IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.02.2026

CORAM :

THE HONOURABLE MR.JUSTICE R. SURESH KUMAR
AND
THE HONOURABLE MR.JUSTICE SHAMIM AHMED

C.R.P.Nos.266 and 267 of 2026

1. Govindasamy Balasubramaniam
2. Jeevarathinam .. Petitioners in both CRPs

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 Eco Systems Pvt. Ltd.
Represented by its Managing Director
No.64, Dr. Nanjappa Road
Coimbatore – 641 018.

3. M/s. Garuda Steels
Partnership Firm, Rep. By its Partners
M.Ramesh and R.Dhanalakshmi
at S.F.No.309/1A, Kulathupalayam Pudur
Devanampalayam, Kinathukkadavu Taluk
Coimbatore – 642 120.

4. R.Natarajan

5. M/s.Shree Murugan
Flour Mills Pvt. Ltd., (Undergoing CIRP Process)
Rep. By the Resolution Professional
having its registered office at
No.5, Vinayakar Kovil Street
Krishnaswamy Nagar, Ramanathapuram
Coimbatore – 641 045. .. Respondents in both CRPs

Prayer in C.R.P.No.266 of 2026: Petition filed under Article 227 of the Constitution of India, against the common orders passed by the Debt Recovery Appellate Tribunal, Chennai, dated 21.11.2025 in RA(SA)39 of 2023 in S.A.No.450 of 2021 on the file of the Debt Recovery Tribunal, Coimbatore; and

Prayer in C.R.P.No.267 of 2026: Petition filed under Article 227 of the Constitution of India, to set aside the orders passed by the Debt Recovery Appellate Tribunal, Chennai, dated 21.11.2025 in RA(SA)39 of 2023 in S.A.No.184 of 2021 on the file of the Debt Recovery Tribunal, Coimbatore;

For the Petitioners in both CRPs	:	Mr.D.S.Rajasekaran
For the Respondents in both CRPs	:	Mr.M.L.Ganesh and Mr.S.Arunkumar for R1

COMMON ORDER

(Order of the Court was made by R.SURESH KUMAR, J.)

These two civil revision petitions have been filed against the common order passed by the Debt Recovery Appellate Tribunal[1] at Chennai dated 21.11.2025 made in R.A.(SA).Nos.39 and 40 of 2023 arising out of S.A.Nos.450 and 184 of 2021 before the Debts Recovery Tribunal[2], Coimbatore.

2. That the present petitioners were the borrowers under the respondent Bank. As the account became Non-Performing Asset (NPA), proceedings under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002[3],

1 *For brevity, hereinafter referred as "DRAT".*
2 *For brevity, hereinafter referred as "DRT".*
3 *In short, hereinafter referred as "SARFAESI Act"*

were initiated by the Bank, that is the secured creditor, which reached the stage of selling the property belonging to the petitioners.

3. Auction notice was issued at least two times prior to the third attempt made in this regard by the secured creditor. Both the auction sale were not effected, therefore, the third sale notice was issued on 23.02.2021, fixing the sale on 15.03.2021. On the date of sale, the sale was effected, as the auction purchaser has become successful in purchasing the property.

4. Only at that juncture, an attempt has been made by the present petitioners by filing these two securitisation appeals, that is S.A.Nos.450 and 184 of 2021, to challenge the sale, which was held on 15.03.2021 and the sale notice dated 23.02.2021, fixing the sale on 15.03.2021, respectively. These appeals since have been dismissed by the DRT, Coimbatore, by the order dated 07.11.2022, as against the said order passed by the DRT, Coimbatore, the petitioners filed RA(SA)Nos.39 and 40 of 2023. Both these appeals were herd and disposed of by the common order passed by the DRAT, Chennai, dated 21.11.2025, which is impugned herein in both these revision petitions.

5.1. *Mr.D.S.Rajasekaran,* learned counsel appearing for the petitioners has raised a ground that, before effecting the sale, the secured creditor has not complied with the statutory requirement under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002[4], as, by the said Sub-Rule (6) to Rule 8, there must have been a notice issued to the borrower with clear thirty days' time. Since such thirty days' notice had not been issued on the borrowers, that is the present petitioners, it is in violation of Rule 8(6) of the Security Interest (Enforcement) Rules, 2002, and therefore, the entire sale proceedings is getting vitiated.

5.2. When this point was raised before the DRT as well as the DRAT, concurrently, both the Forums have not considered the said ground on proper perspective and therefore, on that ground itself, the order impugned is liable to be interfered with, he contended.

5.3. That apart, the learned counsel would also submit that, the property in question has been undervalued for the purpose of effecting the sale by the secured creditor and even the petitioners/borrowers have always been ready and willing to make

4 *In short, hereinafter referred as "the Rules of 2002".*

the payment towards the due payable to the secured creditor/Bank. Without considering the readiness on the part of the petitioners/borrowers, since the secured creditor has proceeded to sell the property to a third party, that too by making undervaluation of the property, the entire procedure, having been followed by the secured creditor, is a flawed one and hence, the order impugned, passed by the DRAT confirming the order passed by the DRT, Coimbatore, is also equally erroneous and accordingly, it requires interference at the hands of this Court, he contended.

6. We have considered the said submissions made by the learned counsel appearing for both parties and have perused the materials placed before this Court.

7. It is factually to be noted that, it is not the first time the sale was effected on 15.03.2021 pursuant to the sale notice dated 23.02.2021. Before the said sale notice, already two attempts have been made by the secured creditor by issuing notices for effecting the sale, but, that has not been fructified for either want of purchaser or for any other reason. In those circumstances, already, the petitioners, being the borrowers, had approached the DRT and during the months of February, 2021 and March, 2021, there has

been a conditional order passed by the DRT, Coimbatore, staying the notice of sale dated 23.02.2021 on condition that the petitioners shall deposit a sum of Rs.1 crore by March 31st, 2021 and a further sum of Rs.6.5 crores by May 6th, 2021.

8. Insofar as the said conditions are concerned, though the petitioners have deposited only the initial deposit of Rs.1 crore as directed by the DRT, they have failed to deposit the remaining amount, that is Rs.6.5 crores, by May 6th, 2021. Therefore, there has been no impediment for the secured creditor to proceed further to go ahead with the sale and accordingly, the sale has been effected on 15.03.2021.

9. It is further to be noted that, at that juncture, the auction purchaser though had fully paid the entire sale consideration to the extent of Rs.11,49,70,000/-, which includes TDS amount, the representative from the secured creditor has not cooperated with the auction purchaser for effecting the sale deed getting registered in the concerned registration office. Only at that juncture, the auction purchaser had approached this Court and filed writ petition in W.P.No.18984 of 2021. That writ petition was heard and disposed by the First Division Bench of this Court dated 08.11.2021,

whereby, the following orders have been passed:-

> *“2. There is no dispute that the entire consideration of Rs.11,49,70,000/-, which includes TDS, has been paid by the petitioner. Indeed, without such payment, the sale certificate would not have been issued.*
>
> *3. The second respondent herein the borrower purported to challenge the sale notice before the Debts Recovery Tribunal, Coimbatore. Such notice dated February 23, 2021 was stayed by the Tribunal subject to the second respondent depositing a sum of Rs.1 crore by March 31, 2021 and a further sum of Rs.6.5 crore by May 6, 2021. Though the initial deposit of Rs.1 crore was made, since the subsequent amount of Rs.6.5 crore had not been deposited, there was no impediment on the secured creditor proceeding with the auction. It transpires that the second respondent borrower applied for extension of time to make the total payment pertaining to the second deposit and, according to the secured creditor, the presiding officer of the Debts Recovery Tribunal, Coimbatore, requested the secured creditor not to take any precipitous action.”*

10. Pursuant to these orders, the First Division Bench in the said order had directed the secured creditor to send a representative, enabling the auction purchaser to present the sale certificate/sale deed to the registration office for getting it registered.

11. Only pursuant to the said judicial order passed by the First Division Bench of this Court, the sale deed has been registered and

the auction purchaser has become the full owner of the property and who, in turn exploited the property by plotting out the said property into plots and various plots seems to have been sold to some third parties also.

12. When that being the position, now, some attempts have been made by the petitioners once again by filing S.A.Nos.450 and 184 of 2021, as stated *supra*, challenging the sale dated 15.03.2021 effected in this regard, which was considered and rejected by the DRT as well as the DRAT concurrently in these cases.

13. Even in respect of the ground that has been raised by the learned counsel appearing for the petitioners, that Rule 8(6) of the Rules of 2002 is violated, is concerned, Rule 8(6), though states that thirty days' notice should be given, that thirty days' notice is required to be given only in respect of the first attempt to be made by the secured creditor to proceed with the sale. Once the first attempt is over, from the second attempt onwards, that thirty days' notice need not be given and this has been made very clear in the proviso to Rule 9(1) of the Rules of 2002, which makes it very clear that only fifteen days' notice is enough.

14. Moreover, insofar as the present petitioners, being the borrowers, are concerned, they have got the knowledge over the sale proceedings or the SARFAESI proceedings being initiated against them at every stage, as two sale notices had already been issued and the final one was the third sale notice and the knowledge of issuing the third sale notice also having been given to the writ petitioner/borrower, they have already approached the DRT to prevent the sale by making assurance before the DRT to deposit a considerable amount by way of conditional order made by the DRT. The DRT also, having accepted the plea raised in this regard by the petitioners, has passed a conditional order in February, 2021, whereby, initially, though Rs.1 crore has been deposited, subsequently, Rs.6.5 crores, on or before, May 6th, 2021, has not been deposited and had never been deposited. Therefore, even that conditional order has not been complied with by the petitioners and accordingly, attempts to prevent the secured creditor from recovering the due by selling the property though had been constantly made by the petitioners/borrowers, in all their attempts, they failed, because they had not come forward to honour their commitment to make the payment by way of conditional order passed by the DRT. Therefore, insofar as the plea now raised by the

petitioners that Rule 8(6) has been violated or Rule 9(1) has been violated is concerned, there is no ground to raise the plea because of the language used in Rule 8(6) and Rule 9(1) and also, the factual matrix does not support the said contention made on behalf of the petitioners.

15. Accordingly, these reasons have been elaborately discussed and answered by the learned DRAT through the impugned order. The said reasoning given and the conclusion arrived by the DRAT need not be interfered with, for which, since there are no plausible reasons, we are not inclined to interfere with the said order.

16. Resultantly, both these civil revision petitions fail and therefore, they are liable to be dismissed, accordingly, they are dismissed. However, there shall be no order as to costs. Consequently, C.M.P.Nos.1291 and 1292 of 2026 are closed.

(R.S.K., J.)　　　　(S.S.A., J.)
03.02.2026

Speaking Order/Non-Speaking Order
Neutral Citation:Yes/No
Internet:Yes/No
Index:Yes/No

(drm)

To:

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   Indian Overseas Bank, Large Corporate Branch
   No.10, Kannusamy Street
   DB Road, R.S.Puram
   Coimbatore – 641 002.

2. The Debt Recovery Appellate Tribunal, Chennai.

3. The Debts Recovery Tribunal, Coimbatore.

R. SURESH KUMAR, J.
AND
SHAMIM AHMED, J.

(drm)

C.R.P.Nos.266 and 267 of 2026

03.02.2026