DEBTS RECOVERY APPELLATE TRIBUNAL, DELHI

Appeal No. 03 of 2025
in
Arising out of TA No. 192 of 2022 (DRT-III, Delhi)

Reserved on: 07.09.2026
Pronounced on: 28.09.2026

ICICI Bank Limited
R/O- ICICI Bank Tower,
Near Chakli Circle,
Old Padra Road,
Vadodra-390007, Gujarat

Also at
ICICI Bank Towers,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051

Also at
ICICI Towers, NBCC Place
Bhishmah Pitamah Marg,
Pragati Vihar,
New Delhi-110003

ICICI Bank Limited, Offshore
Banking Unit (OBU)
Office: Trans Trade Centre,
Near Floral Deck Plaza, Seepz,
Midc, Andheri-East,
Mumbai-400093

...Appellant

V

1.Varun Resources Limited
Laxmi Building, 6 Shoorji,
Vallabhdas Marg, Ballard Estate,
Mumbai-400001

2.Sh. Yudhishthir Khatau
S/o Sh. Dilip Khatau
Address 1-82, Casa Grande, Little
Gibbs, Malabar Hills, Mumbai-400006

Also at
Flat No.1, 1st Floor,
Haveli Building, L.D. Ruparel Marg,
Malabar Hill, Mumbai-400006

3. Smt. N.Y. Khatau
W/O Sh. Yudhishthir Khatau
Address 1-82, Casa Grande, Little
Gibbs, Malabar Hills, Mumbai-400006

4. Varun Corporation Limited
Laxmi Building, 6 Shoorji,
Vallabhdas Marg Ballard Estate,
Mumbai-400001

5. Varun Global Limited
Laxmi Building, 6 Shoorji
Vallabhdas Marg Ballard Estate,
Mumbai-400001

6. Varun Maritime Limited
Laxmi Building, 6 Shoorji
Vallabhdas Marg Ballard Estate,
Mumbai-400001

7. Ocean Race Shipping Company Limited
Registered Office at
248 Arch. Makariqu III Ave.,
Fortuna Court, Block B,
20 Floor, 3105 Limassol,
Republic of Cyprus

8. State Bank of India
Corporate Centre at State Bank
Bhavan, Madam Cama Road,
Nariman Point, Mumbai-400021

9. AXIS Bank Limited
R/O- Trishul, 3rd Floor,
Opp: Samartheshwar Temple
Law Garden, Ellis Bridge
Ahmedabad-380006, Gujarat

10. Export Import Bank of India
Head Office at Centre One Building,
Floor 21, World Trade Centre Complex,
Cuffe Parade, Mumbai-400005

11. IL & FS Financial Services Limited
The IL & S Financial Centre, Plot C-22,
G Block Bandra Kurla Complex,
Bandra East, Mumbai-400051

12. Vijaya Bank
Branch Office at Corporate Bank
Branch, Maker Chamber-IV, Rear
Portion,222, Nariman Point
Mumbai-400021

13. Indian Bank
Head Office at 66, Rajaji Salai,
Chennai-600001
Branch Office at Mumbai Fort
Branch United India Building,
Sir P.M. Road, Fort
Mumbai-400001

14. Bank of India
Head Office A 'Star House'
Bandra Kurla Complex, Bandra East
Mumbai-400051

15. Andhra Bank
Head Office at Dr. Pattabi Bhavan,
5-9-1, Saifabad, Hyderabad-500004
Branch Office at Specialised Corporate
Finance Branch, 16-B Eastern House,
9th floor, 194, NCPA Marg,
Nariman Point, Mumbai-400021

16. The Mauritius Commercial Bank Limited
9-15, Sir William Netwon Street,
Port Louis, Mauritius

17.DBS Bank
Express Tower, Nariman Point
Mumbai-400021 Maharashtra

18. SBI Cap Trustee Company Limited
R/O at 202, Maker Towers "E"
Cuffee Parade, Mumbai-400005
Branch Office at 711, 7th Floor,
Ashoka Estate, Barakhamba Road
New Delhi-110001

...Respondents

Hon'ble Dr. Justice Sudhir Kumar Jain, Chairperson

For the Appellant : **Ms. Misha, Sh. Siddhant Kant, Ms. Moulshree Shukla and Ms. Sailee Basu, Advocates**

ORDER

1. The perusal of order dated 25.11.2025 reflects that the notices were delivered upon the respondents no.1 to 6, 9 to 14 & 17 including at the alternative address of the respondent no.5. The respondent no.7 was stated to be *ex parte* before DRT-

III, Delhi. The respondents no.8 to 18 are stated to be the proforma party and no relief was claimed against them. It is reflecting that the service upon the contesting respondents stands completed.

2. The relevant facts of the case are that the appellant filed O.A. bearing T.A. No.192/2022 titled as **ICICI Bank V M/s Varun Resources Limited & others** which was stated to be pending before DRT-III, Delhi(hereinafter referred to as **'DRT'**). DRTvide order dated 06.11.2024 (hereinafter referred to as **'the impugned order'**) observed that the loan was sanctioned as well as disbursed by the Mumbai Branch of the appellant andNPA was also declared at Mumbai. It was further stated that certain loan documents were executed/registered at New Delhi which did not give any right to the appellant for taking benefit of partial cause of action under Section 19(1)(c) of the RDB Act,1993. DRT further observed that merely because various documents contained a jurisdiction clause, it would not confer jurisdiction upon the Tribunal at a particular place.Accordingly, DRT directed the Registry to return the O.A./T.A. and documents to the appellant along with certificate of court fees for filing the O.A./T.A.before the competent Tribunal.The relevant portion of the impugned order dated 06.11.2024 is reproduced as under:

> **4.2 So far as, point has been raised for the partial cause of action is concerned, in order to appreciate this aspect of the matter, one needs to understand what would constitute a cause of action. Cause of action, as commonly understood, is a bundle of facts that the plaintiff must prove, if traversed, to entitle him to a judgment, in his favour, by the concerned court.**
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> **4.3 In the present case, record reveals one of the branch of applicant bank is situated at Bhishma Pitamah Marg, New Delhi, however, record further reveals that the loan was sanctioned to the defendants from the Mumbai branch of applicant bank and in the memo of parties, addresses of all the defendants have been given which shows that though the defendants no. 1 to 17 reside at Mumbai, however, branch office of defendant no. 18/ SBI Cap Trustee Company Limited has been given at New Delhi. So far as, the address of defendant no. 18 at New Delhi (mentioned in Memo of Parties), it is admitted position that defendant no. 18 is only holding the custody of the original documents and it has nothing to do with the sanction / disbursement of loan to the borrower / guarantor of applicant bank. Moreover, from the perusal of memo of parties it is clear that the registered office of defendant no. 18 is situated at Mumbai and one branch is situated at Delhi. Hence, this Tribunal is of the view that the address of defendant no. 18 at Delhi has been**

mentioned in the OA just to get the benefit of partial cause of action, so that this OA can be filed before DRT, Delhi.

4.4 In the present case, Ld. counsel for applicant bank has argued that certain loan documents, as stated by Ld. counsel for applicant bank, were executed by the partiesat New Delhi and the registration of said documents was also done at New Delhi. However, record further reveals that the loan was sanctioned to defendant no. 1 company from the Mumbai branch of applicant bank and the registered office of defendant no. 1 company is given at Mumbai only. Moreover, disbursement of loan was done at Mumbai Branch, loan account is maintained at Mumbai branch of applicant bank and loan was declared NPA also from the Mumbai branch of applicant bank. Hence, this Tribunal is of the view that mere execution / registration of documents at New Delhi has been done, just to get the benefit of partial cause of action, so that this OA can be filed before DRT, Delhi.

4.5 So far as, the point raised by applicant bank to the effect that in certain documents / agreements, as stated by Ld. counsel for applicant bank, it was agreed to confer jurisdiction upon the courts/Tribunal at Delhi to adjudicate any dispute in connected with the said Agreements, is concerned, this Tribunal is of the view that from the provisions of RDB Act, it is clear that no one can create jurisdiction for disposal of any case in dispute which arise between the parties. Hence, the jurisdiction clause of the documents / agreements, as referred by Ld. counsel for applicant, is not tenable in the eyes of law.

4.6 Considering the facts and circumstances of the case in hand and in the light of submissions made by Ld. counsel for applicant bank this Tribunal is of the view that in the present case, the loan was granted as well as disbursed by Mumbai branch of applicant bank and NPA was also declared at Mumbai. Though, certain loandocuments were executed / registered at New Delhi, but execution /registration of documents at Delhi, does not give any right to applicant bank for taking benefit of partial cause of action under Section 19 (1) (c) of RDB Act. So far as, Jurisdiction clause given in various documents / agreements, is concerned, merely by agreeing to jurisdiction at any Place does not amounts to jurisdiction of the Tribunal at particular place and as per the choice of the parties, the jurisdiction cannot be determined. Hence, this Tribunal is of the view that this Tribunal is not having territorial jurisdiction to entertain this OA.

4.7 In this matter, Ld. counsel for applicant bank has relied upon the Judgment passed by Hon'ble High Court of Delhi in the case of ICICI Bank Vs. Shishupal Singh (supra), however, in the said citation, Hon'ble High Court of Delhi has found jurisdiction of DRT, Delhi on the basis of loan documents executed within the jurisdiction of this Tribunal and the loan was disbursed from New Delhi branch. Considering the full cause of action accrued at New Delhi, it was held by Hon'ble High Court that DRT, Delhi has jurisdiction to entertain the said case but in the case in hand, loan was sanctioned and disbursed by Mumbai Branch of applicant bank. Moreover, NPA was also declared at Mumbai. Mere execution of few documents cannot create the jurisdiction. Facts of the case cited before this Tribunal are different from the matter in hand. So

far as, other judgment passed by Hon'ble Supreme Court in the case of Harshad Chiman Lal Modi Vs. DLF Universal &another (supra) is concerned, in this matterHon'ble Supreme Court has decided pecuniary jurisdiction and territorial jurisdiction over the subject matter under Civil Procedure Code (CPC) under Section 15 to 20 of CPC but in the matter in hand, there is specific Act i.e. RDB Act and special provision for the jurisdiction has been assigned i.e. Section 19(1) of RDB Act. Hence, the provision of RDB Act shall be application in the case in hand and facts of this case are entirely different from the citation relied by the applicant bank. In the light of above discussion, this Tribunal is of the view that no any benefit can be given to the applicant bank on the basis of aforesaid citations placed by the application.

5. With the above said directions / observations, Registry is directed to return this OA/TA and documents to the applicant bank along with certificate of court fees, as per rules, for filing before competent Tribunal.

3. The appellant being aggrieved by the impugned order filed the present appeal. The counsel for the appellant besides referring the factual position argued that the impugned order is erroneous as the DRT has refused to recognise that the execution of the relevant documents at Delhi constitutes part of the cause of action. It was further argued that DRT has erred in giving its interpretation to the applicability of Section 19(1)(c) of the RDB Act, 1993 and also erred in examining the issue whether a substantial part of cause of action has arisen within the territorial jurisdiction of Delhi. The counsel for the appellantreferred various judgements in support of his argument as detailed in the written submission.

4. The perusal of Original Application reflects that the appellant in para-3 which pertains to the jurisdiction of DRT-I, Delhi has stated that the various documents as detailed in the said para-3 were executed at Delhi. The para-3 of the Original Application is reproduced as under:

3. Jurisdiction:

It is stated that the Deed of Personal Guarantee, dated March 31, 2015 ("the Deed of Personal Guarantee") is the subject matter of the present Application. The Deed of Personal Guarantee was executed by the Respondents Nos.2 and 3 (Collectively as "Guarantors") in favour of the Respondent No.18 ("Security Trustee"), at New Delhi. The jurisdiction clause 32 of the Deed of Personal Guarantee permits the Lender i.e. the Applicant or the Security Trustee to initiate legal action or proceedings against the Personal Guarantors in any appropriate Court(s)/Tribunal(s) in India. Thus, New Delhi being the place of execution, this Hon'ble Tribunal has the territorial jurisdiction to entertain the present application. Further, Deed of Pledge dated August 02, 2016 ("the Pledge Deed") also being the subject matter of the present application, was executed by and between the Respondent No.1, (also

referred to as "the Principal Borrower") 4, 5 and 6 (collectively "Pledgers"), at New Delhi. Clause 26 of the Pledge Deed confers upon the Courts/Tribunals at New Delhi exclusive jurisdiction to entertain all legal proceedings arising from there. Thus, the present Hon'ble Tribunal has territorial jurisdiction to entertain the present application in so far as it relates to the Pledge Deed as well. Further, the Deed of Corporate Guarantee dated December 04, 2015 ("the Deed of Corporate Guarantee") also being the subject matter of the present application was executed between Respondent No.7 in favour of Respondent Nos.8 and 18 at New Delhi. Clause 28 of the Deed of Corporate Guarantee confers upon the Courts/Tribunals at New Delhi jurisdiction to entertain any legal action or proceedings arising out of the Deed of Corporate Guarantee. That since the branch office of the Applicant is in Bhishmah Pitamah Marg, Pragati Vihar, New Delhi,which falls within the jurisdiction of DRT-I, the present tribunal has jurisdiction to entertain the present application. The amount claimed by the Applicant, as due from Respondent Nos. 1 to 7 is far in excess of INR 10.00 Lacs, thus, the subject matter of recovery of debts due also falls within the pecuniary jurisdiction of this Hon'ble Tribunal.

5. It is relevant to discuss the relevant legal provision pertaining to the jurisdiction along with judicial precedents. Chapter VI of the Recovery of Debts and Bankruptcy Act, 1993(hereinafter referred to as **'the RDB Act'**) deals with the procedure of the Tribunal. Section 19 of the Act deals with the Application to the Tribunal. It provides that where a bank or a financial institution has to recover any debt from any person, it may make an application to the Tribunal within the local limits of whose jurisdiction the cause of action, wholly or in part arises. It reflects that statutory provision contemplates that an application for recovery of any debt from any person may be filed before the Tribunal within whose territorial jurisdiction the cause of action has arisen. Section 19 (1) (c) reads as under:

> **19. Application to the Tribunal.—(1) Where a bank or a financial institution has to recover any debt from any person, it may make an application to the Tribunal within the local limits of whose jurisdiction—**
> **(a).....**
> **(b).....**
> **(c) the cause of action, wholly or in part, arises:**

6. The Supreme Court in case title as **A.B.C. Laminart Private Limited and another VA.P. Agencies, Salem,** 1989 SCC (2) 163defined the cause of action and held as under:

> **A cause of action means every fact, which, if traversed it would be necessary for the plaintiff to prove in order to support his right toward judgment of court. In other words, it is a bundle of facts which taken with the law applicable to them gives the**

> **plaintiff of fight to relief against the defendant. It must include some act done by the defendant since the absence of such an act no cause of action can possibly accrue. It is not limited to the actual infringement of the fight sued on but includes all the material fact on which it is founded. It does not comprise evidence necessary to prove such facts, but every fact necessary for the plaintiff to prove to enable him to obtain a decree. Everything which if not proved would give the defendant a fight to immediate judgment must be part of the cause of action. But it has no relation whatever to the defence which may be set up by the defendant nor does it depend upon the character of the relief prayed for by the plaintiff.**

6.1 The Supreme Court in case of **Alchemist Limited and another V State Bank ofSikkim and others,** (2007) 4 S.C.R. 46after referring **A.B.C. Laminart Private Limited and another V A.P. Agencies, Salem**again defined the cause of action and held as under:

> **17. It may be stated that the expression 'cause of action' has neitherbeen defined in the Constitution nor in the Code of Civil Procedure, 1908. Itmay, however, be described as a bundle of essential facts necessary for the plaintiff to prove before he can succeed. Failure to prove such facts would give the defendant a right to judgment in his favour. Cause of action thus gives occasion for and forms the foundation of the suit.**
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> **18. The classic definition of the expression 'cause of action' is foundin Cooke v. Gill, (l873) 8 CP 107:42 LJ PC 98, wherein Lord Brett observed:**
>
> **"Cause of action' means every fact which it would be necessaryfor theplaintiff to prove, if traversed, in order to support his right to the judgment of the court".**
>
> **19. For every action, there has to be a cause of action. If there is nocause of action, the plaint or petition has to be dismissed.**

6.2 The issue of the territorial jurisdiction in entertaining the original application was also considered by DRAT- Kolkata in Appeal No.67/2013 title as **ICICI Bank Limited V Asha Memorial Trust and others.** In the said appeal the issue was regarding the territorial jurisdiction of the DRT-III, Kolkata. DRT-III, Kolkata held that it has no jurisdiction to entertain the O.A. and accordingly returned the papers to appellant for filing the same before DRT-Cuttack. The DRAT-Kolkata in appeal bearing no.67/2018 titled as **ICICI Bank Limited V Asha Memorial Trust and others** on the issue of territorial jurisdiction vide order dated 03.03.2023observed and held as under:

14. Section 19(1) (c) provides that when a Bank has to recover any debt from any person, it may make an application to the Tribunal within the local limits of whose jurisdiction the cause of action wholly or in part arises. Words "wholly or part" is relevant, Learned DRT failed to appreciate this provision while passing the impugned order. Part of the cause of action had arisen at Kolkata. Accordingly, Appellant is well within its rights to file the O.A. at Kolkata. Impugned order suffers from material illegality and is liable to be set aside. Accordingly, Appeal deserves to be allowed.

6.3 The aggrieved opposite party before DRAT filed petition bearing no.67/2018 title as **Asha Memorial Trust and others V ICICI Bank Limited** before the High Court of Calcutta to impugn the order dated 03.03.2023 passed by DRAT-Kolkata.The counsel for the appellant during the course of argument referred the decision of the High Court of Kolkata titled as **Asha Memorial Trust and others V ICICI Bank Limited and others,** 2024 SCC OnLine Cal 2and stated thatthe High Court observed that the territorial jurisdiction of the competent DRT's under Section 19(1) (c) of the RDB Act shall lie where the cause of the action arises in part where the loan contract was executed between the parties notwithstanding the fact that the loan was sanctioned and maintained at a different territorial location.Before the High Court, the dispute was regarding the territorial jurisdiction of the DRT-III, Kolkata. The petitioner before the High Court contended that the loan was sanctioned from the Bhubaneshwar Branch and loan was renewed and the credit limit was enhanced from time to time, from the said branch office at Bhubaneshwar. All documents were signed by the petitioner at the branch office of the respondent bank at Bhubaneshwar. The loan was disbursed by the respondent bank from its branch office at Bhubaneshwar. The instalments of the Term Loan were repaid to the branch office at Bhubaneshwar. The title deed of assets was deposited at Bhanjaprava building at Bhubaneshwar. The subject assets which had been mortgaged were lying and situated in the state of Odisha. DRT-III, Kolkata came to the conclusion that the cause of action arose at Bhubaneshwar and the Tribunal did not have any jurisdiction to entertain the original application. The bank/financial institution being aggrieved approached the Appellate Tribunal by filing appeal. The Tribunal allowed the bank's appeal. The Kolkata High Court observed that the cause of action is a bundle of facts. It was further observed that the records and the documents annexed to the original application clearly indicate that the entire discussion with regard to the sanction of

the loan took place in Kolkata at the erstwhile regional office which took the decision to approve and sanction the loan. The title deeds which were mortgaged, were deposited with the representative of the bank at the regional office at Kolkata. In the loan facility agreement executed between the borrower and the ICICI Bank, the address of the corporate office was mentioned as Mumbai but the regional office was mentioned as 2B Gorky Terrace Kolkata-700017. It was ultimately held that the Appellate Tribunal rightly set aside the order dated 19.03.2018 passed in O.A. bearing no.89/2017 by the DRT-III, Kolkata which was directed to proceed with hearing of the Original Application.

6.4 This Tribunal also in appeal bearing no.06/2024 titled as **Union bank of Indian V Vadraj Cements Limited and others** decided on 27.08.2024 observed that the DRT at Delhi had territorial jurisdiction to entertain the original application due to the reason that the part of the cause of action has arisen in Delhi as some of the documents were executed by the borrowers and members of the consortium including the appellant at Delhi.It was furtherheld that certain consortium loan documents such as Joint Term Loan Agreement, Common Security Agent Agreement, Working Capital Facility Agreement, Lender's Agent Agreement and Inter-Creditor Agreement all dated 28.09.2016 were executed by the borrower and the financial institution along with other consortium members at Delhi.

7. The perusal of para-3 of the original application pertaining to the jurisdiction reflects that the various documents such as Deed of Personal Guarantee, Deed of Pledge dated 02.08.2016, Deed of Corporate Guarantee dated 04.12.2015were executed in Delhi. The branch office of the appellant is also situated in Delhi. Issue arises for judicial consideration is that whether on the basis of these documents it can be said that the part of the cause of action has been arisen within the territorial jurisdiction of Delhi. The documents as described above are relevant documents and form the integral part of the loan transaction. The term 'part cause of action' cannot be give restricted meaning for the purpose of section 19 of the RDB Act and if some of the important documents pertaining to the loan transaction executed in Delhi or any other place, it confers territorial jurisdiction to Delhi or that specific place. The execution of above documents at Delhi clearly establishes that the part of cause of action for filing the present original applicationhas been arisen within the local jurisdiction of Delhi. If the loan was sanctioned and

disbursed from the Mumbai Branch of the appellant bank and the NPA was declared at Mumbai, it cannot be concluded that no part of the cause of action has ever been arisen within the territorial jurisdiction of Delhi. DRT was not justified by observing that the mere execution/registration of documents at Delhi was done just to get the benefit of the partial cause of action and said contention is based on mere conjectures and surmises.

8. The impugned order as such cannot be sustained and is accordingly set aside. DRT is accordingly directed to decide the original application bearing T.A. No.192/2022 on merits in accordance with law.

9. The respective counsels for the parties are directed to appear before concerned DRT on 15.12.2026 for further directions.

Sd/-

(Dr. Justice Sudhir Kumar Jain
Chairperson

-v$