IN THE COURT OF THE CHIEF JUDICIAL MAGISTRATE, KARUR

PRESENT: THIRU.N.S.JAYAPRAKASH,B.Sc.,B.L.,

CHIEF JUDICIAL MAGISTRATE, KARUR

Wednesday, the 20th day of May 2026

Cr.M.P.No.405/2026

M/s. Equitas Small Finance Bank limited,
Having its office at
No.769, Spencer Plaza, 4th Floor,
Phase II, Anna Salai, Chennai - 600 002.
Hob Office at Woraiyur Branch
Represented by its Authorized Officer,
Mr.C. Arulkumar, S/o. Chinnathambi **. . . Petitioner**

/Vs/

1) Mr. Baskar,
2) Mrs. Geetha, **… Respondents**

This petition is coming for final hearing on 20.05.2026 before this court in the presence of Thiru.A.Tamilarasi,B.A., B.L., Advocate for petitioner and upon hearing petitioner side arguments, perusing affidavit, petition and other relevant documents, and having stood over for consideration till this day, this Court delivered the following

ORDER:

1) This petition has been filed by the petitioner for taking physical possession of secured assets under section 14 (1) and (2) of the SARFAESI ACT 2002.

2) The petitioner company is M/s.Equitas small finance Bank limited. The petitioner is duly notified as a "Financial Institution under the SARFAESI Act, 2002. The petitioner Bank is under RBI construction. The RBI Incorporation bank list mentioned as document No.1. Mr.C.Arulkumar, is nominated as Authorized officer by the board of directors of the petitioner company. The Said copy of the Resolution passed by board of directors of along with Authorization under the SARFEASI Act dated 22.07.2025 is filed as Document No.2.

3) The 1st Respondents in a borrower approached the Petitioner Bank for purpose of availing certain credit facility viz. Loan against property by mortgaging the schedule mentioned property. Along with the 1st Respondent, the 2nd Respondents is also approached the Petitioner bank for the above said same purpose as Co-borrowers/Co-applicants capacity. Thereafter, Respondents submitted the loan application form on 19.11.2018 to the petitioner bank. The said Loan Application is filed as here with as document No.3.

4) The Respondents with regard to their financial capacities and also on considering the due repayment of the loan to be sanctioned to the Respondent, the Petitioner bank financed the LAP Loan for sum of Rs.1,87,000/- in vide Loan Account No. SEWORYR0206268, to the Respondent by the Loan Sanction Letter dated on 19.11.2018. In which the Respondents have agreed to repay the said loan on demand to the Petitioner bank together with the agreed interest. The said Loan

Sanction Letter is dated on 19.11.2018 is filed herewith as Document No: 4.

5) The respondent executed the Loan Agreement dated on 20.11.2018 to and in favour of the Petitioner Bank by which the both respondents are agreed to repay loan amount with agreed interest and late payment charges on failure to pay the loan amount as per the terms of the Loan Agreement dated 20.11.2018 and the 1nd Respondent was executed a registered Memorandum Confirming Deposit of Title Deeds in vide Doc. No. 7250/2018 dated on 22.11.2018 to and in favour of the petitioner Bank and by which the Respondents have agreed to repay the entire Loan amount with the agreed interest. The said Loan Agreement, dated on 20.11.2018 and Registered Memorandum Confirming Deposit of Title Deeds in vide Doc.No.7250/2018 dated ib 22.11.2018 both the same are filed herewith in as Document No's: 5 and 6 respectively.

6) The respondents failed to adhere to the repayment schedule, the petitioner repeatedly called them to repay the dues but the respondents failed to repay the dues. Therefore on 08.01.2025the loan facility extended to the respondents was classified as "non-performing asset" within the meaning of Section. 2(o) of the Act in accordance with directions/guidelines issued by the Reserve Bank of India.

7) The respondents for the payment of the pending interest amount, to the respondents had received the notice, and the respondents were not inclined to pay the pending interest amount with the intention to cheat and evade the payment due to the Bank. Further the representatives and the staffs of the Bank had approached the

respondents to re-pay the loan amount with agreed interest, but the respondents deliberately failed to pay the due amount. Hence the petitioner had issued statutory notice under section 13(2) of the Act on 04.02.2025 interalia calling upon the to repay the above said Loan for sum of Rs.1,86,077/- in vide Loan Account No. SEWORYR0206268, as on 24.01.2025 for discharge their liabilities in full within 60 days from the date of statutory notice and the said statutory notice under section 13(2) of the Act to the Respondents along with its postal receipts, Acknowledgment cards and Postal Trackers are filed herewith as Document No.7. The said notice are received by the both respondents.

8) The petitioner bank become entitled to take physical possession of the secured asset of the respondents, as per the details given in the Schedule hereunder and also to take other steps as provided under section 13 (4) of the said Act. Subsequently, the petitioner bank had issued Symbolic Possession notice under section 13(4) of the Act on 25.06.2025 and the said Symbolic Possession notice along with its postal receipts and Acknowledgment card and Possession Photos are filed herewith as Document No: 8.

9) In this regard, the petitioner bank caused Public Notice for the said Possession notice in Tamil (Dinamai) and English (The New Indian Express) news paper dated 01.07.2025 and both the same are produced herewith are herewith as Document Nos. 9 and 10 respectively.

10) The Respondents herein are Rs.2,32,034.41/- in vide Loan Account No.

SEWORYR0206268 as on 30.12.2025, under the aforesaid loan account as per the Statement of Accounts maintained by the Petitioner in its regular course of business and the Respondents herein are liable to pay the said sum along with subsequent interest at contractual rate with penal interest, charges and costs etc., The Statement of Accounts and Foreclosure are produced herewith as Document No. 11. The Settlement Deeds in vide Doc No. 8681/2010 dated on 03.12.2010 to in favour of the Respondents for the schedule mentioned property is produced herewith as Document No. 12. The Encumbrance Certificate for the schedule mentioned property is produced herewith as Document No. 13.

11) Hence this petition filed under section 14 of Sarfeasi Act, to take physical possession of the secured asset more particularly described in the schedule hereunder and handover the possession thereof to the authorized Officer of the Petitioner Bank.

12) Now the point for consideration is

Whether the petition under sec.14 of SARFAESI ACT is to be allowed or not?

POINT:-

13) Heard the counsel for the petitioner. Records perused. Before going in to the merits of this application it is necessary to have a look on the settled position of law on the subject. Power of this court as designated court under section 14 of SARFAESI Act 2002 is clearly explained by the latest decision of Apex Court in **Balkrishna Rama Tarle Dead Through Lrs vs Phoenix Arc Private Limited on 26 September, 2022**

14)*"9. Thus, in view of the scheme of the SARFAESI Act, more particularly, Section 14 of the SARFAESI Act and the nature of the powers to be exercised by learned Chief Metropolitan Magistrate/learned District Magistrate, the High Court in the impugned judgment and order has rightly observed and held that the power vested in the learned Chief Metropolitan Magistrate/learned District Magistrate is not by way of persona designata." 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. 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 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. Under the circumstances in the present case no error has been committed by the High Court in setting aside the order dated 27.08.2021 passed by the designated authority keeping the application pending till the secured creditor* *initiates the legal proceedings for eviction of the tenant cannot get the possession in an application under Section 14 of the SARFAESI Act. The High Court has rightly directed the designated authority to proceed further with the application under Section 14 of the SARFAESI Act, and to dispose of the same in accordance with the provisions of Section 14 of the SARFAESI Act".*

15) Bearing the above decision on mind now this court proceeded to consider whether the petitioner/Secured creditor had complied all formalities referred to in the provision in Section 14(1) of the SARFAESI Ac*t*. In support of the contentions of the petition, petitioner produced the copy of documents namely, Resolution passed by board of directors, Loan application form, Sanction letter, Loan agreement, Registered Memorandum of deposit of Title deeds, statutory notice, Possession notice, Possession photos, Daily publications Tamil and English, summary of accounts, Settlement deed, Encumbrance certificate.

16) This petition had also been filed only after the expiry of 60 days from the date of receipt of notice issued under Sec.13(2) of SARFAESI Act. The respondents are not entitled to get any further notice under the Act. On perusal of above documents it is clear that the petitioner complied all formalities referred to in the proviso of section 14 of the act. The petition mentioned property is situated in **Karur** District within the jurisdiction of this court. Necessary affidavit of the Authorized officer of the Secured Creditor/Petitioner has also been produced, who duly affirmed that the provisions of the SARFAESI Act and Rules have been

complied with. This court is satisfied about the contents of the affidavit filed for the purpose of taking possession of secured assets. Thus, as a secured creditor the petitioner has right to realize the loan amount by taking necessary action to take actual possession of the secured assets. Hon'ble Apex Court in **M/s R.D. Jain and Co. vs CapitalFirst Ltd & Ors** held in

17) para *14) "As observed and held by this Court in the case of NKGSB Cooperative Bank Ltd. (supra), the step taken by the CMM/DM while taking possession of the secured assets and documents relating thereto is a ministerial step. It could be taken by the CMM/DM himself/herself or through any officer subordinate to him/her, including the advocate commissioner who is considered as an officer of his/her court. Section 14 does not oblige the CMM/DM to go personally and take possession of the secured assets and documents relating thereto. Thus, we reiterate that the step to be taken by the CMM/DM under Section 14 of the SARFAESI Act, is a ministerial step. While disposing of the application under Section 14 of the SARFAESI Act, no element of quasi-judicial function or application of mind would require. The Magistrate has to adjudicate and decide the correctness of the information given in the application and nothing more. Therefore, Section 14 does not involve an adjudicatory process qua points raised by the borrower against the secured creditor taking possession of secured assets".*

18) In view of the above decision as the petitioner complied all the formalities referred to in the provision of section 14 of the act, he is is entitled to get a relief as

prayed for in this petition and advocate commissioner has to be appointed to take possession of the below mentioned schedule property .

19) In the result, this application is allowed. Advocate Mr. Baranikrishnan Ms.No.6213/2025, Mobile: 8248421289 is appointed as Advocate /Commissioner. He is directed to

1. Inspect the petition mentioned property
2. Take inventories
3. Take physical possession and immediately hand over to the petitioner/secured creditor and
4. If necessary take assistance of **Kulithalai Police Station** and Revenue Officials, **VAO of Rachandar Thirumalai Village of property** for executing the warrant.
5. To break open the door if locked.

A sum of Rs.20,000/- is fixed as remuneration for the said Advocate Commissioner and that amount to be paid to Advocate Commissioner directly to Advocate Commissioner, Report by 25.06.2026

This order was dictated by me to the Typist, typed by her directly in computer, corrected and pronounced by me in open court, this the 20th day of May 2026.

Sd/:- N.S.Jayaprakash
CHIEF JUDICIAL MAGISTRATE,
KARUR.

SCHEDULE OF PROPERTY

All that piece and parcel of land comprised in Patta No. 2578, S.No. 16/4A, with an extent of 7405.2 Sq.ft., situated at Woriayur Sub Registration Office, Trichy Registration District, Rachandar Thirumalai Village, Kulithalai Taluk and Karur District.

Boundaries:

North by : Land belongs to Mr.Kanthasamy

South by : Land belongs to Mr.Arasappan

East by : Land belongs to Mr. Pitchai

West by : Land belongs to Mr. Ramagoundar & Common Road,

Together with all buildings and structures attached to the earth or permanently fastened to anything attached to earth, both present and future and all easementary/Mamool rights annexed thereto.

Sd/:- N.S.Jayaprakash
CHIEF JUDICIAL MAGISTRATE,
KARUR.

Chief Judicial Magistrate Court,

Karur.

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Order copy

20.05.2026