



W.P.No.1332 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.01.2026

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

W.P.No.1332 of 2026 and
W.M.P.No.1506 of 2026

1. A.S.Vijayalakshmi
2. P.Aurl Selvam

... Petitioners

-Vs-

HDFC Limited,
Represented by its Authorized Officer,
Second Floor, ITC Centre,
760, Anna Salai,
Chennai – 600 002.

... Respondent

PRAYER : Petition filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorarified Mandamus, to call for the records in pursuance of order dated 23.12.2025 in I.A.No.1657 of 2025 (Waiver) in AIR (SA)No.2334 of 2025 on the file of DRAT, Chennai and quash the same and consequentially, direct DRAT to dispose the appeal on merits in AIR (SA) No.2334 of 2025 on the file of DRAT, Chennai on merits.

For Petitioners : Mr.R.Udayakumar

ORDER

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

This writ petition has been filed challenging the orders passed by the Debts Recovery Appellate Tribunal, Chennai in I.A.No.1657 of 2025 (Waiver)



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in AIR (SA)No.2334 of 2025 arising out of S.A.No.16 of 2023 on the file of the
Debts Recovery Tribunal-III, Chennai.

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2. As against the order passed by the Debts Recovery Tribunal, an appeal has been preferred under the SARFAESI Act, 2002. Under the mandatory condition as has been stipulated under Section 18(1) of the Act, pre-deposit has to be made for entertaining the appeal by the Debts Recovery Appellate Tribunal. However, by raising the point of financial instability of the petitioners, they have filed the said interlocutory application seeking waiver of pre-deposit.

3. As per 3rd proviso to Section 18(1) of SARFAESI Act, at least 50% of the amount out of the amount claimed by the secured creditors since has to be deposited as a pre-condition for entertaining the appeal by the Debts Recovery Appellate Tribunal and if at all any reduction in the said 50% of the pre-deposit has to be made under the discretion of the Debts Recovery Appellate Tribunal at the maximum it can be reduced only upto 25% of the claim made of the secured creditors as per 3rd proviso to Section 18(1) of SARFAESI Act.

4. In the present case, the claim made by the secured creditors have been quantified at Rs.1,37,27,792/-, the Debts Recovery Appellate Tribunal has used its complete discretion as per 3rd proviso to Section 18(1) of SARFAESI Act and

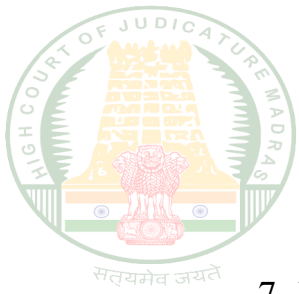


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directed the petitioners to pay only 25% out of Rs.1,37,27,792/- which comes to Rs.34,31,948/- that too in two installments, i.e., Rs.17,15,974/- for each of the installments and the first installment shall be paid on or before 13.01.2026 and the second installment shall be paid on or before 03.02.2026. Aggrieved over the said order, the present writ petition has been filed.

5. Mr.R.Udayakumar, learned counsel appearing for the petitioners would make submission stating that 25% of the amount since was directed to be deposited as pre-deposit within the meaning of 3rd proviso to Section 18(1), no doubt that 25% must be only on the basis of the exact secured assets and not on the basis of the claim made by the secured creditors. Therefore, it would not be Rs.1,37,27,792/- and therefore, it does not come to Rs.34,31,948/- is his argument.

6. We are not impressed with the said argument made by the learned counsel appearing for the petitioners for the simple reason that, the language used in 3rd proviso to Section 18(1) of the Act makes it very clear that, before the Appellate Tribunal, 50% of the amount has to be deposited of the debt due as claimed by the secured creditors or determined by the Debts Recovery Tribunal.



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7. In both the cases, the amount has already been determined or claimed by the secured creditors to the extent of Rs.1,37,27,792/- therefore, that amount alone can be taken as an amount within the meaning of “as determined by the Debts Recovery Tribunal or as claimed by the secured creditors”, out of which if 25% comes to Rs.34,31,948/- that was directed to be deposited as a reduced pre-deposit amount by using the discretion of the Debts Recovery Appellate Tribunal by exercising its power under 3rd proviso to Section 18(1) of the SARFAESI Act that too by making two installments.

8. The very reasonable orders since have been passed by the Debts Recovery Appellate Tribunal in the order impugned, we are not inclined to interfere with the same for any plausible reasons, resultantly, this Writ Petition fails and hence, it is dismissed. However, there shall be no order as to costs. Connected miscellaneous petition is closed.

(R.S.K., J.) (S.S.A., J.)
21.01.2026
(2/2)

NCC : Yes / No
Index : Yes / No
Speaking Order : Yes / No

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To

1. The Authorized Officer,
HDFC Limited,
Second Floor,
ITC Centre,
760, Anna Salai,
Chennai – 600 002.
2. The Debts Recovery Appellate Tribunal,
Chennai.
3. The Debts Recovery Tribunal – III,
Chennai.



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