IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this 15th day of October, 2026

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

IA No.1626 of 2024 in
OA No.488 of 2024

M/s HDFC Bank Limited
Represented by its Legal Manager and
Authorised Signatory, Ms. Mohana Balaji
No.110, CEEBROS Building
Nelson Manickam Road
Aminjikarai, Chennai – 600 029 **…Petitioner / Applicant**

Versus

1. M/s Rajsri Associates (HUF)
   Rep. by its Karta Mr. Srinivasan, M.A.
   No.50/29, Sir Madhavan Nair Road
   Mahalingapuram, Chennai -600034

2. Srinivasan M.A.
   No.50/29, Sir Madhavan Nair Road
   Mahalingapuram, Chennai – 600 034

   Also at
   Srinivasan M.A.
   MSN Business Centre
   46, Madhavan Nair Road
   Mahalingapuram, Chennai – 600 034

3. Raji Srinivasan
   No.50/29, Sir Madhavan Nair Road
   Mahalingapuram
   Chennai – 600 034

4. Niranjan Mailam Srinivasan
   No.50/29, Sir Madhavan Nair Road
   Mahalingapuram
   Chennai – 600 034 **…Respondents / Defendants**

ORDER

1. This Interlocutory Application is filed by the Petitioner / Applicant praying for an Order of Attachment Before Judgment of the immovable property belonging to the 2nd and 3rd respondents / defendants described in Item No.1 and Item No.2 of the schedule.

2. After hearing the parties, this Tribunal by its order dated 24.09.2025 dismissed IA No.1626 of 2024 and directed the defendants to file an undertaking on affidavit stating therein that they will not alienate / sell, mortgage or create any encumbrance over their respective properties mentioned in the schedule to IA No.1626 of 2024 till the disposal of the OA.

3. Aggrieved by the order of this Tribunal, the Petitioner / Applicant filed appeal before the Hon'ble DRAT, Chennai in MA No.1/2026 and the Hon'ble DRAT by its order dated 1.4.2026 was pleased to observe as under: -

> *"In view of the materials now produced in the form of e-mail communications, which show that there has been an attempt to sell the property, this Tribunal is of the view that the order passed in IA 1626/2024 has to be set aside and remitted to the Tribunal for fresh consideration of IA 1626/2024, in the light of the fresh materials produced. Accordingly, this appeal is allowed by giving direction to the learned Presiding Officer, DRT-II*

Chennai to dispose the IA 1626/2024 in the light of the fresh materials produced and to be produced during the hearing. Till the disposal of IA 1626/2024, both parties are directed to adhere to the undertaking given stating not to sell / mortgage / charge / encumber the properties in any manner, given in the schedule to IA 1626/2024.

Accordingly, this appeal is allowed. The learned Presiding Officer, DRT-II Chennai, shall dispose the IA 1626/2024 on merits and in accordance with law without being influenced by any of the observations made in this order. Parties shall bear their own costs. Pending IAs, if any, shall stand closed."

4. Pursuant to the order of the Hon'ble DRAT, the case was taken up for hearing on 6.7.2026 and the applicant was directed to produce the copy of the e-mail referred in the order of the Hon'ble DRAT by next posting date after service of copy to other side and adjourned the case to 23.07.2026 for arguments.

5. The Petitioner / Applicant Bank vide Memo Dy No.4741 of 2026 dated 23.07.2026 filed typed set of documents containing e-mail communications between the parties.

6. The Defendants No.1 and 2 also filed typed set of documents containing various documents including the Memorandum of Understanding with the buyer dated 4.8.2025 for sale of the IA schedule properties and the deed of cancellation of the said MoU on 27.07.2026.

7. It will also be pertinent to point out at this juncture that pursuant to the order of this Tribunal, the defendants 1 & 2 filed an affidavit of undertaking as directed by this Tribunal by filing Memo Dy No.6738 of 2026 dated 30.09.2025 and the 3rd defendant also filed an affidavit of undertaking vide Dy No.7238 of 2025 dated 23.10.2025.

8. The defendants 1 and 2 filed a counter affidavit vide Dy No.4924/2026 dated 30.07.2026 detailing the entire communication between the defendants and the applicant bank regarding One Time Settlement and also about the Memorandum of Understanding dated 4.8.2025 entered into with the prospective buyer Mr. Shankar Aiyar and the cancellation of the said Memorandum of Understanding by cancellation deed dated 27.7.2026.and prayed to record the solemn undertaking of the 2nd respondent / defendant, to take on record the deed of cancellation and to dismiss the IA with exemplary costs.

9. The 3rd defendant also filed its counter vide Dy No.5764 of 2026 dated 03.09.2026 stating therein that he never entered into any agreement, arrangement of understanding with any third party in respect of his property and never attempted to sell, transfer alienate or encumber the said property. It is also stated that she

never authorizes any person, including the other respondents including her husband, the 2nd respondent to negotiate, deal with, offer, agree to sell or in any manner deal with her property. It is also stated that she has already filed an affidavit of undertaking dated 18.10.2025 solemnly undertaking that she shall not alienate, sell, mortgage, charge, encumber, transfer or in any manner deal with or dispose of her property described in Item No.2 of the schedule and prayed for dismissing the IA.

10. The defendants relied upon the judgment of the Hon'ble Supreme Court in Raman Tech & Process Engg. Co. & Anr Vs. Solanki Traders reported in AIR OnLine 2007 SC 80 and judgment of the Hon'ble High Court of Madras in Renox Commercial Ltd., Vs. Inventa Technologies Pvt. Ltd., reported in AIR 2000 Madras 213 in support of his contentions.

11. Heard the Ld. Counsel appearing on behalf of all the parties. Perused the records.

12. The point for consideration is whether the Applicant has made out a case for an order of attachment before judgment in respect of the properties described in Item Nos. 1 and 2 of the schedule to the Interlocutory Application, pending disposal of the Original Application.

13. The learned counsel appearing for the Applicant submitted that the materials placed on record, particularly the e-mail communications exchanged between the parties, disclose an attempt to alienate the properties which form the subject matter of the present application. It is further submitted that the subsequent production of the Memorandum of Understanding dated 04.08.2025 entered into with the prospective purchaser, Mr. Shankar Aiyar, lends support to the Applicant's apprehension that the properties may be dealt with during the pendency of the Original Application. The Applicant, therefore, prayed for attachment of the schedule properties before judgment in order to safeguard its interest and to ensure that the fruits of any decree or order that may ultimately be passed in the Original Application are not defeated.

14. Per contra, the learned counsel appearing for the Defendants submitted that Defendants No. 1 and 2 have filed the deed of cancellation dated 27.07.2026 cancelling the Memorandum of Understanding dated 04.08.2025 and have also expressed their willingness to abide by the undertaking already given before this Tribunal. It is further submitted that the 3rd Defendant has neither entered into any agreement with any third party in respect of the property described in Item No. 2 of the schedule nor authorised

any person to negotiate or deal with the said property. The Defendants contended that, in view of the undertakings already furnished and the cancellation of the Memorandum of Understanding, no further order of attachment is warranted. In support of their contentions, the Defendants relied upon the judgments of the Hon'ble Supreme Court in *Raman Tech & Process Engg. Co. & Anr. v. Solanki Traders*, reported in AIR OnLine 2007 SC 80, and the Hon'ble High Court of Madras in *Renox Commercial Ltd. v. Inventa Technologies Pvt. Ltd.*, reported in AIR 2000 Madras 213.

15. This Tribunal has carefully considered the rival submissions and perused the records, including the e-mail communications, the Memorandum of Understanding dated 04.08.2025 and the deed of cancellation dated 27.07.2026, as well as the affidavits of undertaking filed by the Defendants.

16. It is settled law that an order of attachment before judgment is an extraordinary and discretionary relief and cannot be granted merely on the basis of the existence of a debt or a claim against the Defendants. The Applicant must establish, on the basis of the materials placed on record, that the Defendants are intending to obstruct or delay the execution of any decree or order that may be

passed against them by disposing of or removing their properties from the jurisdiction of the Tribunal. It has been held that the power of attachment before judgment is intended to prevent the defeat of the execution of a decree and is not to be exercised mechanically or as a means of pressurising the Defendants.

17. In the present case, this Tribunal, by its earlier order dated 24.09.2025, had dismissed the application while directing the Defendants to furnish undertakings that they would not alienate, sell, mortgage or create any encumbrance over their respective properties described in the schedule to the application till the disposal of the Original Application. Pursuant thereto, Defendants No. 1 and 2 furnished their affidavit of undertaking vide Memo Dy. No. 6738 of 2026 dated 30.09.2025, and the 3rd Defendant also furnished an affidavit of undertaking vide Dy. No. 7238 of 2025 dated 23.10.2025.

18. However, the said order was challenged before the Hon'ble Debts Recovery Appellate Tribunal, Chennai, in M.A. No. 1 of 2026. By order dated 01.04.2026, the Hon'ble DRAT, taking note of the additional materials in the form of e-mail communications indicating an attempt to sell the property, set aside the earlier order and remitted the matter to this Tribunal for fresh consideration in

the light of the additional materials produced and to be produced during the hearing. The Hon'ble DRAT further directed both parties to adhere to the undertakings given in respect of the schedule properties until disposal of the present application.

19. In compliance with the aforesaid directions, the Applicant has produced the relevant e-mail communications. The Defendants No. 1 and 2 have, in turn, produced the Memorandum of Understanding dated 04.08.2025 entered into with the prospective purchaser, Mr. Shankar Aiyar, and the deed of cancellation dated 27.07.2026. Though the cancellation deed is a relevant circumstance to be considered in favour of the Defendants, the mere cancellation of the Memorandum of Understanding does not, by itself, completely allay the apprehension arising from the earlier proposed transaction, particularly when the materials on record had already given rise to a concern regarding the proposed alienation of the properties.

20. As regards the 3rd Defendant, her specific contention is that she has neither entered into any agreement with a third party nor authorised any person, including the 2nd Defendant, to negotiate or deal with her property. Nevertheless, the property described in Item No. 2 of the schedule is also the subject matter of the present

application, and the 3rd Defendant has furnished an undertaking not to alienate or encumber the same. Having regard to the nature of the dispute, the materials placed on record and the need to preserve the properties pending adjudication of the Original Application, it is necessary to ensure that the properties remain available to satisfy any decree or order that may ultimately be passed by this Tribunal.

21. This Tribunal is conscious that an order of attachment before judgment cannot be passed merely to secure a creditor against the ordinary risks of litigation. However, the power is required to be exercised where the materials on record disclose a reasonable basis for apprehending that dealings with the properties may prejudice the Applicant's ability to realise the amount that may ultimately be found due. In the present case, the e-mail communications and the Memorandum of Understanding relating to the proposed sale, considered together with the circumstances in which the matter was remitted by the Hon'ble DRAT, warrant preservation of the schedule properties by an appropriate protective order.

22. The undertakings furnished by the Defendants are also required to be considered in this context. While such undertakings are

relevant, the subsequent production of the documents relating to the proposed sale makes it necessary, in the interests of justice, to secure the schedule properties by an express order of this Tribunal. Such an order would preserve the subject matter of the proceedings and prevent any further dealing with the properties during the pendency of the Original Application. The directions issued herein are intended to maintain the status quo and shall not be construed as a final determination of the respective rights and liabilities of the parties in the Original Application.

23. In view of the foregoing discussion, this Tribunal is of the considered opinion that the Applicant has made out sufficient grounds for granting protective relief in respect of the properties described in Item Nos. 1 and 2 of the schedule to the Interlocutory Application. Accordingly, the point for consideration is answered in favour of the Applicant.

24. In the result, the following:

ORDER

(a) IA No.1626 of 2024 is allowed.

(b) The properties described in Item Nos. 1 and 2 of the schedule to the Interlocutory Application, belonging to the 2nd and

3rd Defendants respectively, are hereby ordered to be attached before judgment, pending disposal of the Original Application.

(c) The Defendants, their agents, representatives, power-of-attorney holders and all persons claiming through or under them are restrained from selling, transferring, alienating, gifting, mortgaging, leasing, charging, encumbering or otherwise dealing with or creating any third-party interest in respect of the aforesaid schedule properties, or any part thereof, until the disposal of the Original Application, except with the prior leave of this Tribunal.

(d) The Applicant is also directed not to deal with or take any steps to dispose of, transfer or otherwise deal with the aforesaid properties pursuant to the attachment, except in accordance with law and with the prior leave of this Tribunal.

(e) Both parties shall strictly adhere to the aforesaid directions and shall not undertake any act that would alter the nature, character or title of the schedule properties or defeat the purpose of the attachment, without the prior leave of this Tribunal.

(f) Registry is directed to communicate the order to the concerned SRO.

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 15th day of October, 2026)