

IN THE DEBTS RECOVERY TRIBUNAL-III, CHENNAI

Dated this the 05th day of August, 2026

Present: SMT. S.V. GOWRAMMA
Presiding Officer

TRASNFER SARFAESI APPLICATION No. 28 of 2024

1. M/s. MSN EPS Panels,
Rep by its Managing Partner, Mr. Madhusudhan,
Operating from same address as others,
2. Mr. Madhusudhan M,
S/o Mr. Muni Kanniah
No. T1, 243, Brindavan Apartments,
39th Street, 8th Sector,
K. K. Nagar, Chennai 600078.
3. Mrs. Mayuri M,
W/o Mr. Madhusudhan
No. T1, 243, Brindavan Apartments,
39th Street, 8th Sector,
K. K. Nagar, Chennai 600078.
4. Ms. Harshini,
D/o Mr. Madhusudhan
No. T1, 243, Brindavan Apartments,
39th Street, 8th Sector,
K. K. Nagar, Chennai 600078.Applicants

-Vs-

The Authorized Officer
Mr. Muniswamy Velayutham
Punjab National Bank,
Royapettah High Road,
Chennai 600 014.Respondent

Counsels on record / appeared:

Counsel for Applicant : Mrs. Gajalakshmi Karan Ms
Counsel for respondent : M/s. Rahul Jain, Anand Jain

ORDER ON TSA 28/2024

1. The present Securitization Application [SA] is filed 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 19.09.2024 in Crl.M.P. No.4039 of 2022 passed by Chief Judicial Magistrate, Tiruvallur and the outstanding amount due as per Sec.14 order is Rs.1,16,68,879/-

3. The 1st Applicant is the borrower, a partnership firm to which the 2nd and 4th Applicants are partners. The 3rd Applicant has offered her properties as collateral security for the credit facilities availed by the 1st Applicant. The 3rd Applicant is the spouse of the 2nd Applicant, and the 4th Applicant is the daughter of the 2nd and 3rd Applicant. The present SA has been filed by the Applicants challenging the Sec. 14 order contending that the Applicants had availed credit facilities from the Respondent Bank, namely Cash Credit of Rs.100.00 lakhs, Term Loan of Rs.40.00 lakhs, GECL Loan of Rs.27.90 lakhs, CECF Loan of Rs.10.00 lakhs, and FITL Loan of Rs.4.28 lakhs, totaling Rs.1,82,18,000/-.

3.1 The applicants had agreed to repay the loan as per the terms and conditions of sanction and also mortgaged the property as security towards the credit facility availed, Smt. Mayuri.M has executed the Memorandum of Deposit of Title Deeds, registered vide Doc.No.6473 of 2012 dated 12.07.2012 which is seen from the Sec.14 client copy.

3.2 In fact the applicants do not dispute the availing of the credit facility and mortgage of the property including the default in the repayment. Due

to continuous default in the repayment, the loan account of the applicants was classified as NPA on 31.03.2021 in accordance with RBI guidelines.

3.3 The bank has issued S.13(2) Demand Notice dated 27.04.2021 claiming an amount of Rs.1,85,30,379.08/- due as on 31.03.2021 along with other charges. The demand notice clearly describes the types of loan availed, the nature of facility and the documents executed by the borrowers. Further the description of the properties is clearly mentioned in the S.13(2) demand notice.

3.4 The Sec.13(2) Demand Notice was sent through RPAD, the borrowers have received the Demand Notice, as evidenced by the Acknowledgement Cards produced at Pg.9-11 of the counter. However, in the case of M/s. MSN EPS Panels, the notice returned with the endorsement "No Such Addressee," as evidenced by the documents produced at Pg.12 and 13 of the counter.

3.5 In spite of receipt of Sec.13(2) demand notice as the borrower and the guarantor did not liquate the liability within 60 days and nor raised any objections to the demand made, the respondent bank has proceeded further under the Act.

3.6 The respondent issued the Sec.13(4) Possession Notice on 03.09.2021, the Possession Notice is published in two newspapers one in English "The New Indian Express" and another one in Tamil "Dinamani" both dated 08.09.2021 and the Possession Notice is affixed on the

conspicuous place of the property as per the photograph of affixture produced at Page No.19-21 of respondent bank's typed set.

3.7 It is seen that the Applicants had approached the Respondent Bank on 29.09.2021 with a One Time Settlement of Rs.3.00 Crores for closure of the loan accounts of M/s. MSN EPS Panels and M/s. MSN Construction. The Respondent Bank had rejected the OTS proposal vide letter dated 04.10.2021, stating that the offered amount was low.

3.8 Further, the Applicants had approached the Respondent Bank and submitted an OTS proposal dated 11.12.2021 for a sum of Rs.5.06 Crores. The Respondent Bank approved the OTS proposal, subject to the condition that an upfront payment of Rs.100.00 lakhs on or before 20.12.2021. However, the Applicants failed to remit the upfront amount within the stipulated time, resulting in the failure of the said OTS.

3.9 It is seen from the records that the OTS letter submitted by the applicant to the respondent dated 29.09.2021 and reply thereto issued by the respondent dated 04.10.2021 are produced at Pg.24 and 25 of counter. The second OTS letter submitted by the applicant to the respondent dated 11.12.2021 and the OTS failure letter issued by the respondent to the applicants dated 21.12.2021 are produced at Pg.26 and 27.

3.10 Despite sufficient time and opportunity, the borrowers failed to clear the outstanding dues. Consequently, the respondent issued a Sale Notice dated 18.04.2024, for conducting an e-auction on 13.05.2024. However, no bidders was fetched in the auction.

3.11 The respondent bank has established the due compliances of the procedures as contemplated under the Act and Rules with supporting documents and have countered all the contention raised by the applicant in the SA. On the other hand, the applicant has failed to make out a case for interference of this Tribunal.

3.12 The respondent bank has filed an application u/s.14 in Crl.M.P.No.4039 of 2022 along with the affidavit and supporting documents. The Ld. CJM vide order dated 19.09.2024 allowed the application and appointed the Advocate Commissioner to take the physical possession of the property which has been challenged in the present SA.

3.13 Now considering the challenge to S.14 Order, it is appropriate to mention the declaration of 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.

3.14 Additionally, Section 14(3) of the SARFAESI Act states 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.

3.15 Thus, the Sec.14 order dated 19.09.2024 in CrI.M.P. No.4039/2022 passed by the Ld. CJM, Tiruvallur 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].

3.16 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.

3.17 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 27.04.2021 and S.13[4] Possession Notice dated 03.09.2021 are held as valid notices issued under the Act.

3.18 It is seen from the records the bank has taken the physical possession of the property on 09.09.2025 and the prayer in the SA has been rendered infructuous, nothing survives for further adjudication and the other challenges to the measures is not within the period of 45 days as required under S.17 of the Act.

3.19 For the foregoing reasons, the present SA is only to be disposed. Accordingly, SA stands disposed 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 05th day of August, 2026)

ANNEXURES

LIST OF DOCUMENTS PRODUCED BY THE APPLICANT

Sl. No.	Description of Documents	Documents No.
1.	Order in Crl.M.P.No.4039/2022 dated 19.09.2024.	A-1

LIST OF DOCUMENTS PRODUCED BY THE RESPONDENT

Sl. No.	Description of Documents	Documents No.
1.	Demand Notice u/s.13(2) of the SARFAESI Act issued by the respondent to the applicants dated 27.04.2021.	R-1
2.	Acknowledgment Cards issued by the Postal Authority.	R-2
3.	Possession Notice u/s.13(4) of the SARFAESI Act issued by the respondent to the applicants dated 03.09.2021.	R-3
4.	Affixture of Photographs of the possession notice by the respondent dated 03.09.2021.	R-4
5.	Paper Publication of the Possession Notice by the respondent dated 08.09.2021.	R-5
6.	OTS Letter given by the applicant to the respondent dated 29.09.2021.	R-6
7.	Reply to the above OTS Letter given by the respondent to the applicant dated 04.10.2021.	R-7
8.	Second OTS Letter given by the applicant to the respondent dated 11.12.2021.	R-8
9.	OTS failure letter issued by the respondent to the applicant dated 21.12.2021.	R-9

SCHEDULE OF PROPERTY

Schedule-A

All that piece and parcel of land measuring 32.7 cents or 14,239 sq.ft., with factory building thereon comprised in Old S.F.No.195, Gramanatham S.F.No.485/2, Jagannathapuram-II, Irulipattu Village, Ponneri Taluk,

Thiruvallur District and bounded on the:

North by: Land in S.F.No.485/1; South by: Village Road;

East by: Land in S.F.No.485/3; West by: Village Road

The property lies within the Registration District of North Chennai and Sub Registration District of Aarani.

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