IN THE DEBTS RECOVERY TRIBUNAL-III, CHENNAI

Dated this the 12th day of June, 2026

Present: SMT. S.V. GOWRAMMA
Presiding Officer

SA No. 790 of 2024

1. M/s. Marwa International,
Represented by its Proprietor,
Manoj Kumar B. Jain,
No. 327, 2nd Floor, Mint Street,
Park Town, Chennai – 600 003.

2. M/s. Manoj Babuji Exports India Pvt. Ltd.,
Represented by its Managing Director,
Anil Kumar B Jain,
Date of Incorporation: 20/04/2004.
No. 327, 2nd Floor, Mint Street,
Park Town, Chennai – 600 003.

3. Manoj Kumar B. Jain,
No. 327, 2nd Floor, Mint Street,
Park Town, Chennai – 600 003.

4. Santosh Kumar Jain,
No. 327, 2nd Floor, Mint Street,
Park Town, Chennai – 600 003.

5. Anil Kumar B Jain,
Applicants 3-5 having office at
No. 327, 2nd Floor, Mint Street,
Park Town, Chennai – 600 003. ….Applicants

-Vs-

The Authorised Officer,
Deutsche Bank AG,
Deutsche Bank House,
No. 4-4A Western Tower, Sunny Side,
Shafi Mohammed Road,
Thousand Lights
Chennai – 600 006. ….Respondent

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Counsels on record / appeared:

Counsel for Applicant : M/s. R. Thiagarajan, Vasudha Thiagarajan, Saurabh Mishra.

Counsel for respondent : M/s. S.K. Mariyappan, S. Ram Prasad.

ORDER ON SA 790/2024

1. The present Securitization Application [SA] is filed on 08.11.2024 under sub section [1] of S.17 of the Securitization And Reconstruction of Financial Asset and Enforcement of Security Interest Act,2002 (for short the 'Act') challenging the action and the measure taken by the secured creditor under the Security Interest Enforcement Rules, 2002 [for short the Rules].

2. The applicant has challenged the Sec.14 order dated 18.07.2024 in Crl.M.P. No.34218 of 2024 passed by Chief Metropolitan Magistrate, Egmore Chennai and the outstanding amount due as per Sec.14 order is Rs.14,36,55,696.69/-

3. The case of the applicants is that the house property situated at New Door Nos. 49, 50 and 51, Millers Road, Kilpauk, Chennai – 600 010, more fully described in the schedule, belongs to Applicants 3 to 5, inherited it from their father, Late Babulal Jain, and have been in separate and continuous possession thereof since it was bequeathed to them.

3.1 The 1st applicant availed financial facilities of Rs.7,50,00,000/- and a financial facility of Rs.5,75,00,000/- was extended to the 2nd Applicant from the respondent bank. For due repayment of the said amounts, the schedule-mentioned property was offered as security. The 1st and 2nd Applicants availed the financial facilities, while Applicants 3 to 5 stood as guarantors and Applicants 3 to 5 have executed a Memorandum of Deposit of Title Deeds in favour of the Respondent on 23.12.2019, which was registered as Document No. 7780/2019 in the office of the Sub-Registrar, Purasawalkam.

3.2 The Applicants are primarily engaged in the trade of import and export licenses and due to the nature of their business, the applicants do not maintain any physical stock in their office and deal only with import and export licenses, which are intangible and transferable. As the number of licenses could not be quantified, were unable to submit quarterly or annual stock statements to the respondent bank. However, the Respondent has been insisting on the production of stock statements for physical verification. Hence applicants were under a bona fide impression that the requirement to submit stock statements would be waived.

3.3 The applicants approached the respondent in 2020 for renewal of the cash credit facilities, the respondent insisted on physical stock statements, thereby changing its earlier position. Since no stock statements or verification could be provided, the respondent retracted the credit facility and froze the applicants' accounts.

3.4 Upon submission of the stock statements, the respondent bank reduced the applicants' drawing power from Rs.5,75,00,000/- and Rs.7,50,00,000/- which adversely affected the applicants' business, and it hindered their ability to participate in auctions and carry out their day-to-day business activities.

3.5 As the Respondent reduced the credit limit during the COVID-19 pandemic, the Applicants were unable to close the account by making a lump-sum repayment at that time, approached the Respondent Bank seeking an enhancement of their borrowing capacity. The Respondent Bank, through its officials, informed the Applicants that the Government of India had permitted extension of Emergency Credit Facilities to borrowers on request, with repayment of such amounts being guaranteed by the Government, in view of the hardships faced by MSME businesses due to the COVID-19 pandemic and the consequent lockdown imposed by the Central Government under the National Disaster Management Act, 2005.

3.6 Therefore, the applicants were constrained to seek an emergency credit line under the Guaranteed Emergency Credit Line (GECL) scheme for Applicants 1 and 2. The respondent bank, vide email communications dated 22.12.2022, confirmed that the 1st Applicant was eligible for a GECL credit line of Rs.1,13,09,000/- and 2nd Applicant shall be eligible for a GECL Credit line of Rs.86,43,000/-.

3.7 Despite the assurances provided by the respondent and the guidelines of the National Credit Guarantee Trustee Company Ltd. for the GECL scheme, the respondent bank extended the GECL credit line only to the 2nd applicant and not to the 1st applicant, thereby causing financial strain to the applicants.

3.8 The applicants faced a shortage of funds and were unable to carry out their day-to-day business effectively, resulting in heavy losses due to their inability to participate in auctions. Further, during July and August 2022, the bank's servers underwent unscheduled maintenance due to technical glitches, which reset the applicants' drawing power to zero and prevented any transactions, thereby restricting their participation in auctions during that period.

3.9 It is submitted that the Applicants' inability to participate in auctions for about two months resulted in their inability to generate funds for the next six months, as they could not secure further import or export licenses. Consequently, no income or profits were generated during the period from July 2022 to January 2023, and the Applicants were thereby unable to service the loan.

3.10 It is submitted that the Respondent Bank classified the financial facilities extended to Applicants 1 and 2 as NPA under the category "Out of Order." The Applicants further contended that the classification of the account as a NPA was done mechanically, without considering the various defaults committed by the Respondent Bank, which resulted in losses to the Applicants' business.

3.11 The respondent bank issued a demand notice dated 02.06.2023, which was duly replied by the applicants. Without considering the applicants' contentions, the bank issued a possession notice dated 01.02.2024. Thereafter, the bank filed an application under Section 14 of the SARFAESI Act before the Chief Metropolitan Magistrate, Egmore, in Crl. M.P. No. 34218/2024, and an order was passed on 18.07.2024. However, the applicants became aware of the said order only upon receipt of the Advocate Commissioner's letter dated 05.11.2024 directing them to vacate the premises.

3.12 One these grounds, the applicant prays to set aside the Sec.14 order 18.07.2024 in Crl.M.P. No.34218 of 2024 passed by CMM, Egmore.

4. The respondent bank has filed a counter contending that the Applicants had approached the respondent for a secured loan facility of Rs.7,50,00,000/-, Rs.5,75,00,000/-, and Rs.86,43,000/- against the properties described in the schedule properties, vide Sanction Letters dated 25.06.2019, 26.06.2019, and 16.07.2020 issued by the respondent, on such terms and conditions of sanctioned letter and the same has been renewed subsequently.

4.1 Thereafter, loan agreements were entered into between M/s. Deutsche Bank and the Applicants on 29.06.2019 and 31.03.2021, vide its Nos. 100038582780019, 100038582790019, and 320038582790019, respectively. Further Applicants deposited all the original title deeds in respect of the schedule property to the respondent vide Memorandum of Deposit of Title Deeds executed on 23.12.2019 & 13.08.2021 registered as Document No. 7780 of 2019 and 4642 of 2021, in the office of the Sub Registrar Purasawakkam.

4.2 The applicants defaulted in repayment of the loan, subsequently declared as NPA on 01.05.2023. Thereafter, the respondent issued a demand notice dated 02.06.2023 under Section 13(2) of the SARFAESI Act, calling upon the applicants to pay the outstanding sum of Rs.14,36,55,696.69/-, as on 29.05.2023, within 60 days from the date of receipt of the notice. The demand notice was duly received by the applicants.

4.3 Thereafter, the respondent effected paper publication of the demand notice in the daily newspapers, namely *The New Indian Express* (English daily) and *Dinamani* (Tamil vernacular daily), both dated 10.06.2023. The applicant sent a reply dated 12.06.2023, to which the respondent issued a rejoinder notice dated 16.06.2023. However, the applicant failed to repay the outstanding loan amount.

4.4 Therefore, the applicants also submitted an OTS proposal vide letter dated 28.12.2023, which was replied to by the respondent vide reply notice dated 12.01.2024. Since no payment was forthcoming, the respondent took symbolic possession of the secured assets on 01.02.2024 by affixing the possession notice. The respondent also intimated the applicants of the possession and duly served the notice by registered post. Further, the respondent published the possession notice in two newspapers one in *The New Indian Express* (English) and another one in *Dinamani* (Tamil) both dated 03.02.2024, within the stipulated time from the date of taking symbolic possession.

4.5 The respondent filed a petition under Section 14 of the SARFAESI Act before the Hon'ble CMM, Egmore, along with all required documents and supporting affidavit. After perusal of the documents, the Hon'ble Chief

Metropolitan Magistrate, Chennai, passed an order dated 18.07.2024 in Crl. M.P. No. 34218/2024 and appointed Mrs. P. Bharathy as Advocate Commissioner to take physical possession and hand over the secured asset to the respondent bank. The Advocate Commissioner issued an intimation letter to the applicants directing them to vacate the schedule property.

4.6 The respondent denies the averments in the SA. The Applicant had availed Loan against Property from the respondent and the same was sanctioned vide Sanction Letter on such terms and conditions. Pursuant to the said facility, the applicants had provided the Original documents of the schedule properties to the respondent and created charges over the schedule property in favour of the respondent.

4.7 The Applicants required to adhere the terms and conditions of the Sanction letters and loan agreement and had agreed to show latest stock and book statement. Further, the Applicant had agreed to provide additional security, if required, but failed to pay the outstanding amount as agreed. Consequently, the account has been classified as a NPA in accordance with the RBI guidelines.

4.8 Further the Respondent had given sufficient time and opportunities beneficial to applicants, as Applicant were irregular and defaulted in repayment. Hence the Respondent had initiated SARFAESI action against the Applicant. The Respondent followed the due procedure of the SARFAESI Act and prays for dismissal of the SA.

Heard both sides of the Counsels and perused the records of the case

5. It is manifest from the records that the 1st and 2nd applicants availed Cash Credit Facilities of Rs.7,50,00,000/- and Rs.5,75,00,000/-, and a GECL facility of Rs.86,43,000/-, vide sanction letters dated 25.06.2019, 26.06.2019, and 16.07.2020 issued from the respondent. The 3rd to 5th applicants has mortgaged the property as collateral security towards the credit facilities.

5.1 The applicants entered into loan agreements with between M/s. Deutsche Bank on 29.06.2019 and 31.03.2021, vide its Nos. 100038582780019, 100038582790019, and 320038582790019, respectively, on the terms and conditions of sanction and agreement more particularly mentioned in the loan agreements.

5.2 To secure the credit facilities availed, the applicants have executed the Memorandum of Deposit of Title Deeds dated 23.12.2019 vide registered as Doc.No.7780 of 2019 and supplemental mortgage of deposit of title deed dated 13.08.2021 vide registered as Doc.No.4642 of 2021, in the office of the Sub-Registrar, Purasawakkam which is produced at Pg.24-41 of SA Book.

5.3 Admittedly, the applicant defaulted in the repayment, the respondent as secured creditor has initiated measures under the SARFAESI Act after classifying the account as NPA on 01.05.2023 in accordance with RBI guidelines.

5.4 The respondent had issued the Sec.13(2) Demand Notice dated 02.06.2023 claiming an amount of Rs.14,36,55,696.69/- due as on 29.05.2023 along with other charges. The Demand Notice is sent by RPAD which the applicants have received the Demand Notice as per the tracking consignment produced at Pg.15-32 of counter. The demand notice is published in two newspapers one in English "The New Indian Express" and another one in Tamil "Dinamani" both dated 10.06.2023. Thus the service of demand notice is complete as contemplated under the Act and Rules made thereunder.

5.5 The applicant sent a reply notice dated 12.06.2023, to which the respondent issued a rejoinder notice dated 16.06.2023. However, the applicant failed to repay the outstanding loan amount, which is produced at Pg.37-45 of counter.

5.6 The applicants submitted an OTS proposal vide letter dated 28.12.2023, which was replied to by the respondent vide reply notice dated 12.01.2024. Since no payment was forthcoming, the respondent took symbolic possession of the secured assets on 01.02.2024 and issued the notice through Registered Post with Acknowledgment Due. The said notice returned with the postal endorsement "No Such Person," which is produced at pages 63–65, and notice sent to a different address was received by the applicants, which is produced at pages 66–72. The Possession Notice is published in two newspapers one in English "The New Indian Express" and another one in Tamil "Dinamani" both dated 03.02.2024 and the Possession Notice is affixed on the conspicuous place of the property as per the photograph of affixture produced at Page No.57-60 of respondent bank's typed set.

5.7 It is an admitted fact that applicant has not challenged the Sec.13(4) possession notice dated 01.02.2024 within the period of 45 days as required under section 17(1) of the SARFAESI Act. It seen that the respondent has produced the copies of the S.13(2) demand notice and S.13(4) possession notice and its acknowledgement cards for due compliance of the measures taken.

5.8 As the applicants failed to repay the entire outstanding amount the bank has approached the CMM, Egmore in u/s 14 of the SARFAESI Act. The Hon'ble CMM after perusal of the application and the loan documents produced by the respondent bank allowed the S.14 application on 18.07.2024.

5.9 Thus, it is evident that the Ld. Magistrate on examination of the pleadings in the S.14 application supported by the documents, have passed an order dated 18.07.2024 directing the Advocate Commissioner to take the possession of the property. Though the applicant has filed the present SA impugning the Sec.14 order dated 18.07.2024 passed by Ld. CMM, Egmore has not pointed out any illegality in the measures taken by the respondent herein.

5.10 On the other hand, it is seen that the statutory notices, the Demand Notice dated 02.06.2023 and Possession Notice dated 01.02.2024 are issued to the applicants in accordance to law, applicants have waived right to raise any contention with regard to Sec.13(4) Possession Notice within the period of 45 days. Hence any contentions to Sec.13(4) Notice is barred by limitation.

5.11 Now considering the challenge to S.14 Order, the Hon'ble Supreme Court and various Hon'ble High Courts in various judgments has held that the power of Designated Court under Section 14 SARFAESI Act, 2002 is ministerial and non- adjudicatory in nature and the process to be followed under Section 14 does not involve any element of quasi-judicial function nor it requires any application of mind.

5.12 The Hon'ble Bombay High Court in the matter of ***Phoenix ARC Pvt. Ltd. Vs. The State of Maharashtra*** *has held that* Court is only required to verify the affidavit of Secured Creditor filed in pursuance of the proviso to Section 14 and nothing more. The above Bombay High Court judgment has since been confirmed by the Hon'ble Supreme Court by its judgment dated 26.09.2022 in the matter of ***Balakrishna Ram Tarle v. Phoenix ARC (P) Ltd.*** as under:

"Thus, the powers exercisable by CMM/DM Under Section 14 of the SARFAESI Act are ministerial step and Section 14 does not involve any adjudicatory process qua points raised by the borrowers against the secured creditor taking possession of the secured assets. In that view of the matter once all the requirements Under Section 14 of the SARFAESI Act are complied with/satisfied by the secured creditor, it is the duty cast upon the CMM/DM to assist the secured creditor in obtaining the possession as well as the documents related to the secured assets even with the help of any officer subordinate to him and/or with the help of an advocate appointed as Advocate Commissioner. <u>At that stage, the CMM/DM is not required to adjudicate the dispute between the borrower and the secured creditor and/or between any other third party and the secured creditor with</u>

respect to the secured assets and the aggrieved party to be relegated to raise objections in the proceedings Under Section 17 of the SARFAESI Act, before Debts Recovery Tribunal".

5.13 The Supreme Court in the judgment of **Authorized Officer, Indian Bank v D Visalakshi and other,** has held that a Chief Metropolitan Magistrate is equally competent to deal with the application moved by the secured creditor under Section 14 of the SARFAESI Act. Hence, the Sec.14 dated 18.07.2024 in Crl.M.P. No.34218/2024 passed by the Hon'ble CMM, Egmore is a valid Order.

5.14 Additionally, Section 14(3) of the SARFAESI Act statuses that no action taken by the Chief Metropolitan Magistrate or District Magistrate (or any officer authorized by them) under S.14 can be challenged in court or before any other authority. This provision ensures that the authority of these officials in enforcing security interests is final and not subject to further review.

5.15 Thus, the Sec.14 order dated 18.07.2024 in Crl.M.P. No.34218/2024 passed by the Hon'ble CMM, Egmore is after due consideration of the application, affidavit in support of compliance of procedures along with documents is an execution Order issued where no adjudication is required. The Order is passed considering the due compliance of the provisions of the S. 14 [i-ix].

5.16 On examination of pleadings and documents produced by respective parties, the Tribunal comes to conclusion that the respondent bank as secured creditor has initiated measures under the Act after classifying the account as NPA.

5.17 Consequent to classification of account as NPA has issued S.13[2] Demand Notice followed by Possession Notice and have complied all the procedures as contemplated under the Act and the Rules with supporting documents. Thus it is held that the Demand Notice u/s S.13[2] dated 02.06.2023 and S.13[4] Possession Notice dated 01.02.2024 are held as valid notices issued under the Act.

5.18 For the foregoing reasons, the present SA fails and accordingly SA stands dismissed. IA.No.2218 of 2024 filed for Emergent and IA.No.2219 of 2024 filed for stay is also dismissed as infructuous. Interim Order granted, if any stands vacated, pending IAs are disposed of in terms of this final order. No order as to cost.

Sd/-
(S.V. GOWRAMMA)
PRESIDING OFFICER,
DRT-III, CHENNAI

(Dictated to Steno (Suriya), transcribed by him, corrected, signed and pronounced by me on this the 12th day of June, 2026)

ANNEXURES

LIST OF DOCUMENTS PRODUCED BY THE APPLICANT

Sl. No.	Description of Documents	Documents No.
1.	Sanction letter of 2nd applicant 26.06.2019.	A-1
2.	Sanction letter of 1st applicant 25.06.2019.	A-2
3.	Memorandum of deposit of title deeds Doc.No.7780/2019 dated 23.12.2019.	A-3
4.	Supplemental mortgage of title deeds Doc.No.4642/2021 dated 13.08.2021.	A-4
5.	Sanction letter for renewal facility of the 2nd applicant 04.03.2022.	A-5

6.	Sanction letter for renewal facility of the 1st applicant 04.03.2022.	A-6
7.	Email correspondence between the applicants and respondent 19.09.2019 to 19.10.2022.	A-7
8.	Demand notice 02.06.2023.	A-8
9.	Possession Notice 01.02.2024.	A-9
10.	Petition filed under section 14 SARFAESI Act in Crl. M.P. No. 34218/2024 dated 14.03.2024.	A-10
11.	Affidavit filed by the respondent in Crl. M.P. No. 34218/2024 dated 14.03.2024.	A-11
12.	Order in Crl. M.P. No. 34218/2024 dated 18.07.2024.	A-12
13.	Intimation served by the advocate commissioner upon the applicants dated 05.11.2024.	A-13
14.	Fact sheet dated 08.11.2024.	A-14

LIST OF DOCUMENTS PRODUCED BY THE RESPONDENT

Sl. No.	Description of Documents	Documents No.
1.	Demand Notice U/s.13(2) of SARFAESI Act along with Postal Receipts and postal tracking 02.06.2023.	R-1
2.	Paper Publication for the Demand Notice in The New Indian Express (English Daily) and Dinamani (Tamil Daily-vernacular Language) 10.06.2023.	R-2
3.	Reply Notice issued by the Applicant 12.06.2023.	R-3
4.	Rejoinder Notice issued by the Defendant 16.06.2023.	R-4
5.	Letter for OTS proposal given by the Applicants 28.12.2023.	R-5
6.	Reply Letter given by the Defendant 12.01.2024.	R-6
7.	Possession Notice 01.02.2024.	R-7
8.	Photos 01.02.2024.	R-8
9.	Intimation of Possession Notice postal receipt and online postal tracking 01.02.2024.	R-9
10.	Paper Publication for the Possession Notice in The New Indian Express (English Daily) and Dinamani (Tamil Daily-vernacular Language) 03.02.2024.	R-10
11.	Copy of Statement of Accounts 18.03.2025.	R-11
12.	Copy of Power of Attorney 28.03.2024.	R-12

SCHEDULE OF PROPERTY

Item No.1 All that piece and parcel of Vacant House site situated at Door No.49 and 50, Millers Road, Kilpauk, Chennai – 600 010, comprised in R.S. No. 78/10, Block No. 4 of Purasawalkkam Village, Purasawalkkam – Perambur Taluk, Chennai District measuring an extent of 1 Ground and 1991 sq.ft. or thereabouts. Measuring East to West on the Northern side 86 feet 6 inches; On the Southern side 84 feet; North to South on the Eastern side 51 feet 6 inches; On the Western side 51 feet 6 inches; together with right to use all common passages as per decree in C.S. No. 117/1974; and bounded on the North by: 12 feet wide common passages; South by: R.S. Nos. 72/5, 72/6 & 72/7; East by: Temple Wall – R.S. No. 75; West by: Door No. 51, Millers Road owned by Mr. Chellapa; and situated within the Registration District of Chennai Central and Sub-Registration District of Purasawalkkam.

Item No.2 All that House and premises together with vacant land at Old Door No. 28E and New No. 51, Millers Road, Kilpauk, Chennai – 600 010 comprised in R.S. No. 78/11 abutting to common passage No. 6, Block No. 4, Purasawalkkam Tank, Purasawalkkam Village, measuring North to South on East – 49 feet; North to South on West – 49 feet; East to West on North – 25 feet 9 inches; and East to West on South – 25 feet 9 inches; an extent of total area 1261.75 sq.ft., more fully red marked sketch attached herewith and together with rights to use all common passages as per decree in C.S. No. 117/1974 and bounded on the North by: 11.6 feet common passage No.6, South by: R.S. No. 72/5; East by : Purchasers Property; West by: Vendors Property and situated within the registration district of Chennai Central and Sub-Registration District of Chennai Purasawalkkam.

Sd/-
(S.V. GOWRAMMA)
PRESIDING OFFICER,
DRT-III, CHENNAI

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