IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01.06.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.P.No.17415 of 2026
and W.M.P.Nos.18891, 18894 and 18896 of 2026

1. Sudha RK
W/o.Ranjith Kumar,
No.126 New Colony, Pasar,
Cuddalore - 606 304.

2. Ranjith Kumar
S/o.Mookan,
No.126 New Colony, Pasar,
Cuddalore - 606 304.

Petitioner(s)

Vs

IIFL Home Finance Ltd,
(formerly known as M/s. India Infoline
Housing Finance Ltd),
Rep. by its Authorised Officer
CIN- U65993MH2006PLC166475

Having Branch Office at
No. 10/1 Venkatanarayanan Road,
Bascon Futura, IIFL 9th floor,
T.Nagar, Chennai-600 017.

Respondent(s)

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for the records pertaining to the proceedings on the file of the Debts Recovery Tribunal III, Chennai regarding the SARFAESI proceedings initiated against the petitioners and quash all the proceedings initiated by the respondent after the conditional order in I.A.No.1690 of 2025 in SA. No. 612 of 2024 dated 24.12.2025

For Petitioner(s): Mr. P.Jesusmoris Ravi

ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

Heard.

2. This writ petition under Article 226 of the Constitution of India is filed seeking to quash all the proceedings initiated by the respondent against the petitioners after the conditional order dated 24.12.2025 passed in I.A.No.1690 of 2025 in S.A.No.612 of 2024 on the file of the Debts Recovery Tribunal-III, Chennai.

3.1. The facts relevant are that challenging the order passed under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ["*the Act*"], the petitioners have filed S.A.No.612 of 2024 before the Debts Recovery Tribunal-III, Chennai ["the *DRT*"]. On 10.9.2024, while issuing notice to the respondent bank, the DRT directed to maintain *status quo* and listed the case on 19.11.2024. Thereafter, the respondent issued an Advocate-Commissioner notice on 16.8.2024 for taking physical possession of the property, against which, the petitioners have filed an advance hearing petition in I.A.No.1689 of 2025. On 24.12.2025, the DRT allowed I.A.No.1689 of 2025 and took up the matter for hearing. During the hearing the petitioners made a voluntary submission that they will pay some amount to show their *bona fide* and, accordingly, prayed for stay in I.A.No.1690 of 2025.

3.2. Taking note of the submission made on the side of the petitioners, the DRT directed the petitioners to make a payment of Rs.6.00 lakhs on or before 20.1.2026 and further observed that in the event of the petitioners' complying with the conditional order, there shall be an order of interim stay of the order passed under

Section 14 of the Act. If the petitioners fail to make the payment before the stipulated date, the interim order shall stand automatically vacated and directed the matter to be listed on 29.1.2026 for filing counter-affidavit by the respondent.

4. Learned counsel for the petitioners submitted that the petitioners have complied with the conditional order through RTGS on 19.1.2026, but the respondent, without accepting the payment, returned the amount on the same day. Thereafter, the petitioners have sent the conditional payment by taking a demand draft through registered post on 20.1.2026 and the said payment was received by the respondent. It is submitted that the respondent has returned the payment cover immediately. Despite the petitioners' complying with the order dated 24.12.2025, the respondent had taken physical possession of the property on 25.1.2026.

5. Learned counsel for the petitioners submits that, on 27.1.2026, the petitioners have filed a memo bringing to the notice of the DRT, the aforesaid facts. When the said memo came up for

consideration on 29.1.2026, the DRT directed the respondent to file an affidavit-in-reply and listed the matter on 6.2.2026.

6. The main contention of learned counsel for the petitioners is that, on 29.1.2026, when S.A.No.612 of 2024 came up for consideration, the DRT has directed the respondent to file a detailed counter and further directed the petitioners to serve copy of the memo. But, on the contrary, the docket order reflects some other proceedings mentioning that the interim order has been complied and in this regard memo has been filed. The respondent has not filed any affidavit in open Court and has filed the counter only. It is submitted that in this regard the petitioners have also filed a memo on 6.2.2026.

7. Learned counsel for the petitioners urged that, even after compliance of the order, there was a refusal on the part of the respondent and even after bringing to the notice of the DRT, the DRT did not hear the matter on merits. Thus, learned counsel for the petitioners prayed for direction to the DRT for recording of proper proceedings and to remove the proceedings already

recorded in the docket orders.

8. We have considered the submissions made by learned counsel for the petitioners and perused the materials available on record.

9. The grievance ventilated through this petition is that the proceedings recorded by the DRT in open Court are misconceived. The oral observation of the DRT and the orders delivered by the DRT after the order dated 24.12.2025 passed are totally different. Based on the misconceived orders, the respondent bank is proceeding further in the matter.

10. On a perusal of the materials available on record, it is evident that on 24.12.2025, interim stay of order passed under Section 14 of the Act was granted on condition that the petitioners shall pay a sum of Rs.6.00 lakhs to the respondent on or before 20.1.2026, failing which the interim stay automatically stands vacated and the respondent bank was at liberty to proceed further. On 27.1.2026, the petitioners filed memo before the Tribunal

stating that the applicants paid the sum of Rs.6.00 lakh via net banking on 19.1.2026 and the same was returned to the petitioners' account and after that the petitioners took demand draft on 20.1.2026 in favour of the respondent bank and went to the bank and requested them to collect the same, however, they refused to receive the demand draft. Thereafter, the petitioners sent the demand draft through registered post on 21.1.2026. On 29.1.2026, when the SA was taken up, the DRT has passed the following order:

> *"Both the Counsels are present.*
> *Counsel for Applicant submits that he has complied with the interim order and filed a memo. However, bank submits that the copy is not served and directed to serve the copy.*
> *Counsel for Applicant seeks time to get instruction.*
> *List the matter on 06.02.2026."*

11. On 06.2.2026, the petitioners filed a memo before the DRT stating that the proceedings recorded on 29.1.2026 are misconceived and altered, which will aid the respondent.

12. Confronted with a query from this Court on the maintainability of the writ petition, learned counsel for the petitioners submitted that since the impugned orders of the DRT are entirely misconceived, this matter qualifies as an exceptional case justifying the exercise of writ jurisdiction.

13. When the petitioners question the proceedings of the DRT recorded in the docket orders, it is for them to approach the Debt Recovery Appellate Tribunal (DRAT) as provided under the Act. Section 18 of the Act provides that any person aggrieved by any order made by the DRT under Section 17 may prefer an appeal along with such fee as may be prescribed to the DRAT within thirty days from the date of receipt of the order of the DRT.

14. The law on this issue is no longer *res integra*. The Supreme Court has repeatedly and unequivocally held that the SARFAESI Act is a comprehensive and complete code for the recovery of debts and enforcement of security interests. Constitutional courts must exercise extreme judicial restraint and decline to entertain writ petitions when a robust and efficacious

statutory remedy is explicitly provided within the legislative framework of the Act. In *K. Sreedhar v. Raus Constructions (P) Ltd*[1], the Supreme Court held thus:

> *"26. At the outset, it is required to be noted that what was challenged before the High Court by the borrower in a writ petition under Article 226 of the Constitution of India was the judgment and order passed by DRT-I.* ***Against the judgment and order passed by DRT-I dismissing the application, the borrower had a statutory remedy available by way of appeal before the DRAT. If the borrower would have preferred an appeal before the DRAT, he would have been required to deposit 25% of the debt due. To circumvent the provision of appeal before the DRAT and the pre-deposit, the borrower straightaway preferred the writ petition before the High Court under Articles 226/227 of the Constitution. Therefore, in view of alternative statutory remedy available by way of appeal before the DRAT, the High Court ought not to have entertained the writ petition under Articles 226/227 of the Constitution of India challenging the judgment and order passed by***

[1] *(2023) 11 SCC 169*

> ***DRT-I. By entertaining the writ petition straightaway under Articles 226/227 of the Constitution of India challenging the order passed by DRT-I, the High Court has allowed/permitted the borrower to circumvent the provision of appeal before the DRAT under the provisions of the SARFAESI Act***."
>
> *[emphasis supplied]*

15. If the writ courts routinely entertain writ petitions under Article 226 against final or interim orders of the DRT, it would effectively allow defaulting borrowers to obtain a judicial review while completely evading their financial obligations under the pre-deposit mandate. This would undermine the statutory intent, stall public money recoveries, and render Section 18 of the Act entirely nugatory.

16. In the case at hand, the petitioners' grievance concerning recording of an order in the docket contrary to what has been stated orally during the course of the proceedings is purely a factual question. The DRAT is fully empowered to evaluate these factual issues and grant complete, consequential reliefs, including setting

aside of such orders, if any violation is proven. No exceptional circumstances, such as a total absence of jurisdiction or a violation of natural justice by the DRT, have been established to justify bypassing the statutory appellate route.

17. In light of the explicit statutory framework and the binding precedents of the Supreme Court, we hold that this writ petition is not maintainable and is liable to be dismissed on the ground of availability of an alternative, efficacious statutory remedy. Accordingly, this writ petition is dismissed.

18. We, however, grant liberty to the petitioners to approach the DRAT by filing a regular statutory appeal under Section 18 of the Act. If such an appeal is preferred within a period of two weeks from today, the DRAT shall consider and dispose of the same on its own merits and in accordance with law, subject to the petitioners complying with all statutory conditions.

There shall be no order as to costs. Consequently, connected interim applications stand closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)
01.06.2026

Index : Yes
Neutral Citation : Yes
bbr/sasi

To:

The Authorised Officer
IIFL Home Finance Ltd,
(formerly known as M/s. India Infoline Housing Finance Ltd),
No. 10/1 Venkatanarayanan Road,
Bascon Futura, IIFL 9th floor,
T.Nagar, Chennai-600 017.

THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

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