IN THE DEBTS RECOVERY TRIBUNAL –I AT CHENNAI

Dated this 18th Day of May, 2026

PRESENT: SHRI A.S.JAYACHANDRA
Presiding Officer

S.A. No.34 of 2025

1. Mr.B.S.S.Selvakumar,
S/o Late B.S.Shanmugam,
9/1, Vinayagar Street,
Fairlands, Salem – 636016.

2. Ms.B.S.Saranya,
D/o Mr.B.S.S.Selvakumar,
W/o Mr.Karthikeyan,
No.39, Padmavathi Nagar Main Road,
Velachery,
Chennai – 600042.

3. Ms.B.S.Jai Madhuvanthi,
D/o Mr.B.S.S.Selvakumar,
W/o Shri. Suhas Devalokam Subramanyam,
No.24, 3rd B Cross, Lal Bahadur Nagar,
Kasturi Nagarm Bangalore North,
Bengaluru, Karnataka – 560043.

4. Ms.B.S.Sri Shakthi Nivedha,
D/o Mr.B.S.S.Selvakumar,
W/o Mr. Siddharth,
0005, D.L.R. Pride, 2nd Cross 5th Main NRI Layout,
KBM Mart, Ramamurthy Nagar,
Bengaluru – 560016.

5. Mrs. Vasantha Arunachalam,
W/o Late B.S.Arunachalam,
No.23, Raman Road,
AVK Nagar, Salem – 636004. **. . . Applicants**

Versus

Omkara Asset Reconstruction Private Limited,
Rep. by its Authorised officer,
Kohinoor Square, 47th Floor,
N.C.Kelkar Marg, R.G.Gadkari Chowk,
Dadar (W), Mumbai – 400028. **. . . Defendant**

Counsel for Applicant :- M/s. K.Ramanraj

: - Proceedings Dt.14.05.2026 - :

Applicants by Shri K.R. Ramanraj, Adv.

This is a fresh petition filed under Section 17 of SARFAESI Act challenging the notice dated 25.09.2025.

Heard the ld. counsel.

1. The Applicant No. 1 is the legal Heir of late B.S. Shanmugam and also the mortgager along with the late B.S. Shanmugam. The Applicants at number 2 to 4 are the daughters of the Applicant no. 1.
2. Applicant no 5 is the interested party in the title concerning Sr. No. 4 of item no. 1 of the properties mentioned in the impugned notice.
3. All of them challenge the notice issued by the defendant under rule 8 (6) of the SIE Rules for recovery of total outstanding of Rs.1229,29,85,637/- against the principal borrowers M/S. LSB Agro Ltd. and others.
4. It is submitted that the loan was secured by the mortgages executed in favour of the original lender which is subsequently assigned several times and the latest assignment in favour of the Defendant.
5. The ld counsel for the Applicants Shri Ramanraj, assails the impugned notice to repudiate the legality and correctness of the notice on the following points:-

   (a)That there was no registered assignment deed in favour of the Defendant.

   (b)Assuming but not admitting the assignment deed, it is pleaded that Sl.No.1 properties situated at Pallapatti Village has fallen into the hands of Late B.S.Shanmugam and Applicants 1 to 4 have 1/5th undivided share in the joint property.

(c) Applicants 2 to 4 have not executed any papers concerning the loan transaction and therefore, the proposed notice is not binding on them, since they have not created any charge or mortgage.

(d) The impugned notice is liable to be set aside since barred by limitation.

6. In the above context, the impugned notice is challenged. There is no caveat.
7. The impugned notice is perused.
8. Having carefully considered the nature of the impugned notice, the applicants /petitioners are aggrieved by the measures issued by the defendant /respondent in so far as notifying and alerting the petitioners in the capacity mentioned above. The purpose of this notice is to comply with the statutory requirement under Rule 8(6) of the SIE Rules. There is no date specified / notified for the sale of the immovable properties. Hence this is not a "measure" by which they are "aggrieved".
9. The ld counsel submits that the demand notice itself is clearly answered by the present Applicants when it was issued by the earlier interest–holders M/s. ARCIL. According to the ld. counsel, the contention of the present Applicant had escaped the attention of the present respondent. Had the respondent understood the facets of the case, the respondent would have restrained itself from taking any further measures. Thus it is argued that the Applicants are highly aggrieved since the impugned notice jeopardizes their title to the properties.
10. Having considered the peculiar facts and grounds urged in the present SA, the maintainability of the present petition arises for consideration. The ld. counsel submits that it is a measure issued under the SARFAESI Act. Only the DRT has the power to grant the reliefs. He relies on the decision of the Hon'ble Supreme Court in **Jagdish Vs. Heera Lal 2014(1) SCC 479**.
11. The Ruling of **Bank of Baroda Vs Gopal Sriram Panda** and Another in CRA No. 29/2011 of the Hon'ble High Court of Bombay, Nagpur Bench had answered the references after considering various rulings on the subject. The ld. Bench of the Hon'ble Bombay High Court had answered the references at para 27 of the rulings as under:

"In view of what we have discussed above, our considered opinion to the question as referred to is as under:-

Question:

"Whether the jurisdiction of a Civil Court to decide all the matters of civil nature, excluding those to be tried by the Debts Recovery Tribunal under Section 17 of the Securitisation Act, in relation to enforcement of security interest of a secured creditor, is barred by Section 34 of the Securitisation Act?.

The answer, looking to the nature of the question, in our view, is in parts:-

(A) Jurisdiction of the Debts Recovery Tribunal, to decide all matters relating to Sections 13 and 17 of the SARFAESI Act, is exclusive.

(B) In all cases, where the title to the property, in respect of which a 'security interest', has been created in favour of the Bank or Financial Institution, stands in the name of the borrower and / or guarantor, and the borrower has availed the financial assistance, it would be only the DRT which would have exclusive jurisdiction to try such matters, to the total exclusion o the Civil Court. Any pleas as raised by the borrowers or guarantors, vis-à-vis the security interest, will have to be determined by the DRT.

(C) The jurisdiction of the Civil Court to decide all the matters of civil nature, excluding those to be tried by the Debts Recovery Tribunal under Sections 13 and 17 of the SARFAESI Act, in relation to enforcement of security interest of a secured creditor, is not barred by Section 34 of the SARFAESI Act.

(D) Where civil rights of persons other than the borrower(s) or guarantor(s) are involved, the Civil Court would have jurisdiction, that too, when it is prima facie apparent from the face of record that the relief claimed, is incapable of being decided by the DRT, under Section 17 of the DRT Act, 1993 read with Sections 13 and 17 of the CRA 29 of 2011.odt SARFAESI Act.

(E) Even in cases where the enforcement of a security interest involves issues as indicated in Mardia Chemicals (supra) of fraud as established within the parameters laid down in A. Ayyasamy (supra); a claim of discharge by a guarantor under Sections 133 and 135 of the Contract Act [Mardia Chemicals (supra)]; a claim of discharge by a guarantor under Sections 139, 142 and 143 of the Contract Act; Marshalling under Section 56 of the Transfer of property Act [J.P. Builders (supra); the Civil Court shall have jurisdiction.

(F) Examples as indicated in para 22.3, are illustrative of the Civil Court's jurisdiction.

(G) The principles laid down in para 33 (i) to (ix) of Sagar Pramod Deshmukh (supra) are in accordance with what we have discussed and held above."

"In view of what we have discussed above, our considered opinion to the question as referred to is as under:-

Question:

"whether the jurisdiction of a Civil Court to decide all the matters of civil nature , excluding those to be tried by the Debts Recovery Tribunal under Section 17 of the Securitisation Act, in relation to enforcement of security interest of a secured creditor, is barred by Section 34 _ _ _ _ _ __ ?"

12. In **Central Bank of India of Vs. Prabha Jain 2025 INSC 95**, the Hon'ble Supreme Court at para 43 had held as under:

"43. We must note at the threshold itself that there are no restrictions on the power of a civil court under Section 9 of the Code unless expressly or impliedly excluded. This was also reiterated by a Constitution Bench of this Court in Dhulabhai v.State of M.P. [Dhulabhai v. State of M.P., (1968) 3 SCR 662 : AIR 1969 SC 78] Thus, it is in the conspectus of the aforesaid proposition that we will have to analyse the rival contentions of the parties set out above. Our line of thinking is also influenced by a three-Judge Bench of this Court in Dwarka Prasad Agarwal v. Ramesh Chander Agarwal [Dwarka Prasad Agarwal v. Ramesh Chander Agarwal, (2003) 6 SCC 220] where it was opined that Section 9 of the Code confers jurisdiction upon civil courts to determine all disputes of civil nature unless the same is barred under statute either expressly or by necessary implication and such a bar is not to be readily inferred. The provision seeking to bar jurisdiction of a civil court requires strict interpretation and the Court would normally lean in favour of construction which would uphold the jurisdiction of the civil court."

13. It was also observed by the Hon'ble Supreme Court that the Banks should remain very careful with inadequate title clearance reports.

Suffice to say that the grounds urged in the present petition would go to touch the legality or otherwise of the title of the petitioners which they allege. The same cannot be decided by this Tribunal assuming / usurping the powers of the Civil Court in view of the settled position of law discussed above. In the above context the notice to the respondent is dispensed and the present SA stands disposed of by the following:-

: - O R D E R - :

SA 34/2025 stands disposed of as not maintainable since the subject matter of SA tangibly goes to decide the title of the Applicants which they allege. The same cannot be decided in the guise of answering the legality, validity and correctness of the impugned notice.

At the same time the Applicants are at liberty to put-forth their contention before the authorized officer in writing within fifteen days from today by explaining the grounds urged in the present petition, if no further measures are initiated.

The authorized officer shall consider such grounds and respond to the Applicants within 30 days thereafter. All the grounds urged by the Applicants are kept open. It is also made clear that the rights of the Applicants to approach the competent civil court are not curtailed. This order shall not come in the way of parties to explore the settlement outside the Tribunal in accordance with the prevailing banking policies.

If no further measures are initiated by the respondent after the notice, only in such an event the representation be considered as mentioned above.

If there are any further measures initiated, the Applicants may approach the competent forum by urging the fresh cause of action and they are at liberty.
A copy of this order be communicated to both the parties.

Sd/-
(A.S.JAYACHANDRA)
PRESIDING OFFICER
DRT-I, CHENNAI

(Dictated to Stenographer who typed in the system, corrected, signed and pronounced in open court on this 18th Day of May, 2026)