IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this 14th day of August, 2026

PRESENT: **SHRI SHARANG DHAR UPADHYAY**
Presiding Officer

IA Dy Nos. 892 to 895 of 2026 in
OA No.87 of 2025

Mr. V. Ramamoorthy
S/o Veerasamy
No.2/271, Mullur North, Mullurpattikadu
Orathanadu Taluk
Thanjavur District – 614 901 **…Petitioner / 5th Defendant**

Versus

1. M/s City Union Bank Limited
Represented by its Branch Manager
Pattukkottai Branch
No.80, Ground Floor, Thalaiyari Street
Pattukottai, Thanjavur District – 614 601
…1st Respondent / Applicant

2. M/s JPV Traders
Represented by Mrs. B. Vasuki & Mrs Jaya Gandhi
No.1/9C, Main Road
Mullurpattikadu Post, Orathanadu Taluk
Thanjavur District – 614 901

3. Mrs. B. Vasuki, W/o Late V Balasubramanian
No.47, North Mullurpattikadu Post
Orathanadu Taluk, Thanjavur District – 614 901

Also at
Kozhipannai Pothiyappan
Main Road, Mullurpattikadu Post
Orathanadu Taluk, Thanjavur District – 614 901
(also arrayed as legal heir of Late V. Balasubramnian)

4. Mrs. Jaya Gandhi, D/o Late V. Balasubramanian
No.47, North Mullurpattikadu Post
Orathanadu Taluk, Thanjavur District – 614 901

Also at
Kozhipannai Pothiyappan
Main Road, Mullurpattikadu Post
Orathanadu Taluk, Thanjavur District – 614 901
(also arrayed as legal heir of Late V. Balasubramnian)

5. R. Duraiyarasan
S/o Ramasamysenapathi
South Mullur, Mullurpattikadu
Orathanadu Taluk, Thanjavur District – 614 901

…Respondents 2 to 5 / Defendants 1 to 4

ORDERS ON MAINTAINABILITY

1. These interlocutory applications are filed by the Petitioner / 5th defendant for:

(a) IA Dy No.892 of 2026 – To direct the 1st respondent / Applicant Bank to consider and accept the settlement proposal.

(b) IA Dy No.893 of 2026 – To direct the 1st respondent / Applicant Bank to release the documents of title belonging to the petitioner pertaining to Item-III (instead of Item-III it has been stated as Item-II in OA) of the B Schedule property to the petitioner to sell the same by himself so as to settle the loan account.

(c) IA Dy No.894 of 2026 – To direct the 1st respondent / applicant bank to assign the loan payable by the respondents 2 to 4 / defendants 1 to 3 or issue sale certificate in favour of the petitioner in respect of Item No. II of the B schedule property belonging to the principle borrower and now belonging to respondents 2 to 4 / Defendants 1 to 3 on settling the loan account by the petitioner.

(d) IA Dy No.895 of 2026 – To direct the 1st respondent / Applicant Bank to deliver the documents of title pertaining to Item-I, II & III of the B schedule property to the petitioner on settling the loan account by the petitioner.

2. The Registry has placed the above applications before the Bench for hearing on the question of maintainability.

IA Dy No.892 of 2026

3. The Registry has raised an objection to the effect that "Applicant to clarify how this prayer to direct the 1st respondent / applicant bank to consider and accept the settlement proposal is maintainable"

4. In reply the Petitioner / 5th defendant has submitted as under:

"The Original Documents offered by the Principal Debtor and the guarantors as security for availing the financial assistance is within the custody of the respondent bank. Even though the respondent has not filed the documents before the Tribunal, when the loan is settled the respondent bank is bound to return the documents and that the petitioner has offered to settle the loan as he is not only a guarantor but also the brother of the deceased borrower.

2. The Petitioner has submitted a letter dated 31.07.2025 offering to settle the loan by paying a sum of Rs.1,20,00,000/- which was not considered by the Respondent Bank in the manner known to procedure

but simply rejected stating to take part in the auction sale. The respondent bank is bound to consider the offer for settlement in the circumstance of the case and the petitioner is entitled to seek the remedy to meet the ends of justice as such the petition is maintainable."

IA Dy No.893 of 2026

5. The objection of the Registry is that "Applicant to clarify how this prayer to direct the 1st respondent to release the documents of title belonging to the petition Item No.II & III of schedule-B property is maintainable."

6. In reply the petitioner has submitted that:

"3. The petitioner has paid a sum of Rs.48,00,000/- being the conditional order passed by the Hon'ble Tribunal in SA No.545 of 2024. As per Section 140 of the Indian Contract Act, the petitioner being one of the Guarantor and also the brother of the deceased who is living in the property belonging to the deceased principal debtor which is an ancestral property and offered as security is entitled to wipe out the loan and get it assigned by the bank in favour of the petitioner. If the title deeds of the property offered by the petitioner is released considering the payment of Rs.48,00,000/- made by him, the petitioner will sell the same and he will pay the sale proceeds to the bank towards the loan account to discharge the loan and that in terms of Sec. 141 of the Indian Contract Act, the petitioner is entitled for the same."

IA Dy No.894 of 2026

7. The objection of the Registry is that "Applicant to clarify. How this prayer to dirct the 1st respondent / applicant bank to issue sale certificate / assignment of loan in respect of the Item No.1 of the B schedule property belong to the principle borrower and now belonging to respondents 2 to 4 is maintainable."

8. In reply the petitioner has submitted that:

"…3. In the event of the petitioner settling the loan in terms of Sec. 140 he is entitled for assignment of loan by the 1st Respondent Bank in favour of the petitioner or sale certificate in respect of the property belonging to the deceased principle borrower now belonging to respondents 2 to 4 / defendants 1 to 3. Hence petition is maintainable"

IA Dy No.895 of 2026

9. The objection of the Registry is that "Applicant to clarify. How this prayer to direct the 1st respondent / applicant to deliver the documents of title pertaining to Item No.I and II of the B Schedule property to the petitioner is maintainable."

10. In reply the Petitioner has submitted that:

"….3.In the event the petitioner settling the loan in terms of Sec. 140 he is entitled to get back the documents as the loan will be assigned in favour of the petitioner by the respondent bank. Hence petition is maintainable.”

11. Heard the Ld. Counsel for the Petitioner / 5th defendants and Ld. Counsel for 1st respondent / Applicant Bank. Perused the records.

12. The Registry has placed IA Dy. Nos.892 to 895 of 2026 before the Bench for consideration of the objections raised with regard to the maintainability of the prayers sought therein.

13. Heard the learned counsel for the Petitioner/5th defendant and the learned counsel for the 1st respondent/Applicant Bank. Perused the records.

14. In IA Dy. No.892 of 2026, the Petitioner seeks a direction to the 1st respondent/Applicant Bank to consider and accept the settlement proposal submitted by him. The objection raised by the Registry is as to the maintainability of such a prayer. The Petitioner, in reply, has relied upon his status as guarantor and his offer to settle the loan liability.

15. The prayer, however, is for a positive direction to the Bank to consider and accept a settlement proposal. The Hon’ble Apex Court has held that it is the prerogative of the bank whether to accept the settlement proposal or reject the same and this Tribunal cannot interfere with the same. Further, the acceptance of a settlement proposal does not arise for adjudication as a matter of right in the present proceedings. The

Petitioner has not shown any concluded settlement or any enforceable right on the basis of which such a direction can be sought by way of an interlocutory application. Hence, the prayer in IA Dy. No.892 of 2026 is not maintainable.

16. In IA Dy. No.893 of 2026, the Petitioner seeks a direction to the 1st respondent/Applicant Bank to release the title documents pertaining to the property referred to in the application, on the premise that he would sell the property and utilize the sale proceeds towards discharge of the loan.

17. The relief sought is founded upon the Petitioner's proposed settlement of the loan and the consequential release of the title documents. The Petitioner has not demonstrated any presently enforceable right to seek such release by way of an interlocutory application in the present proceedings. The question as to what rights may accrue upon actual discharge of the liability is not required to be decided for determining the maintainability of the present application. Accordingly, IA Dy. No.893 of 2026 is not maintainable.

18. In IA Dy. No.894 of 2026, the Petitioner seeks a direction to the 1st respondent/Applicant Bank either to assign the loan payable by respondents 2 to 4/defendants 1 to 3 in his favour or to issue a sale certificate in his favour in respect of the property belonging to the principal borrower.

19. The prayer seeks a substantive direction for assignment of the loan or issuance of a sale certificate in favour of the Petitioner. Such relief cannot be claimed as an interlocutory relief merely on the basis of the Petitioner's proposal to discharge the loan liability. The Petitioner has not shown the maintainability of such a prayer in the present proceedings. Therefore, IA Dy. No.894 of 2026 is not maintainable.

20. In IA Dy. No.895 of 2026, the Petitioner seeks a direction to the 1st respondent/Applicant Bank to deliver the documents of title pertaining to Items I, II and III of the B Schedule property to him on settling the loan account.

21. The prayer is again founded upon a proposed settlement and the Petitioner's assertion that upon settlement he would be entitled to the title documents. The question of any substantive entitlement that may arise upon actual discharge of the liability is not required to be adjudicated in the present applications. The Petitioner has not established the maintainability of the relief sought as an interlocutory prayer in the present proceedings. Hence, IA Dy. No.895 of 2026 is not maintainable.

22. The Petitioner has relied upon Sections 140 and 141 of the Indian Contract Act, 1872, to contend that, being a guarantor, he would be entitled to the rights of the creditor upon discharge of the liability and to the benefit of the securities. Without expressing any opinion on the

substantive rights, if any, that may accrue to the Petitioner under the said provisions, it is sufficient to hold that the said provisions do not, for the purpose of the present applications, establish the maintainability of the specific reliefs sought by the Petitioner.

23. In view of the above, this Tribunal finds that the objections raised by the Registry with regard to the maintainability of IA Dy. Nos.892 to 895 of 2026 are well founded.

24. **Accordingly, the objections raised by the Registry are sustained. Consequently, IA Dy. Nos.892 to 895 of 2026 are rejected as not maintainable.**

25. It is made clear that this order is confined strictly to the question of maintainability of the aforesaid interlocutory applications. This Tribunal has not expressed any opinion on the merits of the claims, the substantive rights of the Petitioner, or the effect of Sections 140 and 141 of the Indian Contract Act, 1872. The dismissal of these applications shall not preclude the Petitioner from availing such other remedy as may be available to him in accordance with law.

Sd/-
(SHARANG DHAR UPADHYAY)
PRESIDING OFFICER
DRT-II CHENNAI

(Dictated to PS, who typed in the system directly, corrected, signed and pronounced by me in Open Court, on this 14th day of August, 2026)