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W.P.No.1001 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06.03.2025

CORAM :

THE HON'BLE MR.K.R.SHRIRAM, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P.No.1001 of 2025

and W.M.P.Nos.1244, 1245 & 1247 of 2025

1.Sriharan Sripathmanathan,
Represented by his Power of Attorney,
E.Sivanandam,
No.33, Karpagavinayagar Koil Street,
Kandanchavadi,
Chennai - 600 096.

2.Asiana Hotel Management Company PTE Limited,
Having its registered office at
17, Phillip Street, #0501, Grand Building,
Singapore – 048 695.

.. Petitioners

vs

1.Edelweiss Asset Reconstruction Company Limited,
Having its registered office at
Edelweiss House, Off CST Road,
Kalina, Mumbai-400 098

2.Malabar Hotels Private Limited,
Having its registered office at
#1/238, Old Mahabalipuram Road,
Semmencherry, Chennai-600 019.



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3.Sarang Sudhakar Kale,
Director-Malabar Hotels Private Limited,
Flat No.2, Gangadhar Chambers,
314, Narayan Peth,
Pune-411 030.

4.Kaleidoscope Projects Private Limited,
Having its registered office at
Flat No.2, Gangadhar Chambers,
314, Narayan Peth,
Pune-411 030.

5.Edelweiss Finvest Limited,
Having its registered office at
Tower 3, Wing 'B', Kohinoor City Mall,
Kohinoor City, Kiral Road, Kural (West),
Mumbai-400070.

6.GBJ Hotels Private Limited,
Having its registered office at
164 and 165, Avinashi Road,
Peelamedu, Coimbatore,
Tamil Nadu, India-641 004,
Rep. by its Authorised Singatory,
Kanaka Durga Prasad Pokala.

.. Respondents

Prayer : Petition under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for records in IA No.828 of 2024 (Waiver) in AIR No.1939 of 2024, dated 27.12.2024, on the file of the Debts Recovery Appellate Tribunal, Chennai, and quash the same to the extent of directions given to petitioners to make 50% of Rs.71,93,82,366/- being Rs.35,96,91,183/- as pre-deposit within four weeks in order to entertain the appeal filed in AIR No.1939 of 2024 and consequently direct the Debts Recovery Appellate Tribunal, Chennai, to entertain the appeal filed by petitioners in AIR No.1939 of 2024 without



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insisting for any pre-deposit of money as required under Section 18 of the SARFAESI Act and render justice.

For Petitioners : Mr.E.Omprakash,
Senior Counsel
for Mr.Sai Sathyajith

For Respondents : Mr.S.Ravi,
Senior Advocate
for M/s.Indumathi Ravi
for R1 caveator

Mr.Jose John
for M/s.King & Patridge
for R2 to R4

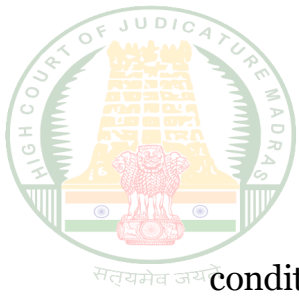
Mr.V.Raghavachari,
Senior Advocate
for Mr.M.Rajasekhar
for R6

ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

The petition impugns an order passed by the Debt Recovery Appellate Tribunal (DRAT), by which petitioners were directed to deposit 50% of Rs.71,93,82,366/- , which comes to Rs.35,96,91,183/-.

2. According to petitioners, petitioners cannot be saddled with such a



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condition.
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3. On 26.02.2025, to test the *bona fides* of petitioners, we directed petitioners to deposit Rs.120 Crores with the Registrar General of this Court, not later than 3 pm on 04.03.2025. This was the amount that petitioners informed the court that a prospective buyer was interested in paying for the mortgaged property, as against Rs.108 Crores offered by respondent No.6 and accepted by respondent No.1.

4. Counsel for respondent No.1 had indicated to us that the debt was in the region of Rs.135 Crores. The Court, therefore, felt better the price, better it is for the creditor.

5. In compliance with the directions, petitioners, through one GRT Hotels and Resorts Private Limited, the intending purchaser of the property, deposited Rs.120 Crores with the Registrar General of this Court.



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6. The petition was strongly opposed by Shri Raghavachari, appearing for respondent No.6, who submitted that the sanctity of auction will be defeated if after a bidder's offer has been accepted and bidder has partly complied with the conditions of sale, financial creditor is allowed to accept a higher offer from a third party.

7. Shri Raghavachari also made submissions on the *locus* of petitioners to even file an appeal before the DRAT and further submitted that petitioners should be directed to comply with the order of the DRAT and agitate all points before the DRAT.

8. Shri Raghavachari further states that bank is not saying for a moment that the sale conducted by the Authorized Officer is bad and, in such a situation, the question of bank accepting an offer, after concluding the sale with respondent No.6, cannot be permitted.

9. Shri Raghavachari opposed this arrangement being entered into between respondent No.1 and GRT Hotels and Resorts Private Limited.



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According to Shri Raghavachari, this was contrary to the provisions of law.

10. We had, in fact, given an opportunity to the parties. Yesterday, when the matter was taken up, following order came to be passed:

“Shri Omprakash states that pursuant to the order dated 26.02.2025, a sum of Rs.120 Crores has been deposited with the Registrar General by one GRT Hotels and Resorts Pvt. Ltd., the intending purchaser of the property.

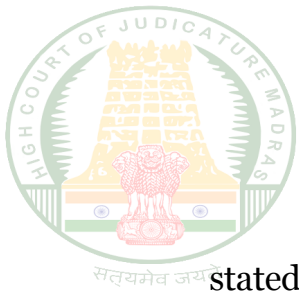
2. Shri Ravi states that respondent No.1 will abide by the order of the court because respondent No.1 is interested in recovering the amount.

3. Shri Raja Sekhar states that he will have to take instructions as to whether respondent No.6 will be inclined to improve its offer.

4. At the joint request of Shri Ravi, Shri Raja Sekhar and Shri Omprakash, stand over to 06.03.2025 at 2:15 pm.”

11. Today, at the outset, Shri Raghavachari stated that his instructions are to stick to Rs.108 Crores and not pay a penny more.

12. Shri Ravi, though initially opposed the petition, on instructions,



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stated that the outstanding today has gone up to Rs.136 Crores and his instructions are to accept the bid of Rs.120 Crores, because the entire amount of Rs.120 Crores has been deposited by the GRT Hotels and Resorts Private Limited, introduced by petitioners. Shri Ravi states that he is accepting that offer of Rs.120 Crores in the interest of value maximization, and that would certainly be to the benefit of the ARC.

13. Shri Jose John says he has no objection as it would only help reduce the debt further.

14. In view of the statement made by Shri Ravi that the offer made by GRT Hotels and Resorts Private Limited is acceptable to respondent No.1, Shri Omprakash states that petitioners will not pursue the appeal before the DRAT.

15. Shri Ravi states that the amount deposited by respondent No.6 will be refunded upon the Registrar General transferring the amount of Rs.120 Crores to respondent No.1. Shri Ravi hastened to add that the



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request for release of the amount will be made upon confirmation of sale to the GRT Hotels and Resorts Private Limited. The sale certificate shall be handed over simultaneously with the receipt of the amount Rs.120 Crores either from the Registrar General or directly.

16. The Registrar General shall transfer the amount to respondent No.1, without any deduction, with accumulated interest, if any, within one week of receiving a request from petitioners/respondent No.1

17. Petition is disposed of accordingly. There shall be no order as to costs. WMP No.1244 of 2025 filed to permit the petitioners to file a single writ petition is allowed, inasmuch as they have paid separate court-fee. Other interim applications stand closed.

We make it clear that we have not decided or considered whether petitioners have *locus* to maintain the appeal before the DRAT or on any other issues raised by petitioners in the proceedings before the DRT, DRAT, NCLT or NCLAT. This order has been passed only to record respondent



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No.1 has agreed to accept the offer of GRT Hotels and Resorts Private Limited and return respondent No.6's deposit.

(K.R.SHRIRAM, C.J.)

(MOHAMMED SHAFFIQ,J.)

06.03.2025

Index : Yes/No
NC : Yes/No
mrn

To:

1. The Registrar General,
High Court, Madras.
2. The Section Officer,
Accounts Section,
Madras High Court.



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THE HON'BLE CHIEF JUSTICE
AND
MOHAMMED SHAFFIQ.J.

(mrn)

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