IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.07.2026

CORAM :

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

W.P.No.26117 of 2026
and WMP Nos.28516, 28519 and 28774 of 2026

Mallika
W/o.P.M.Shekharan,
Residing at New No.35, Old No.13,
Mint Subbarayan Street,
Old Washermenpet,
Chennai - 600021.

Petitioner(s)

Vs

1. Repco Home Finance Limited,
   Rep. by its Branch Manager,
   Corp Office 3rd Floor, Alexander Square,
   New No.2 (Old No.34 and 35)
   Sardar Patel RD, Guindy,
   Chennai - 600032.

2. The Branch Manager
   Repco Home Finance Limited,
   Registered Office REPCO Tower, No.33,
   North Usman RD, T.Nagar,
   Chennai - 600017.

Respondent(s)

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus to call for the records pertaining to the forfeiture communication dated 15.04.2026 issued by the second respondent forfeiting the auction bid amount of Rs.10,79,000/- paid by the petitioner pursuant to the E-Auction conducted on 30.12.2025 and quash the same as illegal, arbitrary and violative of principles of natural justice and consequently direct the respondents to receive the balance sale consideration from the petitioner and execute and register the sale certificate/sale deed in favour of the petitioner in respect of the property situated at VGN Platina, Ambigai Nagar, Ayapakkam, Ambattur, Chennai.

For Petitioner(s): Mr. Kumarpal R Chopra

ORDER

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

This writ petition under Article 226 of the Constitution of India has been filed by the petitioner seeking issuance of a writ of certiorarified mandamus to call for the records pertaining to the forfeiture communication dated 15.04.2026 issued by the second respondent forfeiting the auction bid amount of Rs.10,79,000/- paid by the petitioner pursuant to the E-Auction conducted on 30.12.2025 and quash the same as illegal, arbitrary and violative of principles of natural justice and, consequently, direct the respondents to receive the balance sale consideration from the petitioner and execute and register the sale certificate/sale deed in favour of the petitioner in respect of the property situated at VGN Platina, Ambigai Nagar, Ayapakkam, Ambattur, Chennai.

2. The case of the petitioner is that due to unavoidable financial circumstances, the petitioner could not mobilise the funds within the stipulated time and, therefore, she sought extension of time to deposit the balance sale consideration. However, on 15.4.2026, the respondents had informed the petitioner that the 25% of the bid amount paid by her was forfeited as she failed to make the payment of balance 75% of the bid amount.

3. It is not in dispute that proceedings were initiated by the respondents invoking the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Therefore, in our considered opinion, the petitioner has to approach the Debts Recovery Tribunal assailing the measures initiated by the respondents, including forfeiture of the amount deposited by her.

4. An identical issue was considered by the Supreme Court in *Agarwal Tracom (P) Ltd. v. Punjab National Bank*[1]. For ease of reference, the issue framed by the Supreme Court is reproduced hereunder:

> *"17. The short question that arises for consideration in this appeal is* ***whether the High Court was justified in holding that the remedy of the appellant (auction-purchaser) lies in challenging the action of the secured creditor (PNB) in forfeiting the deposit by filing an application under Section 17 of the Sarfaesi Act before the DRT or the remedy of the auction-purchaser is in filing the writ petition under Articles 226/227 of the Constitution of India to examine the legality of such action****?"*
>
> *[emphasis supplied]*

5. After referring to various provisions of the SARFAESI Act and the Rules framed thereunder, the Supreme Court, in the said decision, emphatically held thus:

> *"28. We also notice that* ***Rule 9(5) confers express power on the secured creditor to forfeit the deposit made by the auction-purchaser in case***

1 *(2018) 1 SCC 626*

the auction-purchaser commits any default in paying instalment of sale money to the secured creditor. Such action taken by the secured creditor is, in our opinion, a part of the measures specified in Section 13(4) and, therefore, it is regarded as a measure taken under Section 13(4) read with Rule 9(5)*. In our view, the measures taken under Section 13(4) commence with any of the action taken in clauses (a) to (d) and end with measures specified in Rule 9.*

29. In our view, therefore, ***the expression "any of the measures referred to in Section 13(4) taken by secured creditor or his authorised officer" in Section 17(1) would include all actions taken by the secured creditor under the Rules*** *which relate to the measures specified in Section 13(4).*

30. ***The auction-purchaser (appellant herein) is one such person, who is aggrieved by the action of the secured creditor in forfeiting their money. The appellant, therefore, falls within the expression "any person" as specified under Section 17(1) and hence is entitled to challenge the action of the secured creditor (PNB) before***

the DRT by filing an application under Section 17(1) of the Sarfaesi Act*.*

33. In the light of the foregoing discussion, ***we are of the considered opinion that the writ court as also the appellate court were justified in dismissing the appellant's writ petition on the ground of availability of alternative statutory remedy of filing an application under Section 17(1) of the Sarfaesi Act before the Tribunal concerned to challenge the action of PNB in forfeiting the appellant's deposit under Rule 9(5)****. ...*

34. The appellant is, accordingly, granted liberty to file an application before the Tribunal concerned (DRT) under Section 17(1) of the Sarfaesi Act, which has jurisdiction to entertain such application within 45 days from the date of this order. In case, if the appellant files any such application, the Tribunal shall decide the same on its merits in accordance with law uninfluenced by any of the observations made by this Court and the High Court in the impugned judgment. ... "

[emphasis supplied]

6. In the light of the authoritative pronouncement of the Supreme Court in the aforesaid decision, which squarely answers the issue raised in the present writ petition, we dismiss the writ petition with liberty to the petitioner to approach the Debts Recovery Tribunal. If the petitioner approaches the Debts Recovery Tribunal, the period of limitation shall be reckoned by excluding the period spent by the petitioner in this court for pursuing the writ petition.

There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)
15.07.2026

Index : Yes/No
Neutral Citation : Yes/No
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THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

(sasi)

W.P.No.26117 of 2026

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