



WEB COPY



C.R.P.No.3052 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.01.2025

CORAM :

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

AND

THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

C.R.P.No.3052 of 2024

&

C.M.P.Nos.16416 & 27955 of 2024

1. Govindasamy Balasubramaniam
2. Jeevarathinam

.. Petitioners

Vs.

1. The Authorised Officer
Indian Overseas Bank
Large Corporate Branch
No.10, Kannusamy Street
DB Road, R.S. Puram, Coimbatore 641 002.
2. M/s. Organomix Ecosystems Private Ltd.
Rep. by its Managing Director
No.64, Dr.Nanjappa Road
Coimbatore 641 018.
3. M/s. Garuda Steels
A Partnership Firm
Rep. by its Partners
M.Ramesh, R.Dhanalakshmi
S.F.No.309/1-A, Kulathupalayam Pudur
Devanampalayam, Kanathukkadavu Taluk
Coimbatore 642 120.



C.R.P.No.3052 of 2024

4. R.Natarajan

5. M/s. Shree Murugan Flour Mills Pvt. Ltd.
(Undergoing CIRP)
Rep. by the Resolution Professional
Having its Registered Office at
No.5, Vinayakar Kovil Street
Krishnaswamy Nagar, Ramanathapuram
Coimbatore District 641 045.

.. Respondents

Prayer : Petition filed under Article 227 of the Constitution of India to direct the Debt Recovery Appellate Tribunal, Chennai to emergently take up IA No.338 of 2023 in RA(SA) No.40 of 2023 on the file of the Debt Recovery Appellate Tribunal, Chennai and until such time, thereby grant an order of emergent interim injunction restraining the respondents 1 to 4 from taking any steps in pursuance of the Notice dated 06.08.2019 issued under Section 13(2) of the Act and consequential sale notice dated 23.02.2021 pending the disposal of RA(SA) No.40 of 2023 on the file of the Debt Recovery Appellate Tribunal, Chennai.

For Petitioners : Mr.P.V.Balasubramanian
For Mr.Surya Teja SS Nalla

For Respondents : Mr.M.L.Ganesh for R1

Mr.R.Imayavaramban
For Ramalingam & Associates for R2

Mr.P.S.Raman, Senior Counsel
For Ms/Shubharanjani Ananth for R3



WEB COPY



C.R.P.No.3052 of 2024

ORDER

(Order of the Court was made
by Senthilkumar Ramamoorthy,J)

Petitioners are borrowers who had availed of credit facilities from first respondent. Upon initiation of proceedings under Sub-section (4) of Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, petitioners challenged such proceedings before the jurisdictional Debts Recovery Tribunal. Petitioners did not succeed before the Debts Recovery Tribunal. Therefore, matters were carried in appeal before the Debt Recovery Appellate Tribunal under R.A.(S.A.) Nos.39 & 40 of 2023. Interim applications to advance the hearing in the above mentioned appeals were filed before the Debt Recovery Appellate Tribunal. Since the hearing was not advanced, the present revision petition was filed for a direction to the Debt Recovery Appellate Tribunal to take up the advance hearing petitions on an urgent basis. By order dated 01.08.2024, interim injunction was granted as prayed for.



C.R.P.No.3052 of 2024

WEB COPY

2. Learned Senior Counsel for petitioners submits that the auction sale was conducted in violation of Rule 8(6) of the Security Interest (Enforcement) Rules, 2002. He further submits that there are no amounts due and payable to the bank as on date. In these circumstances, he makes a request that interim order be continued until the Debt Recovery Appellate Tribunal decides the pending appeals.

3. Mr.Raman, learned Senior Counsel, who appears for the auction purchaser, submits that the auction sale took place in 2021 and that the sale certificate was registered in favour of the auction purchaser thereafter. Subsequent thereto, he submits that the auction purchaser entered into an agreement with a developer and that alienations in favour of purchasers of plots in the development had also taken place.

4. Mr.Ganesh, who appears on behalf of the bank, submits that



C.R.P.No.3052 of 2024

WEB COPY

borrowers failed to comply with conditional orders and that the Securitisation Applications filed by the borrowers were dismissed in those circumstances. He also submits that the registration of the sale certificate was not challenged by the borrowers and that the borrowers have approached this Court belatedly.

5. From the documents on record, it is evident that the sale in favour of the auction purchaser took place in the year 2021. Thereafter, the admitted position is that the sale certificate was registered and the auction purchaser has proceeded to develop the property. The appeals filed by the petitioners are pending consideration before the Debt Recovery Appellate Tribunal and the next hearing is scheduled on 13.02.2025.

6. By taking into consideration the facts and circumstances set out above, we are not inclined to exercise discretionary jurisdiction in favour of petitioners. Nonetheless, since it is submitted that the bank has not filed the counters in the pending appeals, we direct the bank to file counters within two weeks from today and serve a copy thereof in advance on the borrowers



C.R.P.No.3052 of 2024

WEB COPY

and the auction purchaser. Rejoinder, if any, be filed and copy served by
03.02.2025.

7. Mr.Balasubramanian is seeking extension of the injunction order
granted earlier. Refused.

8. We make it clear that all rights and contentions are kept open.

9. The revision petition is disposed of on the above terms. There shall
be no order as to costs. Consequently, the interim applications also stand
disposed of.

(K.R.SHRIRAM, CJ)

(SENTHILKUMAR RAMAMOORTHY,J.)

08.01.2025

Index : Yes/No

Neutral Citation : Yes/No

kpl

To

Page 6 of 8



C.R.P.No.3052 of 2024

The Debt Recovery Appellate Tribunal
Chennai.

WEB COPY



WEB COPY



C.R.P.No.3052 of 2024

THE HON'BLE CHIEF JUSTICE
AND
SENTHILKUMAR RAMAMOORTHY,J.

(kpl)

C.R.P.No.3052 of 2024

08.01.2025