

WEB COPY

W.P. No.26186 of 2008

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02.07.2025

CORAM :

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

AND

THE HON'BLE MR.JUSTICE SUNDER MOHAN

W.P.No.26186 of 2008

K.Chandrasekar
S/o.K.Rama Naidu,
463/1, Ram Nagar North Extension,
Velacherry, Chennai-600 042.

Petitioner

Vs

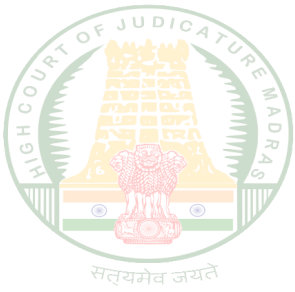
1. The Chairman
Debts Recovery Appellate Tribunal,
Ethiraj Salai, Egmore,
Chennai-600 008.
2. Indian Bank
Rep. by its Manager,
Redhills Branch,
Chennai-600 052.
3. S.Murugesh
No.10, Perumal Koil Street Extension,
Saidapet, Chennai-600 015.



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4. S.Jambunathan
No.15, Kanniga Colony 2nd Street,
Nanganallur, Chennai-600 061.
5. Dr.Mariyamal Sunder Singh
No.10, Dewan Bashyam Street,
Saidapet, Chennai-600 015.
6. L.Shamraj
M 61/3 4th Cross Street, Besant Nagar,
Chennai-600 090.
7. Rahmath Razack
76, Arcot Road, Kodambakkam,
Chennai-600 024.
8. Sudha Narayanan
Plot No.13, Sneha Vihar,
No.51, 5th Cross Street,
Trustpuram, Kodambakkam,
Chennai-600 024.
9. P.K.Viswanathan
Geethalaya, 7/10, Madley Road,
T. Nagar, Chennai-600 017.
10. Vargheese Geroje
No.324, 4th Main Road,
Kamaraj Nagar, Tiruvanmiyur,
Chennai-600 041.
11. Noman Milwala
No.142, Main Road, Karpagam Avenue,
Chennai-600 028.



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12. S.Viswanathan Anand
Garga, No.4, Customs Colony II Street,
Besant Nagar, Chennai-600 090.
13. Dr.R.Krishnan
No.123, No.7, Emerald Flat,
Anna Nagar West,
Chennai-600 040.
14. Arvind T. Pujara
No.13, Kacheeswarar Agraharam
Street, Chennai-600 001.
15. K.V.Mathew
Kandathil, No.13, 12th Cross Street
Shastri Nagar, Adyar,
Chennai – 600 020.
16. M.Senthil Nathan
No.1, III Street, Raghava Colony,
Ashok Nagar, Chennai-600 083.
17. Rama Naidu Garden
Melamalligaipattu Village,
Enambakkam Post, Via Thangal,
Uthukottai Taluk,
Tiruvallur District.
18. K.Rama Naidu
Melamalligaipattu Village,
Enambakkam Post, Via Thangal,
Uthukottai Taluk,
Tiruvallur District.



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19. K.Vijayram
S/o.K.Ramanaidu,
69, Patel Road, Perambur,
Chennai-600 011.

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Respondents

Prayer: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorari to call for the entire records on the file of the 1st respondent in M.A.224/2002 against in M.A.No.1 of 2001 in I.A.No.1 of 2001 in D.R.C.324/99 in I.A.1739/98, D.R.T-1, Chennai, dated 27.3.2003 and quash the same.

For Petitioner : Mr.P.C.Harikumar

For Respondents : Mr.Jayesh B.Dolia
Senior Counsel
for Ms.N.Versha
for M/s.Aiyar and Dolia
for 2nd respondent

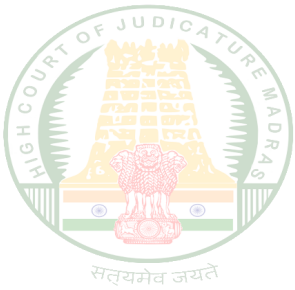
No appearance
for R3 to 6, 8 to 12, 14 to 16

Dismissed as against
R7, 13, 18 and 19

ORDER

(Order of the Court was made by Sunder Mohan,J.)

The writ petition challenges an order dated 27.3.2003 passed by the Debt Recovery Appellate Tribunal [DRAT].



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2. The writ petition arises under the following circumstances:

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(a) Petitioner, a partner in a partnership firm by name Rama Naidu Gardens, along with the said partnership firm and its other partners, availed a term loan of Rs.5,10,000/- on 4.3.1983 from second respondent/bank. On 6.9.1986, the loan was enhanced to Rs.5,52,700/-. Borrowers executed promissory note, agreement of hypothecation, term loan agreement, etc., on 17.9.1986. Borrowers also deposited the title deeds in respect of property to an extent of 42.24 acres in Survey No.9421 situated at Melmaligaipattu Village, Oothukottai Taluk, Tiruvallur District, as security.

(b) As borrowers defaulted in repayment of loan, second respondent/bank filed O.A.No.1739 of 1998 before the Debts Recovery Tribunal, Chennai [DRT], for recovery of a sum of Rs.22,70,893.60. The DRT issued a recovery certificate for the said sum with simple interest at 12% from the date of the said application till realisation.

(c) While the recovery proceedings were pending, borrowers, through their power agent, Maxworth Orchards (India) Limited, had sold a portion of the mortgaged property, namely 14 acres, with the consent of second



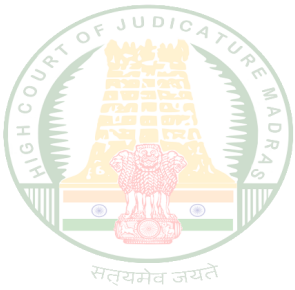
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respondent/bank. After the recovery certificate was issued, the purchasers of the said 14 acres, who are now shown as respondent Nos.3 to 16, had filed Miscellaneous Application Nos.151 and 152 of 2002 before the Debts Recovery Tribunal-I, Chennai, stating that their property must be excluded from the sale pursuant to the recovery certificate. The Debts Recovery Tribunal-I passed an order on 6.9.2002 to the effect that the Recovery Officer shall first attempt to sell the remaining unsold portion of the mortgaged property before proceeding against the property purchased by respondent Nos.3 to 16.

(d) Aggrieved by the said order, second respondent/bank filed M.A.No.224 of 2002 before the DRAT. Pending the proceedings, bank and purchasers entered into a compromise and the order dated 27.3.2003 passed by the DRAT reads as follows:

“1. Counsel for both the appellant bank and respondent/third parties filed joint compromise memo. Heard. Hearing advanced from 16.4.2003 to today i.e., 27.3.2003.

2. It is stated in the compromise memo that the appellant bank has received Rs.10 lakhs from S.Murugesh & others and has no objection in executing the sale deed by the Recovery Officer-II, DRT-I, Chennai in favour of some of them who have formed 'United Farms' and issuing sale certificate in the name of M/s.United Farms. The appellant has no objection in handing over the title deeds pertaining to the E.M. properties to M/s.United Farms. It is also stated that the appellant bank is at liberty to proceed against the principal borrower and his other assets for recovery of the



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balance of OA claim.

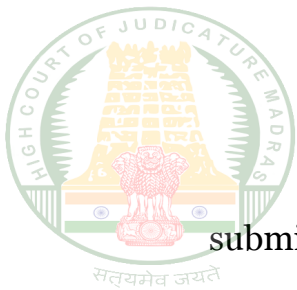
3. Appeal disposed of in terms of the compromise memo filed by both parties.”

The said order dated 27.3.2003 passed by the DRAT is impugned in this writ petition.

3. According to learned counsel for petitioner, the bank had sold the entire extent of 42.24 acres to respondent Nos.3 to 16. He would also state that the value of the property had increased and if the property had been sold at the market value, excess amount would have been realised and the same ought to have been paid to petitioner.

4. Mr.Jayesh Dolia, learned Senior Counsel appearing for second respondent, on instructions, submitted that the bank had not sold the entire extent and the compromise pertained only to the extent of 14 acres which was sold to respondent Nos.3 to 16 pending the recovery proceedings. The statement of learned Senior Counsel for second respondent is recorded.

5. Learned counsel for petitioner submitted that, in view of the said



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submission made by learned Senior Counsel for second respondent/bank, he would approach the bank for settlement. We express no opinion.

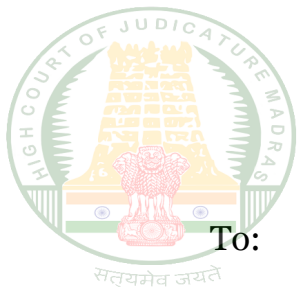
Since the writ petition was filed on the premise that second respondent/bank had sold the entire extent of 42.24 acres, which is now found not to be correct, the writ petition has to be dismissed and is, accordingly, dismissed. There shall be no order as to costs. Consequently, interim applications stand closed.

(K.R.SHRIRAM, CJ.)

(SUNDER MOHAN, J.)

02.07.2025

Index : Yes/No
Neutral Citation : Yes/No
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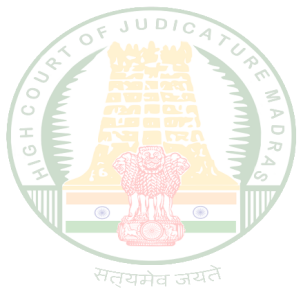


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To:

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Debts Recovery Appellate Tribunal,
Ethiraj Salai, Egmore,
Chennai-600 008.

2. The Manager,
Indian Bank
Redhills Branch,
Chennai-600 052.



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THE HON'BLE CHIEF JUSTICE
AND
SUNDER MOHAN,J.

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