IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.07.2025

CORAM :

THE HONOURABLE MR. MANINDRA MOHAN SHRIVASTAVA,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE MUMMINENI SUDHEER KUMAR

C.R.P.No.2493 of 2024

1. M/s. Haran Textile Company
   A Partnership Firm
   Having Office at
   No.36, Bharathi Park Road
   Cross No.5, Saibaba Colony
   Coimbatore 641 011
   Rep. by its Partner G.Jawahar.

2. G.Jawahar
3. Rajalakshmi Jawahar .. Petitioners

Vs.

City Union Bank Ltd.
With its administrative Office at
24-B, Gandhi Nagar
Kumbakonam 001
Branch at
27-30, Sarojini Street
Ramnagar, Coimbatore 009. .. Respondent

Prayer : Petition filed under Article 227 of the Constitution of India seeking to set aside the order dated 02.05.2024 made in

O.A.No.251 of 2019 on the file of the Debts Recovery Tribunal, Coimbatore.

For Petitioners	:	Mr.Pandiane Kailash For M/s. Aiyar and Dolia
For Respondent	:	M/s.K.R.Ananda Gomathy

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

Heard. With the consent of parties, this revision petition is heard finally.

2. The order dated 02.05.2024 passed by the Debts Recovery Tribunal in O.A.No.251 of 2019 is assailed mainly on the ground that though the petitioners raised various issues and tenable grounds to challenge the action of the respondent bank, as detailed in the original application, the Tribunal has passed a perfunctory order and has not taken into consideration any of the grounds raised by the petitioners in their defence and the original application

filed by the secured creditor/bank has been allowed in a most mechanical fashion, without any application of mind and without any speaking order, as reflected from the order itself. Attention of this Court is drawn to the observation made by learned Tribunal in paragraphs 8, 9 and 10 of the impugned order.

3. Learned counsel for the respondent would concede to this factual position placed on record and is unable to support the impugned order.

4. Concededly, the order impugned is apparently non-speaking and does not decide the issue raised before it on the basis of various defences raised by the petitioners. We may usefully extract the relevant part of the order of the Tribunal as below:

> *"8. A cumulative analysis of both the Proof Affidavit and documents marked by the Applicant Bank would prove on the basis of the claim in the Proof Affidavit filed by the Applicant Bank.*
>
> *9. The Applicant Bank having claimed an interest @ 13.50% compounded monthly rests and penal interest @ 2%*

considered to be higher in nature, even though the Defendants have agreed to pay the same. But considering the nature of loan and the facts of the case, this Tribunal required to reduce the rate of interest and hence, by invoking the provision of RDB Act, 1993 under Section 19 (20) & (25), this Tribunal inclined to allow the interest rate as @ 13.50% per annum (simple rate) from the date of filing of the OA to the date of realization in the case.

10. Therefore, in view of the observations made supra, the OA stands allowed and the Applicant Bank is entitled to recover,

a. from the Defendants personally, jointly and severally to pay to the Applicant Bank a sum of Rs.16,54,40,320.30 with future contractual interest @ 13.50% per annum (simple rate) as ordered by this Tribunal towards OSOD Limit and Short Term Limits,, from the date of Application, to till the date of realization, failing which:

b. the Applicant Bank is entitled to bring the immovable properties which are mentioned in the Schedule Properties for sale and the sale proceeds appropriated for recovery of a sum of Rs.16,54,40,320.30 with future contractual interest @ 13.50% per annum (Simple rate) as ordered by this Tribunal towards OSOD Limit and Short Term Limits, from the date of Application, to till the date of realization, with Costs of this OA."

5. A perusal of the above clearly shows that the Tribunal has not applied its mind and by a complete non-speaking order, original application filed by the bank has been allowed.

6. Since the respondent has conceded to the aforesaid position, this petition stands allowed. The order passed by the Tribunal is set aside and the case is remanded for consideration afresh and in accordance with law. The Tribunal shall do well to decide the matter within an outer limit of two months. We make it clear that we have not expressed anything on the merits of the issue. There shall be no order as to costs. Consequently, CMP No.13062 of 2024 is closed.

(MANINDRA MOHAN SHRIVASTAVA,CJ) (MUMMINENI SUDHEER KUMAR,J)
29.07.2025

Index : Yes/No
Neutral Citation : Yes/No

kpl

To
The Debts Recovery Tribunal, Coimbatore.

THE HON'BLE CHIEF JUSTICE
AND
MUMMINENI SUDHEER KUMAR,J.

(kpl)

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