IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-03-2026

CORAM

THE HON'BLE MR JUSTICE R. SURESH KUMAR

AND

THE HON'BLE MR.JUSTICE N.SENTHILKUMAR

WP No.9503 of 2026
and
WMP No.10244 of 2026

R.Dakshinamoorthy,
S/o. Ramasamy,
Prop. M/s. Sithi Vinayaga Cotton Mills,
Kuppanachettiyar Street, Tirupur 641 601

..Petitioner(s)

Vs

The Authorised Officer
Tamil Nadu Mercantile Bank Ltd.,
No. 233- 236 Palladam Road,
Kamarajar Road,
Tirupur 641 601

..Respondent(s)

Writ Petition filed under Article 226 of Constitution of India for issuance of writ of certiorari to call for the records relating to the impugned order dated 06.11.2025 passed in R.A (SA) No.111 of 2017 on the file of the Debt Recovery Appellate Tribunal, Chennai and quash the same.

For Petitioner(s): Ms.U.Ramya,
for Mr.R.Bharath Kumar

For Respondent(s): -

ORDER

(Order of the Court was made by N.Senthilkumar J.)

The Writ Petition has been filed to call for the records relating to the impugned order dated 06.11.2025 passed in R.A (SA) No.111 of 2017 on the file of the Debt Recovery Appellate Tribunal, Chennai and to quash the same.

2.In view of the order that is going to be passed in this Writ Petition at the admission stage, notice to the respondent is dispensed with.

3.The petitioner was issued with a demand notice dated 11.12.2004 under Section 13(2) of the SARFAESI Act and possession notice dated 18.12.2005 under Section 13(4) of the SARFAESI Act. The same was challenged by the petitioner before the Debt Recovery Tribunal in S.A.No.165 of 2008. The Tribunal directed the petitioner to deposit a sum of Rs.2,00,000/- within a period of 60 days from the date of that order to bring his account to a close and in order to redeem his property from the bank. That order was challenged by the respondent bank, in W.P.No.13104 of 2014, where this Court directed the bank to approach the Debt Recovery Appellate Tribunal and therefore, the respondent filed an appeal which is now under challenge.

4.The case of the petitioner is that he obtained a loan for a sum of Rs.4,00,000/-, in connection to which the bank issued a demand notice dated 11.12.2004 under Section 13(2) of the SARFAESI Act and possession notice dated 18.12.2005 under Section 13(4) of the SARFAESI Act. Thereafter, auction was scheduled to be held on 15.12.2008 and the same was published in a Tamil daily on 29.11.2008. According to the writ petitioner, a proposal was given by him for OTS along with his willingness to deposit a sum of Rs.2,00,000/- and the same was filed in I.A.No.943 of 2012 before the Debt Recovery Tribunal. Though the Debt Recovery Tribunal dismissed the interim application and the main application, a direction was given by the Debt Recovery Tribunal to the petitioner to deposit a sum of Rs.2,00,000/- to bring the account of the petitioner to a close. It is the case of the respondent bank before the Appellate Tribunal that as on 31.12.2012, the amount due is Rs.11,41,814.40, therefore order of the Debt Recovery Tribunal, requiring the bank to close the loan for redeeming the property on receiving Rs.2 lakhs is totally illegal.

5.The Appellate Tribunal has taken note of the fact that the total amount due is Rs.11,41,814.40 and an order has been passed by the Tribunal directing the petitioner to pay only a sum of Rs.2,00,000/- within a period of 60 days, for closing the loan. The appellate tribunal observed that the said order is totally an illegal order, and it is against the basic principles of SARFAESI Act and set aside the order passed by the Debt Recovery Tribunal. Hence the Appeal.

6.The learned counsel for the petitioner submitted that there is no infirmity in the order passed by the Debt Recovery Tribunal which has directed the writ petitioner to pay a sum of Rs.2,00,000/- to redeem the property. The claim of the bank cannot be taken into consideration as the original loan amount is only Rs.4,00,000/- and the amount claimed as due is Rs.11,41,814.40. Therefore, the Appellate Tribunal ought not to have set aside the order of the Debt Recovery Tribunal.

7.The impugned order has observed that the Tribunal has no power to direct the petitioner to deposit a sum of Rs.2,00,000/- and redeem the property. The order passed by the Appellate Tribunal cannot be found fault with, as there is no power to the Debt Recovery Tribunal to order payment of Rs.2,00,000/- as against the due of Rs.11,41,814.40/- for redemption of property, while considering the application challenging the possession notice. The order passed by the Debt Recovery Tribunal to pay a sum of Rs.2,00,000/- to redeem the property is not in accordance with law. In view of the same, the order passed by the Appellate Tribunal needs no interference of this Court.

8.In fine, the Writ Petition is dismissed. No costs. Consequently, connected Miscellaneous Petition is closed.

(R.S.K.,J.) (N.S.,J.)
24-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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To
The Authorised Officer
Tamil Nadu Mercantile Bank Ltd.,
No. 233- 236 Palladam Road,
Kamarajar Road,
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