



CMP No. 17887 of 2026 in
CRP SR No. 108410 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20-07-2026

CORAM

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

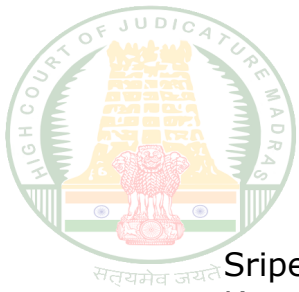
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and
CRP SR No. 108410 of 2026

SRM Institute of Science and Technology
Represented by Group Director
V.Parthasarathy,
No.3, Veerasamy Street,
West Mambalam,
Chennai 600 033.

..Petitioner(s)

Vs

1. M/s.PERI Educational and Charitable Trust
Represented by its Chairman,
Saravanan Periasamy,
Peri Knowledge Park,
Mannivakkam, Chennai 600 048.
2. Indian Overseas Bank
Represented by its Authorized Officer,
M.P.Vinuraj,
Asset Recovery Management Branch
Chennai, 3rd Floor, Annexure Building,
736, Anna Salai, Chennai 600 002.
3. Indian Overseas Bank
Irugattukottai Branch,
Large Advances Branch,
SIPCOT Industrial Park,
Irungattukottai,



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Sriperumbudur,
Kanchipuram 602 117.

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..Respondent(s)

Civil Miscellaneous Petition filed under Section 151 of Code of Civil Prosedure, to Grant Leave to file the above Civil Revision Petition and pass such further or other orders as this Honourable Court may deem fit and proper.

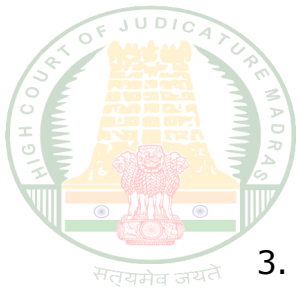
For Appellant(s): Mr.Zaffarullah Khan

ORDER

[Order of the Court was made by G.Arul Murugan J.]

The Civil Miscellaneous Petition is filed seeking to grant leave to the petitioner to file Civil Revision Petition to strike off S.A.No.493 of 2025 pending on the file of the Debts Recovery Tribunal-III, Chennai.

2. The 1st respondent/borrower availed financial assistance from the respondents 2 and 3/Bank and due to defaults in repayment of the dues, the loan account of the 1st respondent was declared as a Non-Performing Asset (NPA) and proceedings were initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [hereinafter referred to as 'SARFAESI Act'].



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3. It is stated that the Bank being the secured creditor, instituted proceedings against the 1st respondent/borrowers and guarantors before the Debts Recovery Tribunal-III, Chennai, in O.A.No.972 of 2019 under Section 19(1) of the Recovery of Debts and Bankruptcy Act, 1993, which has now been renumbered to T.A.No.49 of 2023 and pending before the Debts Recovery Tribunal-III, Chennai.

4. Pursuant to an auction sale notice dated 30.06.2025, the properties were brought to sale and the petitioner was declared as the successful bidder. On payment of the entire auction amount, the sale certificate dated 23.07.2025 was executed in favour of the petitioner.

5. The 2nd respondent/Bank filed an application under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Chengalpattu to secure possession of the property. The Chief Judicial Magistrate on 07.07.2025 passed orders in favour of the secured creditor/Bank for securing possession. Challenging the order passed under Section 14, the 1st respondent/borrower filed S.A.No.493 of 2025 before the Debts Recovery Tribunal-III, Chennai, in which interim orders have been passed. Admittedly, the same is still pending.

6. Now the auction purchaser has filed the present Civil Revision



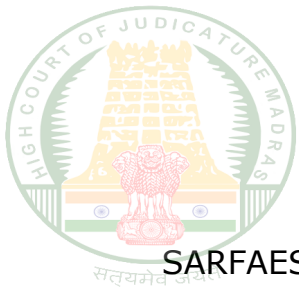
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Petition seeking to strike off Securitisation Application No. 483 of 2025 filed by the first respondent borrower, along with a petition for grant of third-party leave to file the revision.

7. The learned counsel for the petitioner contended that a Securitisation Application under Section 17 of the SARFAESI Act before the DRT can be maintained only by challenging the measures taken under Section 13(4), and that a challenge to orders passed under Section 14 would not be maintainable before the DRT under Section 17. Therefore, it is submitted that the entire Securitisation Application is not maintainable and is liable to be struck off. It is further submitted that the petitioner, being an auction purchaser who has paid a huge amount, is unable to take possession of the property, in view of the pendency of the Securitisation Application, which is not maintainable, and seeks for grant of leave.

8. Heard the learned counsel for the petitioner and considered the materials available on record.

9. It is not in dispute that the 1st respondent is the borrower who availed financial assistance from the 2nd and 3rd respondent/Bank. Due to default in repayment of the dues, proceedings were initiated under the



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SARFAESI Act. Pursuant to the issuance of the demand notice under Section 13(2), the possession notice under Section 13(4) came to be issued on 04.04.2019.

10. For the purpose of securing possession of the mortgaged property, the 2nd respondent/Bank filed an application under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Chengalpattu. The said application was disposed of by order dated 07.07.2025, allowing the application for securing possession of the property by the secured creditor.

11. The 1st respondent/borrower thereafter filed Securitisation Application No.493 of 2025 on the file of Debts Recovery Tribunal-III, Chennai, challenging the order of the Chief Judicial Magistrate dated 07.07.2025 under Section 14 of the SARFAESI Act. Admittedly, interim orders have been passed, and the appeal filed challenging the order under Section 14 is still pending.

12. It is the vehement contention of the learned counsel for the petitioner that the order passed under Section 14 would not fall within the measures taken under Section 13(4) of the SARFAESI Act, and, therefore, would not be amenable before the DRT under Section 17 of the Act. We



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are unable to accept such a contention.

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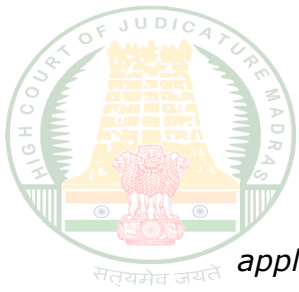
13. Once the possession notice under Section 13(4) is issued, the borrower or any other aggrieved person can file an application before the DRT under Section 17. The remedy to approach DRT is not only limited to possession notice under Section 13(4) that can be challenged before the Tribunal, but any measures undertaken by the secured creditor/Bank, including orders passed under Section 14 for securing possession, can be assailed before the DRT.

14. In this regard, useful reference can be made to the following decisions of the Hon'ble Supreme Court of India:

14.1. In the case of ***Kanaiyalal Lalchand Sachdev and Others vs. State of Maharashtra and Others***¹, the Hon'ble Supreme Court held as under:

"20. The 2002 Rules, enacted under sub-section (1) and clause (b) of sub-section (2) of Section 38 read with sub-sections (4), (10) and (12) of Section 13 of the Act, set down the procedure for enforcing a security interest. Rule 4 of the 2002 Rules deals with the possession of movable assets, whereas Rule 8 deals with the possession of immovable assets. It is manifest that Rule 4 has no

¹ (2011) 2 SCC 782



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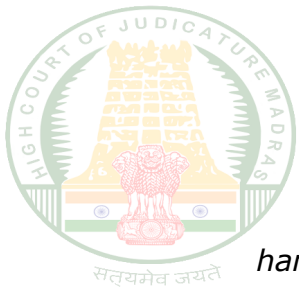
application to the facts of the instant case, as contended by the learned counsel for the State.

21. In *Indian Overseas Bank v. Ashok Saw Mill* [(2009) 8 SCC 366] the main question which fell for determination was whether the DRT would have jurisdiction to consider and adjudicate post Section 13(4) events or whether its scope in terms of Section 17 of the Act will be confined to the stage contemplated under Section 13(4) of the Act? On an examination of the provisions contained in Chapter III of the Act, in particular Sections 13 and 17, this Court held as under: (SCC pp. 375-76, paras 35-36 & 39)

"35. In order to prevent misuse of such wide powers and to prevent prejudice being caused to a borrower on account of an error on the part of the banks or financial institutions, certain checks and balances have been introduced in Section 17 which allow any person, including the borrower, aggrieved by any of the measures referred to in sub-section (4) of Section 13 taken by the secured creditor, to make an application to the DRT having jurisdiction in the matter within 45 days from the date of such measures having taken for the reliefs indicated in sub-section (3) thereof.

36. The intention of the legislature is, therefore, clear that while the banks and financial institutions have been vested with stringent powers for recovery of their dues, safeguards have also been provided for rectifying any error or wrongful use of such powers by vesting the DRT with authority after conducting an adjudication into the matter to declare any such action invalid and also to restore possession even though possession may have been made over to the transferee.

39. We are unable to agree with or accept the submissions made on behalf of the appellants that the DRT had no jurisdiction to interfere with the action taken by the secured creditor after the stage contemplated under Section 13(4) of the Act. On the other



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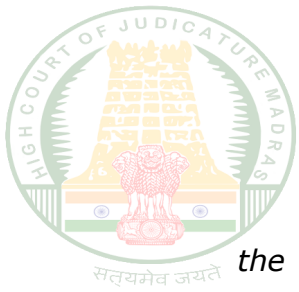
hand, the law is otherwise and it contemplates that the action taken by a secured creditor in terms of Section 13(4) is open to scrutiny and cannot only be set aside but even the status quo ante can be restored by the DRT.”

22. We are in respectful agreement with the above enunciation of law on the point. It is manifest that an action under Section 14 of the Act constitutes an action taken after the stage of Section 13(4), and therefore, the same would fall within the ambit of Section 17(1) of the Act. Thus, the Act itself contemplates an efficacious remedy for the borrower or any person affected by an action under Section 13(4) of the Act, by providing for an appeal before the DRT.”

14.2. In the case of **Standard Chartered Bank vs. V.Noble Kumar and Others**², the Hon’ble Supreme Court observed as follows:

“27. The “appeal” under Section 17 is available to the borrower against any measure taken under Section 13(4). Taking possession of the secured asset is only one of the measures that can be taken by the secured creditor. Depending upon the nature of the secured asset and the terms and conditions of the security agreement, measures other than taking the possession of the secured asset are possible under Section 13(4). Alienating the asset either by lease or sale, etc. and appointing a person to manage the secured asset are some of those possible measures. On the other hand, Section 14 authorises the Magistrate only to take possession of the property and forward the asset along with the connected documents to the borrower (sic the secured creditor). Therefore, the borrower is always entitled to prefer an “appeal” under Section 17 after the possession of

² (2013) 9 SCC 620



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the secured asset is handed over to the secured creditor. Section 13(4)(a) declares that the secured creditor may take possession of the secured assets. It does not specify whether such a possession is to be obtained directly by the secured creditor or by resorting to the procedure under Section 14. We are of the opinion that by whatever manner the secured creditor obtains possession either through the process contemplated under Section 14 or without resorting to such a process obtaining of the possession of a secured asset is always a measure against which a remedy under Section 17 is available.”

14.3. In **Phoenix ARC (P) Ltd. v. Vishwa Bharati Vidya Mandir³**, the Hon’ble Supreme Court emphatically held that the remedy against an order passed under Section 14 of the Act is under Section 17 of the Act before the Debts Recovery Tribunal and a writ petition is not maintainable. The observations of the Supreme Court are extracted herein below:

“10. In United Bank of India v. Satyawati Tondon, (2010) 8 SCC 110, it was observed and held by this Court that the remedies available to an aggrieved person against the action taken under Section 13(4) or Section 14 of the SARFAESI Act, by way of appeal under Section 17, can be said to be both expeditious and effective. On maintainability of or entertainability of a writ petition under Article 226 of the Constitution of India, in a case where the effective remedy is available to the aggrieved person, it is observed and held in the said decision in paras 43 to 46 as under : (SCC pp. 123-24)

³ (2022) 5 SCC 345



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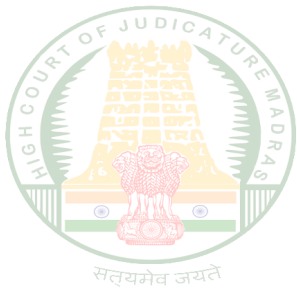


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'43. Unfortunately, the High Court [Satyawati Tondon v. State of U.P., 2009 SCC OnLine All 2608] overlooked the settled law that the **High Court will ordinarily not entertain a petition under Article 226 of the Constitution if an effective remedy is available to the aggrieved person and that this rule applies with greater rigour in matters involving recovery of taxes, cess, fees, other types of public money and the dues of banks and other financial institutions. In our view, while dealing with the petitions involving challenge to the action taken for recovery of the public dues, etc. the High Court must keep in mind that the legislations enacted by Parliament and State Legislatures for recovery of such dues are a code unto themselves inasmuch as they not only contain comprehensive procedure for recovery of the dues but also envisage constitution of quasi-judicial bodies for redressal of the grievance of any aggrieved person. Therefore, in all such cases, the High Court must insist that before availing remedy under Article 226 of the Constitution, a person must exhaust the remedies available under the relevant statute.**

...

45. It is true that the rule of exhaustion of alternative remedy is a rule of discretion and not one of compulsion, but **it is difficult to fathom any reason why the High Court should entertain a petition filed under Article 226 of the Constitution and**



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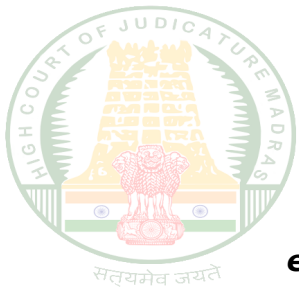
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pass interim order ignoring the fact that the petitioner can avail effective alternative remedy by filing application, appeal, revision, etc. and the particular legislation contains a detailed mechanism for redressal of his grievance.

46. It must be remembered that stay of an action initiated by the State and/or its agencies/instrumentalities for recovery of taxes, cess, fees, etc. seriously impedes execution of projects of public importance and disables them from discharging their constitutional and legal obligations towards the citizens. ***In cases relating to recovery of the dues of banks, financial institutions and secured creditors, stay granted by the High Court would have serious adverse impact on the financial health of such bodies/institutions, which (sic will) ultimately prove detrimental to the economy of the nation. Therefore, the High Court should be extremely careful and circumspect in exercising its discretion to grant stay in such matters. ...'***

...

12. In *Kanaiyalal Lalchand Sachdev v. State of Maharashtra*, (2011) 2 SCC 782, after referring to the earlier decisions of this Court in *Sadhana Lodh v. National Insurance Co. Ltd.*, (2003) 3 SCC 524, *Surya Dev Rai v. Ram Chander Rai*, (2003) 6 SCC 675 and *SBI v. Allied Chemical Laboratories*, (2006) 9 SCC 252 ***while upholding the order passed by the High Court dismissing the writ petition on the ground that an***



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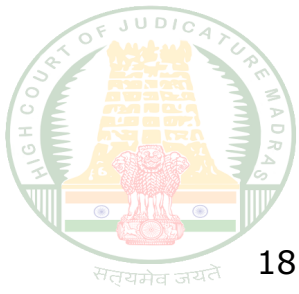
efficacious remedy is available under Section 17 of the SARFAESI Act, it was observed that ordinarily relief under Articles 226/227 of the Constitution of India is not available if an efficacious alternative remedy is available to any aggrieved person."

[emphasis supplied]

15. In view of the aforesaid settled legal position, it is clear that the borrower or any person aggrieved can maintain an application challenging the order passed under Section 14, only before the Debts Recovery Tribunal under Section 17 of the SARFAESI Act.

16. Even though the Chief Judicial Magistrate, Chengalpattu has passed orders in favour of the 2nd respondent/Bank allowing the application under Section 14 for securing possession, the 1st respondent borrower has rightly approached the DRT by filing S.A.493 of 2025 under Section 17 of the Act.

17. The petitioner, being the auction purchaser in the sale conducted by the bank, can only seek to get himself impleaded as a party in the application pending before the DRT and adjudicate the issues along with the Bank/secured creditor.



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18. The revision sought to be preferred by the petitioner to strike off SA No.493 of 2024 filed before the DRT Chennai is totally misconceived and is unsustainable.

19. In such circumstances, the Civil Miscellaneous Petition filed seeking to grant leave to file the civil revision petition is dismissed. Consequently, the Civil Revision Petition stands rejected at the SR stage. No costs.

(SUSHRUT ARVIND DHARMADHIKARI, C.J.) (G.ARUL MURUGAN J.)

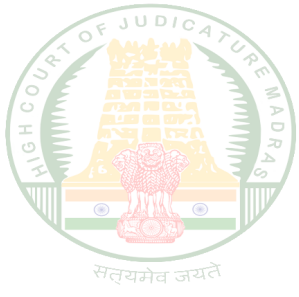
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To

1.The Authorized Officer,
Indian Overseas Bank
Asset Recovery Management Branch Chennai,
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2.The Indian Overseas Bank
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