IN THE DEBT RECOVERY APPELLATE TRIBUNAL AT CHENNAI

Dated the 22nd day of October, 2026

PRESENT: HON'BLE MR. JUSTICE G. CHANDRASEKHARAN
CHAIRPERSON

MA (SA) No. 91 of 2026
(arising out of IA No. 631 of 2026 in SA No. 205 of 2026 on the file of DRT-III, Chennai)

Between

1. Mr. B. Thirugnanam,
   S/o. Bradhaba Sundaram

2. Mrs. Jothi,
   W/o. Thirugnanam

3. Mr. T. Ganavigneshwar,
   S/o. Thirugnanam

All are residing at:

Plot No. 3555, LIG-II,
76th Street, 2nd Main Road,
MMDA Mathur,
Chennai – 600 068

… Appellants

And

The Authorized Officer,
M/s. Five-Star Business Finance Limited,
New No. 27, Old No. 4,
Taylor's Road, Kilpauk,
Chennai – 600 010

... Respondent

Counsel for Appellants: M/s. D. Yogeswaran
Counsel for Respondent: M/s. T.K.M. Sai Krishnan

ORDER

Learned Counsel for both sides are present.

2. This appeal is filed against the order dated 24.3.2026, passed by the Learned Presiding Officer, DRT-III, Chennai in IA No. 631 of 2026, filed for staying further proceedings in SA No. 205 of 2026.

3. SA No. 205 of 2026 has been filed to declare the order passed by the Learned Chief Judicial Magistrate, Tiruvallur on 10.2.2025 under Section 14 of the SARFAESI Act, 2002 as null and void, illegal and contrary to the provisions of the SARFAESI Act, 2002 and the Rules made thereunder.

4. When the appeal is pending, a stay application was filed for staying further proceedings. The Learned Presiding Officer, DRT-III, Chennai, passed an order granting interim stay of operation of the order passed under Section 14 of the SARFAESI Act, 2002, subject to payment of Rs.30.00 lakhs by the applicants to the Defendant in two instalments, at Rs.20.00 lakhs, on or before 23.4.2026 and at Rs.10.00 lakhs, on or before 30.4.2026. It was made clear in the interim order that in case the Applicants fail to make the payment, the interim order shall stand automatically vacated and liberty was given to the Defendant Financial Institution to proceed further. Aggrieved against this order, this appeal is filed.

5. Learned Counsel for the Appellants submitted that the Hon'ble High Court of Judicature at Madras, in WP No.22983 of 2026, filed against the order of this Tribunal dated 27.5.2026 passed in the waiver application IA 674 of 2026, observed that a sum of Rs.31,17,800/- claimed as loan outstanding as on 20.11.2024 in the demand notice issued under Section 13(2) of the SARFAESI Act, 2002 may be taken for arriving at 25% of pre-deposit. Therefore, he submitted that the appellants are prepared to make 25% of this amount before the DRT-III, Chennai for grant of interim stay.

6. On the other hand, Learned Counsel for the Respondent Financial Institution strongly opposes this submission on the ground that even as per the demand notice issued under Section 13(2) of the SARFAESI Act, 2002, the total outstanding amount stood at Rs.96,23,615/-, as on 20.11.2024. This amount is inclusive of principal and interest, delayed interest, and legal charges, and requested that the Appellants may be directed to pay 25% of this outstanding amount.

7. Considered the rival submissions and perused the records.

8. This appeal is filed only against the interim order. The Securitization Application filed to challenge the order of the Learned Chief Judicial Magistrate, Tiruvallur, issued under Section 14 of the SARFAESI Act, 2002, raising several grounds on the merits of the order, is still pending. The grounds raised assailing the order of the Learned Chief Judicial Magistrate, Tiruvallur, under Section 14 of the SARFAESI Act, 2002 has to be adjudicated only by DRT-III, Chennai. Therefore, these grounds cannot be taken up by this Tribunal now when the appeal is filed only against the interim order granting stay, subject to payment of certain amounts to the Respondent Financial Institution. Further, it is submitted by the Learned Counsel for the Appellants that Appellants had not paid any amount, as ordered by DRT-III to the Respondent Financial Institution.

9. Taking all these factors into consideration, this Tribunal is of the view that the order dated 24.3.2026 passed by the Learned Presiding Officer, DRT-III, Chennai in IA No. 631 of 2026 can be modified to the extent that instead of Rs.30.00 lakhs ordered, Appellants may be directed to make a payment of Rs.15.00 lakhs to the Respondent Financial Institution within a period of 4 weeks from today. On such payment by the Appellants, it is for the Learned Presiding Officer, DRT-III, Chennai to decide as to whether the stay can be granted or not, taking into consideration the intervening events from the date of passing of orders on 24.3.2026, till the matter is again taken up.

10. Accordingly, the order dated 24.3.2026, passed in IA No.631 of 2026 by the Learned Presiding Officer, DRT-III, Chennai, is partially modified as above.

11. Appeal MA (SA) 91 of 2026 is disposed of with the above directions to the Learned Presiding Officer, DRT-III, Chennai.

12. Parties are directed to bear their own costs.

13. Pending IAs, if any, stand closed.

Sd/-
(JUSTICE G. CHANDRASEKHARAN)
CHAIRPERSON