Fair Order

IN THE DEBTS RECOVERY TRIBUNAL AT MADURAI
DATED THIS 10th DAY OF SEPTEMBER, 2026
PRESENT: SEEMA SINHA
[PR. DISTRICT & SESSIONS JUDGE - Retd]
PRESIDING OFFICER

SA No. 458/2019
Connected SA No. 48/2026

T. Sathya,
W/o. Thanga Pandiyan,
No.33, Sakthi Illam,
Rayar Compound Kudiyiruppu,
Courtallam, Tenkasi Taluk
Tenkasi – 627 802. .... Applicant

Vs

1. The Authorized Officer,
   Indian Overseas Bank,
   Courtallam Branch,
   Bus stand Shopping Complex,
   Main Road, Courtallam – 627 802. .... 1st Defendant Bank

2. The Chief Judicial Magistrate,
   Tenkasi. .... 2nd Defendant

3. C. Vallinagayam,
   S/o. Subbaiah Chidambaram,
   No. 79, Sannathi Street,
   Courtallam - 627 806. .... 3rd Defendant/Auction Purchaser

Appearance of Advocates:
M/s. R.Jeya Revathy ---- Counsel for the Applicant
M/s. J.Shenbagalingam ---- Counsel for the Defendant Bank
M/s. J.Arul Prakash ---- Counsel for the 3rd Defendant / Auction Purchaser
2nd Defendant is none other than the Ld. CJM, Tenkasi District

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This SARFAESI Application was heard in the presence of Counsels for the Applicant, Defendant Bank, 3rd Defendant/Auction Purchaser and fixed for passing final order before me and upon hearing the arguments of the Counsels and having stood over for consideration till this day, this Tribunal delivered the following:

O R D E R

1. a. SA 458/2019: To call for the records pertaining to the initiation of proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and to set aside e-Auction sale dated 14.08.2019 read with provisio to rule 8(6) of the security interest (enforcement) rules 2002 and further its connected proceedings under SARFAESI Act by the respondent.

Further in

b. SA 48/2026: To set aside the order dated 18.12.2025 passed by the Chief Judicial Magistrate, Tenkasi in Cr.M.P. No. 1272 of 2025 and restraining the Defendant Bank from taking physical possession of the schedule mentioned property.

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

a) It is submitted that, she is engaged in the business of running a Tourist Home at Courtallam. For the purpose of establishing the said business, the Applicant purchased a property situated in Survey No. 464, Courtallam Hamlet, Courtallam Town Panchayat, measuring an extent of approximately 2300 sq. feet. In order to develop the said property and commence the business, the Applicant availed a term loan from the 1st Defendant vide Loan Account No. 0235034 5050 0001 on 19.02.2005 for a sum of Rs.

3,00,000/- and commenced repayment of the said loan as per the terms of the loan agreement.

b) It is further submitted that, the Tourist Home business is purely seasonal in nature and is dependent upon tourist inflow during the season, particularly when there is water flow in the Courtallam waterfalls. During the off-season period, there is very little or no income from the said business. Due to the seasonal nature of the business and fluctuating income, the Applicant was unable to make regular monthly payments. However, the Applicant has been paying the loan amount whenever income was generated from the business.

c) It is further submitted that, due to unforeseen financial hardship and business loss, the loan account slipped into irregularity, and the Respondent Bank classified the loan account as Non-Performing Asset (NPA) and thereafter issued a demand notice dated 09.06.2014 under Section 13(2) of the SARFAESI Act, demanding repayment of the alleged outstanding dues and there is no personal service of the 13(2) notice to the Applicant. Without serving the 13(2) notice, the subsequent proceedings under the SARFAESI Act are wholly illegal.

d) It is further submitted that, she submitted representations and objections to the said demand notice; however, the Respondent Bank failed to consider the same in a proper and lawful manner as mandated under Section 13(3A) of the SARFAESI Act.

e) It is further submitted that, subsequently the Respondent bank has taken alleged symbolic possession of the property under Section 13(4) of the SARFAESI Act on 10.10.2018 with regard to the schedule mentioned property. The symbolic possession which was

taken with regard to the schedule mentioned property by the Respondent bank has not been properly published in the newspapers widely circulated in that locality as prescribed under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002.

f) It is further submitted that, Challenging the illegal possession proceedings, the Applicant had already filed an earlier Securitisation Application before this Hon'ble Tribunal, and the same is still pending adjudication.

g) It is further submitted that, while the said S.A. is pending before this Hon'ble Tribunal, the 1st Defendant, suppressing the pendency of proceedings, unlawfully approached the Court of the Hon'ble Chief Judicial Magistrate, Tenkasi, and filed an application under Section 14 of the SARFAESI Act seeking assistance for taking physical possession of the secured asset.

h) It is further submitted that, the Hon'ble Chief Judicial Magistrate, Tenkasi, by order dated 18.12.2025 in Crl.M.P. No. 1272 of 2025, appointed an Advocate Commissioner for taking physical possession of the secured asset and for handing over the same to the Respondent Bank.

i) It is further submitted that, pursuant to the said order, the Advocate Commissioner, with police assistance, forcibly dispossessed the Applicant from the schedule mentioned property and handed over physical possession to the Respondent Bank in a most arbitrary and unlawful manner.

j) It is further submitted that, taking undue advantage of the illegal possession, the 1st Defendant hurriedly issued sale notice and conducted auction of the secured asset without giving proper

opportunity to the Applicant to redeem the property as mandated under Section 13(8) of the SARFAESI Act.

k) It is further submitted that, the 1st Defendant has conducted the auction in violation of Rules 8 and 9 of the Security Interest (Enforcement) Rules, 2002, and failed to comply with the mandatory timelines, valuation procedure and publication requirements.

l) It is further submitted that, shockingly, the 1st Defendant has also proceeded to issue Sale Certificate in favour of the auction purchaser, despite the pendency of the earlier Securitisation Application before this Hon'ble Tribunal, thereby rendering the entire sale proceedings void, illegal and non-est in the eye of law.

m) It is further submitted that, the issuance of Sale Certificate during the pendency of proceedings before this Hon'ble Tribunal amounts to abuse of process of law and is in gross violation of the principles of natural justice.

n) It is further submitted that, the Respondent Bank has acted in a most highhanded, arbitrary and oppressive manner with the sole intention of depriving the Applicant of the valuable immovable property, which is the only source of livelihood for the Applicant and family members.

o) It is further submitted that, the Applicant is always ready and willing to settle the loan account and redeem the property; however, the Respondent Bank has deliberately denied such opportunity and rushed through the sale proceedings.

p) It is further submitted that, the entire SARFAESI action initiated by the Respondent Bank is vitiated by procedural irregularities, statutory violations and suppression of material facts and is therefore liable to be set aside.

q) It is further submitted that, the Applicant is filing the present Securitisation Application seeking appropriate reliefs, including:

a. Setting aside the possession proceedings.

b. Quashing the auction sale.

c. Cancelling the Sale Certificate.

d. Restoring possession of the property to the Applicant.

e. Granting opportunity to redeem the secured asset.

r) It is further submitted that, the cause of action for filing the present application arose on the date of taking physical possession pursuant to the 2nd Defendant's order and further arose on the date of issuance of Sale Certificate and continues to subsist. The alleged default in repayment was neither wilful nor intentional, but occurred solely due to the unprecedented COVID-19 pandemic and the continuous lockdowns imposed by the Central and State Governments during the years 2020, 2021 and part of 2022.

s) It is further submitted that, during the COVID period, the Applicant's source of income was severely affected due to total shutdown of business/loss of employment/restriction of movement and economic slowdown, as a result of which the Applicant was put into extreme financial hardship and was unable to service the loan installments regularly.

t) It is further submitted that, the Applicant and family members were also affected by medical expenses and loss of earnings during the pandemic period, which made it impossible to comply with the repayment schedule for reasons completely beyond the control of the Applicant.

u) It is further submitted that, the Hon'ble Supreme Court of India has taken judicial notice of the severe financial impact caused by COVID-19 and granted various reliefs, including moratoriums and protection to borrowers during the pandemic period.

v) It is further submitted that, immediately after normalcy was restored, the Applicant made sincere efforts to regularise the loan account and approached the Respondent Bank for settlement; however, the Respondent Bank failed to consider the genuine hardship of the Applicant and mechanically proceeded with SARFAESI action.

w) It is further submitted that, the Applicant has not filed any other application seeking similar reliefs except the earlier S.A., which is pending adjudication before this Hon'ble Tribunal.

- The respondent bank failed to give the proper details in Notices regarding the actual outstanding dues. The authorized officer has claimed excessive interest.

- The communication under Section 13(2) and 13(4) of the Act are not under the guidelines stipulated under the Act.

- The respondent has not followed the RBI guidelines in the issuance of S.13(2) and S.13(4) notice in his name.

- The notice under S.13(2) and Possession Notice published are against the settled legal principles laid down by the Hon'ble Supreme Court in various settled cases.

- The respondent failed to give the proper details about the S.13(4) Notice published regarding the schedule mentioned property.

- The outstanding shown in the E-Auction Sale Notice published is mischievous, imaginary and not borne out of records and the same has not been arrived at adopting RBI guidelines.

- The E-Auction Sale Notice dated 14.08.2019 is per se void as many properties mentioned in the possession notice are agricultural properties and agricultural activities are currently carried on and thus hit by Sec. 31 of the SARFAESI Act.

- The Authorized Officer has no locus standi to publish the present E-Auction Sale Notice dated 14.08.2019.

- The Authorized Officer has not followed Rules 8(1) and 8(2) and the notice was not affixed on the outer door or at such conspicuous place of the property.

- The 1st Defendant Bank failed to obtain proper valuation of the property and did not fix a fair reserve price, resulting in gross undervaluation of the secured asset.
- The sale certificate issued in favour of the 3rd Defendant is liable to be set aside as it is founded on an illegal auction conducted by the 1st Defendant Bank.

SCHEDULE OF PROPERTY

Tirunelveli Zone, Tenkasi Registration District, Tenkasi District, Tenkasi Taluk, Courtallam Revenue Village, within the jurisdiction of the Tenkasi Joint Sub-Registrar-2, the area of 4 Acres and 28 Cents situated at Ayan Punchai Survey No. 464/1, and numbered as 74/87 as per the land division approved by the Deputy Director of Urban Planning Tirunelveli-Kanyakumari Nagar. East-West 34.9ft on Northern Side, East-West 35.6 Ft on Southern Side, South-North 67 Ft on Eastern Side, South-North 64 Ft on Western Side, totalling of 2300.6875 Sq.Ft (213.74 Sq.M). Whereon within the area of Courtallam Special Town Panchayat, 4th Ward, Plot No.17, a Building along with Doors, Electricity Connection and other things in the name of Thangapandian Lodge, located and North facing towards Courtallanathar Road.

Bounded By:

North: 7 Meter length road

South: Irrigation Odai

East: Plot No.18

West: Plot No.16

EB Connection No: 07-030-004-632.

The above said Property comes under at Courtallam Revenue Village, F Ward, Block-005 in Layout No.8/1A1A as per the Town Survey.

The Applicant has submitted the following List of documents in support of her claim in the SA 458/2019 & 48/2026, which are as follows:

S.No.	Date	Details of Documents
1.	14.08.2019	e-Auction Sale Notice (Paper Publication- Tamil)

S.No.	Date	Details of Documents
1.	****	Copy of the sale certificate
2.	18.12.2025	Copy of the CJM Order in Crl.M.P No.1727 of 2025

3. On the other hand, the Counsel for the Defendant Bank appeared and filed Reply Statement & Typed Sets in which it is submitted that, Applicant herein had approached the Respondent Bank seeking a Term Loan facility of Rs.7,00,000/- (Rupees Seven lakhs only) on 18.02.2005 for the construction of a tourist home. Credit sanction advice was issued to the Applicant on the same day and subsequently the loan was sanctioned by the Respondent Bank. The Applicant, with due knowledge and willingness, had executed all necessary loan documents for the loan availed. On consideration of the Term Loan, the Applicant had entered into a loan agreement with the Respondent Bank on 19.02.2005. She agreed to repay the Term Loan of Rs.7,00,000/- (Rupees Seven lakhs) in 10 monthly installments of Rs.12,170/- (Rupees Twelve Thousand one hundred and seventy only). The first installment commences from 31.05.2005 and she had also agreed to pay interest at the rate of 5.5% over the Reserve Bank of India lending rate, with a minimum of 11.5% per annum or at such other rates as may be notified by the Bank from time to time, rising and falling therewith, calculated respectively on the daily balance of the amount due with quarterly rests, on the days of March, June, September and December each year, and pay such interest within seven days from the date from which it falls due for payment.

a) It is further submitted that, in consideration of the Term Loan on 19.02.2005, the Applicant executed a letter of hypothecation in favour of the Respondent Bank by hypothecating 20 Nos. of wooden cots with foam, 10 Nos. of T.V. and blankets and pillows at her Tourist Home premises and executed a Guarantee Agreement in favour of the Respondent Bank on 19.02.2015. Mr. G. Thangapandian stood as the guarantor for the Term Loan availed by the Applicant from the Respondent Bank. On 19.02.2005, the Applicant executed a consent-cum-authorization letter in favour of the Applicant Bank for the loan availed.

b) It is further submitted that, in consideration of the Term Loan availed, the Applicant executed a memorandum of deposit of title deeds in favour of the Respondent Bank on 17.02.2005 by depositing the title documents in favour of the Respondent Bank. The borrower defaulted in repayment of the Term Loan availed from the Respondent Bank. Despite sufficient opportunity, the borrower failed to regularize the loan amounts and, with no other alternative, the loan account was classified as Non-Performing Asset on 29.06.2007.

c) It is further submitted that, the demand notice was issued on 09.06.2014 to the borrower and the same was delivered upon her. The said notice was sent through registered post to the address of the borrower and acknowledgment of delivery was also issued by the postal department. Rule 3 was duly complied with. After receiving the same, the borrower neither issued any reply nor repaid the loan.

d) It is further submitted that, in these circumstances, the Respondent Bank was constrained to issue statutory possession notice in strict compliance with the statutory prescriptions on 22.07.2015. It was affixed to the property and was duly published in two newspapers, THE NEW INDIAN EXPRESS and DAILY THANTHI (Tamil Daily), on 27.07.2015. The said notice was also delivered upon the borrower. Proof of service of the possession notice and compliance with the statutory requirement of publication in two newspapers, of which one is in vernacular, and the affixture of the possession notice in the property are all attached in the typed set of papers.

e) It is further submitted that, the borrower has filed S.A. No. 285 of 2015 challenging the possession notice along with an application

for stay. The Applicant had failed to contest the case, and the same was dismissed for non-prosecution.

f) It is further submitted that, the Sale Notice was issued to the borrower on 14.08.2019 and the auction was fixed on 16.09.2019. The same was published in the newspapers, and the same is annexed in the typed set of papers. The Defendant Bank had obtained a valuation report from the approved valuer on 09.08.2019, and the reserve price was fixed based on the valuation report. It is submitted that the Sale Notice was issued to the borrower on 14.08.2019 and the auction was fixed on 16.09.2019. In strict compliance with the statutory prescriptions, it was delivered by registered post, it was affixed to the property on 14.08.2019 and was duly published in two newspapers, THE HINDU (English) and DHINA THANTHI (Tamil), on 15.08.2019.

g) It is further submitted that, the Applicant filed S.A. No. 458 of 2019 challenging the Sale Notice dated 14.08.2019. As per the stay order dated 12.09.2019, confirmation of sale was not issued by the Defendant Bank.

h) It is further submitted that, the 3rd Defendant is declared as the successful bidder for quoting Rs.41,90,000/-. The mandatory 25% of the reserved price, Rs.10,47,500/-, was deposited by the 3rd Defendant on 31.08.2019, Rs.4,18,000/- (10% EMD payment), and on 16.09.2019, Rs.6,29,500/- (Balance 15% payment), which was kept in our SARFAESI parking account since 2019 and awaited for final orders in the said case.

i) It is further submitted that, the Applicant again protracted the said 2nd S.A. for about six years, had failed to contest the case, and the same was dismissed for non-prosecution on 30.09.2025. To

protract further, the Applicant filed Restoration Petition. As per order passed by this Hon'ble Tribunal in M.A. No. 401 of 2015 on 13.01.2026, the said S.A. is also restored. In the meantime, sale confirmation was issued by the Defendant Bank on 17.10.2025. As the 3rd Defendant paid the entire sale consideration of Rs.41,90,000/-, the Sale Certificate was issued by Applicant Bank on 21.10.2025. The said Sale Certificate was also registered as Doc. No. 4749 of 2025 on 27.10.2025.

j) It is further submitted that, the Defendant Bank filed a Section 14 petition under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, before the Learned Chief Judicial Magistrate, for taking physical possession of the subject property, by which the impugned order was passed by the Learned Chief Judicial Magistrate, Tenkasi, in Crl.M.P. No. 1272 of 2025 dated 18.12.2025. The above averments will prove that all the grounds that are raised by the Applicant are false and baseless. The Typed set of papers filed by the Defendant Bank will prove that the SARFAESI Rules and Regulations are strictly complied with by the Defendant Bank.

k) It is further submitted that, the Applicant had raised a bald contradicting ground that she raised objection for the Demand Notice dated 09.06.2014, which was not raised in the previous two SAs and not filed any documentary evidence, even in the present case, to prove such ground. After crediting the loan outstanding of Rs.23,22,117/-, the balance sale consideration of Rs.18,67,883/- was issued as Demand Draft No. 920292154 dt. 21.10.2025 in favour of Mrs. Sathya, intimating the Applicant to collect the original, and the same was not yet collected. The secured asset is a tourism lodge building. Applicant, with a mala fide intention, is adopting delaying tactics since the year 2015 to avoid repayment of

loan availed and had filed repeated frivolous SAs to stall the recovery proceedings. The Applicant had suppressed the dismissal of S.A. No. 285 of 2015, challenging the possession notice dated 22.07.2015 by this Hon'ble Tribunal, which was dismissed for default/non-prosecution on 27.04.2019.

l) It is further submitted that, the Applicant had not raised any specific ground against the Impugned order passed by the Learned Chief Judicial Magistrate, Tenkasi, in Crl.M.P. No. 1272 of 2025 dated 18.12.2025. the Applicant admitted the default in repayment of loan, in her own pleadings. Her only intention is to stop the SARFAESI proceeding initiated by the Defendant Bank by making misrepresentation before this Hon'ble Tribunal.

m) It is further submitted that, the Applicant lost the Right of Redemption as per the Judgment reported in *CIVIL APPEAL NOS. 5542-5543 OF 2023 - CELIR LLP Vs. BAFNA MOTORS (MUMBAI) PVT. LTD. & ORS.* Further, the amended provisions of Section 13(8) of the SARFAESI Act make it clear that the right of the borrower to redeem the secured asset stands extinguished thereunder on the very date of publication of the notice for public auction under Rule 9(1) of the Rules of 2002. In effect, the right of redemption available to the borrower under the present statutory regime is drastically curtailed and would be available only till the date of publication of the notice under Rule 9(1) of the Rules of 2002 and not till the completion of the sale or transfer of the secured asset in favour of the auction purchaser. In the present case, the auction sale is completed as the Sale Certificate was also registered as Doc. No. 4749 of 2025 on 27.10.2025. The Applicant is now preventing the Defendant Bank from taking physical possession of the subject property.

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

TYPED SET OF DOCUMENTS FILED BY THE DEFENDANT BANK

SI. No	Date	Events
1	17.02.2005	Memorandum of Deposit of Title Deed executed by Applicant in favour of 1st Defendant Bank on 17.02.2005 in Doc. No. 356 of 2005.
2	09.06.2014	Demand Notice issued by 1st Defendant Bank with Acknowledgment Card (colour xerox).
3	22.07.2015	Possession Notice issued by 1st Defendant Bank with Acknowledgment Card (colour xerox).
4	22.07.2015	Photo affixture of Possession Notice on 22.07.2015 (colour xerox).
5	27.07.2015	Paper publication of Possession Notice in The New Indian Express (English) and Dhina Thanthi (Tamil) on 27.07.2015 (colour xerox).
6	09.08.2019	Valuation Report of the subject property.
7	14.08.2019	Sale Notice issued by 1st Defendant Bank with Acknowledgment Card (colour xerox).
8	14.08.2019	Photo affixture of Sale Notice on 14.08.2019 (colour xerox).
9	15.08.2019	Paper publication of Sale Notice in The Hindu (English) and Dhina Thanthi (Tamil) on 15.08.2019 (colour xerox).
10	17.10.2025	Sale Confirmation issued by the 1st Defendant Bank to 3rd Defendant Auction Purchaser.
11	21.10.2025	Sale Confirmation issued by the 1st Defendant Bank to 3rd Defendant Auction Purchaser.
12	27.10.2025	Sale Certificate was registered as Doc. No. 4749 of 2025.
13	27.10.2025	Encumbrance Certificate of Sale Certificate Doc. No. 4749 of 2025.

4. On the other hand, the Counsels for the 3rd Defendant/Auction Purchaser appeared and filed Counter in which it is submitted that, the instant Securitization SARFAESI Application is wholly frivolous, vexatious and not maintainable in law and should be dismissed in limine.

a) It is further submitted that, he is the auction purchaser of the impugned SARFAESI Application mentioned properties and, as such, he is well acquainted with the facts and circumstances of the case, and he is denying the averments made in the above S.A. except those that are specifically admitted hereunder.

b) It is further submitted that, the averments contained in Para No. 1 to 8 of the Facts of the Case of the S.A. are completely and entirely denied as false, and the Applicant is put to strict proof thereof.

c) It is further submitted that, he is an innocent third-party buyer who participated in the Auction in good faith without any collusion, fraud, or prior knowledge of the Applicant's disputes with the Bank.

d) It is further submitted that, the Applicant herein has failed to pay the outstanding loan amount, by which the 1st Defendant Bank has taken steps to satisfy their loan dues by initiating procedures laid down in the SARFAESI Act.

e) It is further submitted that, even the Applicant herself has admitted through the averments raised in the present S.A. that the procedures contemplated under Sections 13(2) and 13(4) of the SARFAESI Act have been followed. Therefore, the 1st Defendant Bank has followed all mandatory provisions of the SARFAESI Act and rules and regulations thereunder.

f) It is further submitted that, the 2nd Defendant participated in the auction only after depositing the required Earnest Money Deposit, and he was only the highest bidder.

g) It is further submitted that, the entire Sale consideration was paid by the 2nd Defendant without any fail, and also the Sale Certificate was issued by the 1st Defendant Bank in favour of the 3rd Defendant only after the entire sale consideration was paid.

h) It is further submitted that, again the 3rd Defendant states that he is a bona fide purchaser for valuable consideration without notice of any alleged dispute between the Applicant and the 1st Defendant Bank.

i) It is further submitted that, the right of a bona fide auction purchaser deserves protection of the sale; vested rights have accrued in favour of the 2nd Defendant herein, which cannot be defeated.

j) Moreover, the Borrower's right of redemption is extinguished on publication of the Auction Notice under the SARFAESI Act. (M. Rajendran -Vs- KPK Oils and Proteins India Pvt. Ltd. [2025 INSC 1144]).

k) Besides, the Hon'ble Apex Court in *Celir LLP - Vs- Mr.Sumati Prasad Bafna & Ors (2024 INSC 978)* has stated as follows that:

"..215.In PHR Invent Educational Society v.UCO Bank reported in (2024) 6 SCC 579 it was again reiterated that an auction-sale which stands confirmed can only be interfered with when there was any fraud or collusion, and entertaining of issues regarding the validity of

such auction would amount to reopening issues which have achieved finality.

216.In V.S. Palanivel v. P. Sriram reported in 2024 INSC 659 this Court again reiterated unless there are some serious flaws in the conduct of the auction as for example perpetration of a fraud/collusion, grave irregularities that go to the root of such an auction, courts must ordinarily refrain from setting them aside keeping in mind the domino effect such an order would have.

218.Any sale by auction or other public procurement methods once already confirmed or concluded ought not to be set-aside or interfered with lightly except on grounds that go to the core of such sale process, such as either being collusive, fraudulent or vitiated by inadequate pricing or underbidding. Mere irregularity or deviation from a rule which does not have any fundamental procedural error does not take away the foundation of authority for such proceeding. In such cases, courts in particular should be mindful to refrain entertaining any ground for challenging an auction which either could have been taken earlier before the sale was conducted and confirmed or where no substantial injury has been caused on account of such irregularity…"

l) It is further submitted that, the Applicant herein has not pleaded or proved any material irregularity, fraud, collusion, violation of the mandatory provisions of the SARFAESI Act or the Rules that would justify setting aside the sale.

m) It is further submitted that, the Balance of Convenience is entirely in favour of the 2nd Defendant. If the auction sale is disturbed after completion, then the 2nd Defendant will suffer irreparable loss and hardship despite having acted in good faith.

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

LIST OF DOCUMENTS FILED BY THE 3rd DEFENDANT

SI. No.	Date	Particulars
1.	06-04-2015	Registered Mortgage Deed executed in favour of 3rd Defendant by the Applicant
2.	12-09-2019	Conditional Stay Order in S.A. No. 458 of 2019
3.	12-08-2024	Order passed in S.A. No. 458 of 2019
4.	08-09-2025	Order passed in S.A. No. 458 of 2019
5.	30-09-2025	Order of Dismissal for Default passed in S.A. No. 458 of 2019
6.	27-10-2025	Execution of Sale Certificate
7.	31-10-2025	E.C.
8.	24-11-2025	Counter Affidavit filed by the 1st Defendant herein in I.A. No. 05 of 2025 in O.S. No. 01 of 2025

5. On the basis of the above pleadings, now the points which arise for consideration are:-

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

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

6.0 Having heard the parties and upon perusal of the entire documents available on record, I find that the Applicant availed a Term Loan Facility of **Rs.7,00,000/- (Rupees Seven Lakh only)** in the year 2005 by creating an equitable mortgage over the Schedule properties. In the present case, the Applicant is the borrower who availed the said loan facility from the Defendant Bank. The Applicant deposited her title deeds with the Defendant Bank in respect of the said loan facility and offered the Schedule property as security for the due repayment of the loan

amount. Subsequently, a Memorandum of Deposit of Title Deeds was executed on 17.02.2005 and registered as Document No.356 of 2005.

6.1 It is further stated that, initially, the Applicants were regular in repaying the loan amount as agreed with the Defendant Bank. It is also stated in the pleadings that due to the seasonal nature of the bysiness, fluctuating income and the COVID-19 pandemic resulting in her inability to repay the loan dues. Consequently, the Defendant Bank classified the loan account as **NPA on 29.06.2007** and initiated proceedings under the SARFAESI Act.

7.0 Thereafter, the Defendant Bank issued a Demand Notice dated 09.06.2014 under Section 13(2) of the SARFAESI Act to the borrower, demanding payment of a sum of **Rs.15,16,402/- (Rupees Fifteen Lakhs Sixteen Thousand Four Hundred and Two only)** as on 23.03.2014.

7.1 The Applicant has contended that there was no personal service of the Demand Notice and that she submitted representations/objections to the said Demand Notice; however, the Respondent Bank failed to consider the same in a proper and lawful manner as mandated under Section 13(3A) of the SARFAESI Act. On the other hand, the Defendant Bank replied that the Demand Notice was issued on 09.06.2014 to the borrower and the same was delivered to her. The said notice was sent through registered post to the address of the borrower, and an acknowledgment of delivery was also issued by the postal department. Rule 3 was duly complied with. After receiving the same, the borrower neither issued any reply nor repaid the loan.

7.2 I also perused the documents filed by the Defendant Bank. The Defendant Bank has produced xerox copies of the Demand Notice along with the postal acknowledgment receipts, which are annexed at Pages 09 to 11 of the Bank's typed set of papers.

7.3 Upon perusal of the records, I find that the Defendant Bank has produced the postal acknowledgment (AD) cards as proof of service of the Demand Notice upon the Applicant. Moreover, the Applicant admitted that the Demand Notice was not served upon her; on the contrary, she admitted that she had sent a representation/objection to the Demand Notice. Therefore, the contention regarding non-service of the Demand Notice is liable to be rejected.

7.4 Further, the Applicant has not produced any material to establish that she had submitted any representation or objection to the Demand Notice under Section 13(3A) of the SARFAESI Act after receipt of the notice issued under Section 13(2) of the Act.

8.0 Thereafter, the Defendant Bank issued a Possession Notice dated 22.07.2015 under Section 13(4) of the SARFAESI Act to the Applicant, demanding a sum of **Rs.12,64,947/- (Rupees Twelve Lakhs Sixty-Four Thousand Nine Hundred and Forty-Seven only)** as on 22.07.2015.

8.1 The Applicant has contended that the Possession Notice was not properly published in the newspapers widely circulated in that locality, as prescribed under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002. On the other hand, the Defendant Bank has submitted that the Possession Notice was duly served upon the Applicant and was also affixed and published in two leading newspapers.

8.2 In support thereof, the Defendant Bank has produced xerox copies of the Possession Notice, postal acknowledgment (AD) card, photographs evidencing the affixture of the Possession Notice on the Schedule-mentioned property, and colour copies of the newspaper publications in one English daily and one Tamil daily, which are annexed at Pages 12 to 19 of the Defendant Bank's typed set of papers.

8.3 Upon perusal of the records, I find that the Defendant Bank has produced postal acknowledgment (AD) cards as proof of service of the Possession Notice upon the Applicant. The Possession Notice was published in **"Dinathanthi"** (Tamil Daily) and **"The New Indian Express"** (English Daily) on 27.07.2015 in the Tirunelveli region. The Defendant Bank has also produced photographs evidencing the affixture of the Possession Notice on a conspicuous part of the secured asset. Therefore, the contention of the Applicant regarding the publication of the Possession Notice is liable to be rejected.

8.4 In view of the above, this Tribunal is satisfied that the Defendant Bank has complied with the mandatory requirements of the SARFAESI Act and the Security Interest (Enforcement) Rules, 2002, while issuing, serving, affixing, and publishing the Possession Notice.

8.5 It is pertinent to note that the Applicant had earlier challenged the above-said Possession Notice vide S.A. No.285 of 2015, which was dismissed by this Tribunal on 27.04.2019 due to the non-appearance of the Applicant for the past four hearings.

8.6 Though the earlier S.A. was dismissed for non-appearance, the fact remains that the Applicant had knowledge of the Possession Notice as early as in the year 2015. Having failed to pursue the earlier proceedings, the Applicant cannot now rely upon the same Possession Notice to contend that the statutory requirements relating to its issuance and publication were not complied with, particularly when the Defendant Bank has produced the relevant documents evidencing due compliance.

9.0 Thereafter, the Defendant Bank issued the impugned Sale Notice dated 14.08.2019 for the sale of the secured asset, demanding a sum of **Rs.16,05,200/- (Rupees Sixteen Lakhs Five Thousand Two Hundred**

only) as on 31.07.2019. The auction sale was conducted on 16.09.2019, wherein the secured asset was sold in favour of the 3rd Defendant.

9.1 The Applicant has contended that the Sale Notice was not affixed on the outer door or at such conspicuous place of the property. On the other hand, the Defendant Bank has submitted that the Sale Notice was duly affixed on the secured asset and published in two leading newspapers.

9.2 In support thereof, the Defendant Bank has produced a colour copy of the Sale Notice, AD Card, photographs evidencing the affixture of the Sale Notice on the secured asset, and the newspaper publications, which are annexed at Pages 31 to 40 of the Defendant Bank's typed set of papers.

9.3 Upon perusal of the records, I find that the Sale Notice was published in **"Dinathanthi"** (Tamil Daily) and **"The Hindu"** (English Daily) on 15.08.2019. The Defendant Bank has also produced photographs evidencing the affixture of the Sale Notice on a conspicuous part of the secured asset. Therefore, the contention of the Applicants regarding non-affixture of the Sale Notice is liable to be rejected.

9.4 In view of the above, I find that the Defendant Bank has complied with the mandatory requirements prescribed under the SARFAESI Act and the Security Interest (Enforcement) Rules, 2002, with regard to the issuance, affixture, and publication of the Sale Notice. Accordingly, I do not find any procedural irregularity or illegality in the said SARFAESI measure.

10.0 Thereafter, the Defendant Bank issued a Sale Certificate dated 21.10.2025 in favour of the Third Defendant pursuant to the Sale Notice dated 14.08.2019, strictly complying with the mandatory provisions of

the SARFAESI Act and the Security Interest (Enforcement) Rules, 2002, and has produced a xerox copy of the said Sale Certificate. Subsequently, the Sale Certificate was registered in favour of the Third Defendant as Document No.4749 of 2025 on 27.10.2025, which is annexed at Pages 43 to 67 of the Bank's typed set of papers.

11.0 Thereafter, the Defendant Bank subsequently obtained the impugned order dated 18.12.2025 passed by the learned Chief Judicial Magistrate, Tenkasi in Crl.M.P. No. 1272 of 2025 for taking physical possession of the secured asset. Since the Possession Notice was issued by the Defendant Bank following the rules strictly as prescribed in the SARFAESI rule. I do not find any irregularity in the passing of the said order. Accordingly, I find that the Defendant Bank has duly complied with the requirements of Section 14 of the SARFAESI Act.

12.0 The contention of the Applicant is that the e-Auction Sale Notice dated 14.08.2019 is per se void, as many properties mentioned in the Possession Notice are agricultural properties and agricultural activities are currently being carried on therein, and thus, the same are hit by Section 31(i) of the SARFAESI Act. The Applicant has not produced reliable revenue records demonstrating continuous agricultural operations on the property. In the absence of such evidence, this Tribunal is unable to accept the contention of the Applicant that the secured asset is agricultural land so as to claim exemption under Section 31(i) of the Act.

13.0 The Applicant further contended that the Defendant Bank failed to obtain proper valuation of the property and did not fix a fair reserve price, resulting in gross undervaluation of the secured asset. On the other hand, the Defendant Bank had obtained a valuation report from the approved valuer on 09.08.2019, and the reserve price was fixed based on the valuation report. The Applicant has not produced any valuation

report before this Tribunal to substantiate the allegation of undervaluation.

14.0 Further, the Applicant has not placed any material before this Tribunal to substantiate her contention that the rate of interest was excessive or contrary to the RBI guidelines.

15.0 It is pertinent to note that the secured asset was sold in favour of the Third Defendant pursuant to the auction conducted by the Defendant Bank. Since this Tribunal has not found any illegality in the statutory measures challenged by the Applicant, namely, the issuance and service of the Demand Notice, Possession Notice, and Sale Notice, no ground is made out to interfere with the consequential sale in favour of the Third Defendant.

Under the above facts and circumstances of the case, this Tribunal is of the considered view that Applicant has failed to prove her case and on the other hand, I find that the Defendant Bank has followed the procedures strictly for recovery of loan amount under SARFAESI Act as such I do not find any merit in the above SARFAESI Application.

In the result, **S.A. No. 458 of 2019 and S.A. No. 48 of 2026 stands dismissed** with no costs. Consequently, all pending IAs (if any) are also disposed of. No costs

Dictated to LDC (KK), taken down, transcribed, typed by him, corrected and pronounced by me in the Open Court in this the 10th September 2026.

Sd/-
(SEEMA SINHA)
PRESIDING OFFICER

Uploaded on 21.09.2026