovery proceedings. Further it is submitted that there are no merits in the present application and the same deserves to be dismissed with cost.

<u>TYPED SET FILED BY THE 1ST DEFENDANT BANK</u>

SI. NO.	DATE	DOCUMENTS
1.	25.04.2009	Resolution
2.	24.11.2014	Memorandum of Deposit of Title Deeds
3.	14.09.2023	Diary Order in O.S. No.45 of 2022
4.	06.11.2023	Diary Order in O.S. No.45 of 2022
5.	23.01.2024	Diary Order in O.S. No.45 of 2022
6.	05.03.2024	Diary Order in O.S. No.45 of 2022
7.	27.06.2024	Diary Order in O.S. No.45 of 2022
8.	10.09.2024	Diary Order in O.S. No.45 of 2022

SI. NO.	DATE	DOCUMENTS
9.	28.10.2024	Diary Order in O.S. No.45 of 2022
10.	27.01.2025	Diary Order in O.S. No.45 of 2022
11.	05.04.2025	Diary Order in O.S. No.45 of 2022

CONSOLIDATED TYPED SET FILED BY THE 1ST DEFENDANT BANK

SI. No.	DATE	PARTICULARS
1.	30.03.2015	Demand Notice issued under Section 13(2) of the SARFAESI Act, 2002.
2.	—	Acknowledgement Card of Demand Notice issued to Mr. P. Krishnamurthy.
3.	—	Acknowledgement Card of Demand Notice issued to Mr. R. Venkatesan.
4.	—	Acknowledgement Card of Demand Notice issued to Mr. S. Anand.
5.	—	Acknowledgement Card of Demand Notice issued to Mr. P. Selvaraj.
6.	—	Acknowledgement Card of Demand Notice issued to Mrs. S. Ambigavathy.
7.	—	Acknowledgement Card of Demand Notice issued to Mr. S. Gnanavel.
8.	—	Acknowledgement Card of Demand Notice issued to Mr. P. Rajagopalan.
9.	—	Acknowledgement Card of Demand Notice issued to Mr. G. Vijayakumar.
10.	—	Acknowledgement Card of Demand Notice issued to Mrs. J. V. Nikitha.
11.	—	Acknowledgement Card of Demand Notice issued to M/s. Frozen Fruits and Vegetables.
12.	11.04.2017	Possession Notice issued under Section 13(4) of the SARFAESI Act, 2002.
13.	—	Proof of delivery of Possession Notice to Mr.B. Rajagopalan.
14.	—	Proof of delivery of Possession Notice to Mr.S. Gnanavel.
15.	—	Proof of delivery of Possession Notice to Mrs.J. V. Nikitha.
16.	—	Proof of delivery of Possession Notice to Mrs. S. Ambigavathy.

SI. No.	DATE	PARTICULARS
17.	—	Proof of delivery of Possession Notice to Mr. G. Vijayakumar.
18.	—	Proof of delivery of Possession Notice to Mr. R. Venkatesan.
19.	—	Proof of delivery of Possession Notice to Mr. P. Selvaraj.
20.	—	Proof of delivery of Possession Notice to Mr. S. Anand.
21.	11.04.2017	Paper Publication of Possession Notice in the English daily newspaper "The New Indian Express".
22.	11.04.2017	Paper Publication of Possession Notice in the Tamil daily newspaper "Dinamani".
23.	—	Photograph of affixture of Possession Notice in the schedule-mentioned property.
24.	11.12.2024	Sale Notice.
25.	18.11.2024	Acknowledgement Card of Sale Notice issued to Mr. S. Anand.
26.	18.11.2024	Acknowledgement Card of Sale Notice issued to Mr. P. Selvaraj.
27.	16.11.2024	Postal cover issued to Mrs. J. V. Nikitha returned as "unclaimed".
28.	16.11.2024	Postal cover issued to Mr. R. Venkatesan returned as "unclaimed".
29.	15.11.2024	Paper Publication of Sale Notice in the English daily newspaper "The New Indian Express".
30.	15.11.2024	Paper Publication of Sale Notice in the Tamil daily newspaper "Dinamani".
31.	24.10.2024	Revaluation Report.
32.	25.11.2024	Online Encumbrance Certificate from 01.11.1990 to 22.11.2024.

4. The 9th Defendant/Auction Purchaser also appeared before this Tribunal and filed Reply Affidavit in which he submitted that, it is admitted by the Applicant that Swamy Adhmanandha was the caretaker of the Thappovanam property vide the Resolution dated 25.04.2009. Based upon the power granted by the authorized members of Ramakrishna Seva Ashram Trust, the said Swamy Adhmanandha sold the properties to various individuals on 31.03.2010 and 07.01.2011. The purchasers were arrayed as Defendants 3 to 6. From the averments narrated in the above application, it is seen that a Civil Suit was filed in O.S. No.45 of 2022 before the District Court, Theni.

a) It is further submitted that, now a third-party right has been created in the schedule property, thereby the property has become encumbered. The purchasers, Defendants 3 to 6, purchased the property through valid Sale Deeds, and the 3^{rd}, 4^{th}, and 5^{th} Defendants are borrowers, and the 7^{th} and 8^{th} Defendants are guarantors, and the 5^{th} and 6^{th} Defendants are Managing Partners of M/s. Frozen Fruits Vegetables and availed a loan of ₹8 Crores from the 1st and 2nd Defendant Bank, and due to heavy financial loss, the 1st and 2nd Defendant Bank brought the property for sale due to non-payment of the loan amount.

b) It is further submitted that, now a third-party right has been created in the schedule property, thereby the property has become encumbered. The purchasers, Defendants 3 to 6, purchased the property through valid Sale Deeds, and the 3rd, 4th, and 5th Defendants are borrowers, and the 7th and 8th Defendants are guarantors, and the 5th and 6th Defendants are Managing Partners of M/s. Frozen Fruits Vegetables and availed a loan of ₹8 Crores from the 1st and 2nd Defendant Bank, and due to heavy financial loss, the 1st and 2nd Defendant Bank brought the property for sale due to non-payment of the loan amount.

c) It is further submitted that, the said E-auction Notice has been challenged, but the 1st and 2nd Defendant Bank conducted the E-auction on 14.11.2024, and I am the successful bidder. The sale price was fixed at Rs.6,34,00,000/-, out of which I paid Rs.3,17,00,000/-, and I am willing to pay the entire balance amount, which is in my hands. But, the 1st and 2nd Defendants are not in a position to hand over the possession of the auctioned property.

d) It is further submitted that, the 1st Defendant Bank is the secured creditor, and the amount involved is public money. Hence, the above S.A. has to be dismissed, and I am ready to deposit the balance amount, and the sale has to be registered in my favour by the Defendant Bank. Hence, both the S.As. have to be dismissed with costs.

e) It is also submitted that, the main attack against the E-auction conducted by the 1st and 2nd Respondent Bank is that the transaction is fraudulent, the title to the property vests only with the Applicant, and the SARFAESI Act is not applicable to the agricultural land of the Applicant.

f) It is also submitted that, the Sale Deed executed by Swamy Athamanandha is against law and that he has no legal right or title over the property of the Applicant. There is no individual right attained by Swamy Athamanandha. Hence, the Sale Deed executed by him is a void one. On the above grounds, the E-auction Notice was challenged before this Tribunal in S.A. No.836 of 2024.

g) It is also submitted that, while the above appeal is pending before the DRT at Madurai, the 1st and 2nd Respondents initiated recovery proceedings under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Theni. The same was taken on file by the CJM, Theni, in Crl.M.P. No.535 of 2025 dated 21.04.2025, and the learned Magistrate issued notice to all necessary parties and granted direction to an Advocate Commissioner to recover the property on behalf of the Bank to adjust the loan amount by bringing the schedule property for auction. Hence, the proceedings of the learned CJM are challenged vide S.A. No.311 of 2025.

h) It is also submitted that, both the applications are not maintainable. The Bank is the Secured Creditor, and the amount involved is public money, and the same has to be protected. It is an admitted fact that the total extent of 18.34 acres has been sold to Respondents 3 to 6 for valuable sale consideration, and they obtained a bank loan and failed to repay the same. But the present proceedings would definitely affect the interest of the common public.

Hence, it is prayed that this Hon'ble Tribunal may be pleased to dismiss the above SARFAESI Application with cost and thus render justice.

5. ***ON THE BASIS OF ABOVE PLEADINGS THE POINT WHICH ARISES FOR CONSIDERATION IS:-***

Whether the Applicant is entitled to get the reliefs as prayed for?

Whether the Applicant has been able to prove their case in its favour?

6. Having heard the parties, perused the entire records, and considered the arguments advanced by the learned counsel on both sides, I find that, the Applicant is neither the borrower nor the guarantor or mortgagor in respect of the loan transaction availed from the 1st Defendant Bank. The Applicant claims to be an independent third party asserting absolute title over the secured asset and contends that the property has been illegally proceeded against by the Defendant Bank on the basis of a mortgage allegedly created by persons who had no valid title or authority to encumber the property. Therefore, the challenge in the present Securitisation Applications is not directed against the loan transaction as such, but against the very competence of the mortgagors to create a valid security interest over the schedule-mentioned property.

7. The Applicant has challenged the measures initiated by the 1st Defendant Bank under the provisions of the SARFAESI Act primarily on the ground that the secured asset absolutely belongs to the Applicant Society. According to the Applicant, the title over the schedule-mentioned property was declared in its favour by the competent Civil Court in O.S. No.1254 of 1994 on 07.08.1988, and the said decree was confirmed by the Hon'ble High Court in A.S. No.568 of 1988 on 13.10.1999 and subsequently affirmed by the Hon'ble Supreme Court of India in C.A. No.2395 of 2000 on 13.04.2005. Upon perusal of the records, I also find that the Applicants have produced an Additional Typed Set of Papers, wherein at page No. 93, the Resolution of the Governing Council dated 25.04.2009 records that Swami Athmananda can enjoy the properties for the purpose to promote the educational and social activities among the public with all rights. Upon a careful reading of the said Resolution, I find that there is no recital therein, nor has any registered instrument or other documentary evidence been produced, to show that the Applicant Society had transferred or conveyed its ownership or title over the schedule-mentioned property in favour of Swami Athmananda. The Applicant, however, contends that the said Resolution merely permitted Swami Athmananda to enjoy the property during his lifetime and did not confer upon him any authority to alienate, transfer, or create any encumbrance over the property. Consequently, the subsequent Sale Deeds executed through Swami Athmananda and the mortgage created in favour of the Defendant Bank are alleged to be void and not binding on the Applicant.

8. Per contra, the Defendant Bank contends that the Applicant has suppressed material facts, including the earlier proceedings before this Tribunal and the pendency of O.S. No.45 of 2022 before the District Court, Theni. According to the Defendant Bank, the mortgage was validly created under a Memorandum of Deposit of Title Deeds dated 24.11.2014 by persons holding registered title deeds, and the Bank initiated recovery proceedings strictly in accordance with the provisions of the SARFAESI Act by issuing the Demand Notice under Section 13(2), taking symbolic possession under Section 13(4), publishing the Possession Notice, issuing the Sale Notice, obtaining a fresh valuation report and thereafter securing an order under Section 14 of the SARFAESI Act from the learned Chief Judicial Magistrate. The Defendant Bank further contends that no interim order has been granted in O.S. No.45 of 2022 restraining it from proceeding under the SARFAESI Act.

9. A perusal of the records shows that the Applicant has produced the decree of the Trial Court, the judgment of the Hon'ble High Court and the judgment of the Hon'ble Supreme Court, the resolutions of the Applicant Society, the legal notice, the plaint in O.S. No.45 of 2022, documents claiming possession and other connected records. The Defendant Bank has also produced the Memorandum of Deposit of Title Deeds dated 24.11.2014, the Demand Notice under Section 13(2), the Possession Notice under Section 13(4), proof of service, newspaper publications, the Sale Notice, valuation report, encumbrance certificate and the order passed under Section 14 of the SARFAESI Act.

10. The judgments relied upon by the Applicant disclose that the decree declaring the Applicant's title over the subject property was confirmed by the Hon'ble High Court and thereafter affirmed by the Hon'ble Supreme Court. Significantly, the Defendant Bank has not disputed the existence of the said judicial pronouncements and has itself produced copies of those judgments. Thus, it is evident that the declaration of title in favour of the Applicant had attained finality much prior to the creation of the mortgage in favour of the Defendant Bank on 24.11.2014.

11. This Tribunal is of the considered view that, before accepting an immovable property as security and creating an equitable mortgage, a secured creditor is expected to exercise due diligence and properly scrutinise the title deeds and all relevant documents relating to the ownership of the property. When judicial pronouncements concerning the title of the property had already attained finality and formed part of the chain of title, the Defendant Bank ought to have verified the competence and authority of the persons offering the property as security. The records placed before this Tribunal indicate that the subsequent Sale Deeds themselves trace their origin to Swami Athmananda. In such circumstances, the Defendant Bank cannot avoid the consequences of the earlier binding judicial declarations by merely relying upon the subsequent registered documents. The failure to properly verify the title and authority of the mortgagors before accepting the property as security cannot prejudice the rights of the true owner.

12. The Defendant Bank would, however, contend that the Applicant questioned the transactions only belatedly by filing O.S. No.45 of 2022 and that no interim injunction has been granted in the said suit. In the considered view of this Tribunal, the mere pendency of O.S. No.45 of 2022 cannot dilute or nullify the binding effect of the earlier judgments, which had already attained finality. The said suit has admittedly been instituted by the Applicant challenging the subsequent alienations allegedly made after the declaration of title and seeking consequential reliefs. Therefore, the pendency of the subsequent suit cannot be construed as reopening or suspending the earlier decree declaring the Applicant's title.

13. Once the title of the Applicant had been conclusively recognised by the competent Civil Court and the said declaration had been affirmed by the Hon'ble High Court as well as the Hon'ble Supreme Court, any subsequent transfer or mortgage of the property could convey only such right as was available with the transferor. If the transferor had no subsisting right or authority to alienate or encumber the property, the mortgage created in favour of the Defendant Bank cannot confer a better or superior right than that possessed by the mortgagor.

14. The Applicant has also contended that the secured asset is an agricultural land exempted under Section 31(i) of the SARFAESI Act. However, except the pleadings, photographs and other assertions made by the Applicant, no convincing revenue records or cogent documentary evidence have been produced to establish that the secured asset was being used exclusively for agricultural purposes so as to attract the statutory exemption. Therefore, this contention is not accepted.

15. Though the Defendant Bank has produced the Demand Notice, Possession Notice, proof of service, newspaper publications, valuation report, Sale Notice, Encumbrance Certificate and the order passed under Section 14 of the SARFAESI Act, compliance with the procedural requirements of the SARFAESI Act cannot validate enforcement against a property if the very mortgage is founded upon a defective title which has already been decided in favour of the Applicant by competent Courts.

16. The contention of the Auction Purchaser that he is a bona fide purchaser for valuable consideration has also been considered by this Tribunal. It is the specific case of the Auction Purchaser that he participated in the E-auction conducted by the 1st Defendant Bank, was declared the successful bidder and had deposited 50% of the sale consideration, while expressing his willingness to pay the balance amount. It is also contended that the Defendant Bank is a secured creditor dealing with public money and, therefore, the sale should not be interfered with. Though the Auction Purchaser may have participated in the auction bona fide, the rights of an auction purchaser cannot travel beyond the rights of the secured creditor. This Tribunal has already held that the Applicant's title over the schedule-mentioned property had attained finality by virtue of the judgments of the competent Civil Court, the Hon'ble High Court and the Hon'ble Supreme Court, much prior to the creation of the mortgage in favour of the Defendant Bank. If the mortgagors had no valid title or authority to create the mortgage, the Defendant Bank could not have acquired a valid security interest over the property and, consequently, the auction conducted on the strength of such security interest cannot confer a better title upon the Auction Purchaser. Accordingly, notwithstanding the bona fides of the Auction Purchaser, the sale conducted pursuant to the impugned E-auction Notice cannot be sustained in law.

17. Accordingly, this Tribunal holds that the Defendant Bank was not justified in proceeding against the schedule-mentioned property under the SARFAESI Act. Consequently, the impugned E-auction Notice and all consequential measures initiated against the schedule-mentioned property are liable to be set aside.

In the result, S**.A. No.836 of 2024 and S.A. No.311 of 2025 are allowed**. There shall be no order as to costs.

a) The impugned E-auction Notice dated 14.11.2024 and the order passed by the learned Chief Judicial Magistrate, Theni, in Crl.M.P. No.535 of 2025 dated 21.04.2025, together with all consequential proceedings initiated by the 1st Defendant Bank in respect of the schedule-mentioned property, are hereby set aside.

b) The Defendant Bank is directed to refund the entire sale consideration deposited by the Auction Purchaser together with interest at the rate of 4% per annum from the respective dates of deposit till the date of refund. The said amount shall be refunded within one month from the date of receipt of a copy of this order.

c) This order shall not preclude the Defendant Bank from working out its remedies for recovery of outstanding loan amount in accordance with law against the borrower, guarantors or any other person liable under the loan transaction.

Consequently, all connected interlocutory applications, if any, shall stand closed.

Dictated to LDC (KK), taken down, transcribed, typed by him, corrected and pronounced by me, in the Open Court in this the 29th July 2026.

Sd/-
(SEEMA SINHA)
PRESIDING OFFICER

Uploaded on 04.08.2026