CNR No:PHHC011126932026
2026:PHHC:100824-DB

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

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CWP-20979-2026 (O&M)
Date of decision: 22.07.2026

GEETA GUPTA AND OTHERS

...PETITIONERS

VS.

DEBT RECOVERY TRIBUNAL I, CHANDIGARH AND OTHERS

... RESPONDENTS

CORAM:- HON'BLE MR. JUSTICE JASGURPREET SINGH PURI
HON'BLE MR. JUSTICE SANJIV BERRY

Present:- Mr. Anand Chhibbar, Senior Advocate with
Mr. Vaibhav Sahni, Advocate, for the petitioners.

Mr. ABS Sidhu, Advocate and
Mr. Harkirat Singh Jagdev, Advocate for respondent No.2.

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SANJIV BERRY, J.

1. The instant Civil Writ Petition under Article 226/227 of the Constitution of India seeking issuance of a writ in the nature of *Certiorari* for quashing the impugned order dated 03.06.2026 (Annexure P-1) whereby the Debt Recovery Tribunal -I Chandigarh had disposed of the Securitisation Application No.246 of 2025 titled as *"Geeta Gupta & Ors. Vs. Punjab & Sind Bank",* along with Demand Notice dated 17.05.2025 (Annexure P-5), Possession Notice dated 02.08.2025 (Annexure P-8), Possession Order dated 10.11.2025 (Annexure P-14) issued by the learned District Magistrate, Jalandhar, Sale/ Auction notice dated 25.06.2026 (Annexure P-2) proposing auction of subject properties on 30.07.2026 and all subsequent and consequential proceedings arising therefrom by the respondent-Bank under the Securitisation and

Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as *'the SARFAESI Act'*) and with a further prayer for directing the respondents to refrain from taking any coercive action against the petitioners during the pendency of the present petition.

2. Mr. ABS Sidhu, Advocate has put in appearance on behalf of the respondent No.2-Bank.

3. We have heard respective submissions made by learned Senior Counsel for the petitioners and learned counsel appearing on behalf of respondent-Bank.

4. It is the contention of learned Senior Counsel for the petitioners that one Rakesh Kumar Gupta husband of the petitioner No.1 and father of petitioner No.2 and 3, was into a real estate business. He had floated petitioner No.4 Company dealing in real estate business and had availed the 'ODP Limit' credit facility amounting to ₹4.00 crores from respondent No.2-Bank, had been maintaining the financial discipline by repaying the availed credit facility regularly as per the terms and conditions. He contends that Rakesh Kumar Gupta expired on 07.11.2024 and the petitioners No.1 to 3 diligently worked for revival of the family business, and serviced the debt towards respondent No.2 by arranging money from family and friends as is evident from statement of account Annexure P-4.

4.1 It is contended by learned Senior Counsel for the petitioners that despite all these, the respondent No.2-Bank arbitrarily sent notice under Section 13(2) of the SARFAESI Act dated 17.05.2025(Annexure P-5) in an illegal manner claiming the 'ODP Limit' credit facility availed by said Rakesh Kumar Gupta having been declared as NPA on 31.03.2025. He further contends that the respondent-Bank has violated the terms and conditions of the '*Master Circular-Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances'* issued by Reserve Bank of India (Annexure P-19) in this regard with *mala fide* intention and the with ulterior motive, ignored the reply submitted by the petitioners, and proceeded to issue possession notice dated 02.08.2025 (Annexure P-8) under Section 13(4) of the SARFAESI Act and being left with no other efficacious remedy, the petitioners were constrained to invoke the jurisdiction of Debt Recovery Tribunal (respondent No.1) by filing the Securitisation Application dated 06.09.2025 numbered as SA-246-2025 under Section 17 of the Act (Annexure P-9).

4.2 He contends that during pendency of proceedings before Debt Recovery Tribunal-I, Chandigarh, the respondent proceeded to take physical possession of the property after obtaining order under Section 14 of the SARFAESI Act qua which the petitioner had to prefer interim application (IA-1296-2025) and in the meantime in terms of the order dated 23.12.2025 (Annexure P-17) ₹35.00 lakhs were deposited being the overdue amount with respondent No.2-Bank, however, despite the same, the respondent No.2-Bank continued the *status-quo* of the account as NPA. He contends that despite the action of respondent No.2-Bank being in utter violation of the Reserve Bank of India Master Circular (supra) the respondent No.1 passed the impugned order dated 03.06.2026 (Annexure P-1) which is arbitrarily non-speaking and suffer from non-application of mind, hence liable to be set-aside.

4.3 Learned Senior Counsel for the petitioners further contends that during this period petitioners have deposited a sum of ₹35.00 lakhs and ₹50.00

lakhs with respondent No.2-Bank but despite that the account in question has not been regularized without any justifiable reason.

4.4 He contends that the petitioners are ready to deposit amount of ₹70.00 lakhs more and prays for effect and operation of the impugned order dated 03.06.2026 (Annexure P-1) along with operation of impugned sale notice dated 25.06.2026 and proposed sale auction for 30.07.2026 be stayed.

4.5 He has further emphasized that RBI has categorically issued the guidelines dated 01.07.2014 (Annexure P-19) wherein clause 4.2.5 categorically lays down that if arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as non-performing and may be classified as standard accounts. According to him, Section 35 of The Banking Regulation Act, 1949, empowers the Reserve Bank of India with the authority to inspect and scrutinize the books, accounts and affairs of any Banking company and thus, the RBI mandated guidelines have to be followed by the Banks. However, in utter disregard to the specific guidelines issued by the Reserve Bank of India, the respondent No.2-Bank did not regularize the account of the petitioners despite receiving the payment of ₹35.00 lakhs as directed by the Debt Recovery Tribunal-I Chandigarh.

4.6 He contends that the respondent No.2-Bank had wrongly classified the Bank account of petitioners as NPA even though the petitioner had maintained the financial discipline by paying the principal and interest regularly and at no point, the outstanding exceeded the sanctioned credit limit. It is further contended that after the demise of Rakesh Kumar Gupta, the respondent-Bank wrongly refused the renewal and regularization of the account despite the petitioners regularly paying the requisite amount for availing the aforesaid 'ODP Limit' credit facility.

4.7 Learned Senior Counsel for the petitioners submitted that the impugned order dated 03.06.2026 (Annexure P-1) had been passed by the Debt Recovery Tribunal-I, Chandigarh in an arbitrary manner without considering the facts and circumstances in the correct perspective and although alternative remedy of appeal is available under Section 18 of the SARFAESI Act to the petitioners but despite that the petitioners have invoked the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India due to the peculiar facts and circumstances as mentioned above and has referred to the judgment passed by Hon'ble Apex Court in ***Whirlpool Corporation versus Registrar of Trade Marks, Mumbai, 1998 (8) SCC 1.***

4.8 On the strength of these arguments, learned Senior Counsel has vehemently argued that the initiation of proceedings under the SARFAESI Act against the petitioners was manifestly wrong and illegal on part of respondent No.2-Bank after wrongly declaring the account of credit facility to be NPA in utter disregard to the Reserve Bank of India Master Circular governing the same, and the impugned order dated 03.06.2026 (Annexure P-1) passed by learned Debt Recovery Tribunal-I, Chandigrh while disposing of the SA No. 246-2025 filed by the petitioners without considering and appreciating the submission in the correct perspective as per law, requires immediate interference by this Court in exercise of the powers under Article 226 of the Constitution of India, hence prays for acceptance of the present petition.

5. *Per contra,* learned counsel representing respondent No.2-Bank submits that the respondent No.2-Bank has acted in accordance with the

procedure and law while dealing with the account held by Rakesh Kumar Gupta, which was correctly declared as NPA due to breach in regular payments as per the financial discipline. He contends that the Bank had followed the procedure laid down in the SARFAESI Act and had lawfully issued notice under Section 13(2) of the Act followed by the proceedings carried out in pursuance to Section 13(4) of the SARFAESI Act.

5.1 He submits that the respondent No.2-Bank has proceeded in accordance with law and even after demise of Rakesh Kumar Gupta, the petitioners failed to get the account renewed. The authorized officer of the respondent- Bank had initiated the SARFAESI action in accordance with law, as the equitable mortgage was validly executed by the borrower in favour of the respondent-Bank. He contends that learned Debt Recovery Tribunal-I, Chandigarh has rightly rejected the SA No. 246-2025 moved by the petitioners vide the impugned order dated 03.06.2026 (Annexure P-1) which deserves no interference.

5.2 Moreover, he has vehemently argued that the petitioners have already availed the remedy of filing SA under Section 17 of the SARFAESI Act before the learned Debt Recovery Tribunal-I, Chandigarh and if they are aggrieved by the decision of the Tribunal in the SA filed under Section 17 of the SARFAESI Act against them, the only remedy available is to approach the learned Debt Recovery Appellate Tribunal in terms of Section 18 of the SARFAESI Act.

5.3 He contends that the impugned order was passed wayback on 03.06.2026, the petitioners slept over their right to approach the learned Debt

Recovery Appellate Tribunal under Section 18 of the SARFAESI Act for all this period of more than 1 month and filed the instant writ petition on 09.07.2026.

5.4 He further contends that Hon'ble Apex Court had repeatedly deprecated the practice of entertaining writ petitions by the High Courts under Article 226 of the Constitution and has even issued direction of caution in this regard. He has referred to the judgment of Hon'ble Supreme Court in ***Varimadugu Obi Reddy versus B. Sreenivasulu and others, (2023) 2 SCC 168; and South India Bank Limited and others versus Naveen Mathew Philip and another, (2023) 17 SCC 311*** and prayed for dismissal of the petition.

6. After considering the rival contentions and perusing the record, it is observed that there is no dispute qua the fact that Rakesh Kumar Gupta predecessor in interest of the petitioner had availed 'ODP Limit' credit facility from the respondent No.2-Bank by executing equitable mortgage and it is on record that Rakesh Kumar Gupta had died on 07.11.2024.

6.1 The case putforth by the petitioners is that after the demise of Rakesh Kumar Gupta, they had been making the payment of principal and interest to the respondent-Bank to maintain financial discipline of the credit facility but the respondent-Bank had declared their account as NPA in an arbitrary and illegal manner and initiated proceedings under the SARFAESI Act against the petitioners.

6.2 Admittedly the petitioners have preferred SA No. 246-2025 before Debt Recovery Trinbunal-I, Chandigarh challenging the action of the respondent-Bank, however the same was disposed of vide impugned order dated 03.06.2026 (Annexure P-1), feeling aggrieved, the instant writ petition under Article 226 of the Constitution of India has been preferred by the petitioners.

7. As per the Scheme laid down by the SARFAESI Act, there are provisions laid down under Section 17 of the SARFAESI Act providing application against measures to recover secured debts which can be initiated by any person including the borrower aggrieved by any of the measures referred to in Sub-section (4) of Section 13 taken by the secured creditor, before the Debts Recovery Tribunal having jurisdiction.

8. Section 18 of the SARFAESI Act provides for appeal to the Appellate Tribunal which reads as under:-

> *"**18. Appeal to Appellate Tribunal**.—(1) Any person aggrieved, by any order made by the Debts Recovery Tribunal1 [under section 17, may prefer an appeal along with such fee, as may be prescribed] to the Appellate Tribunal within thirty days from the date of receipt of the order of Debts Recovery Tribunal.*
>
> *Provided that different fees may be prescribed for filing an appeal by the borrower or by the person other than the borrower:*
>
> *Provided further that no appeal shall be entertained unless the borrower has deposited with the Appellate Tribunal fifty per cent. of the amount of debt due from him, as claimed by the secured creditors or determined by the Debts Recovery Tribunal, whichever is less:*
>
> *Provided also that the Appellate Tribunal may, for the reasons to be recorded in writing, reduce the amount to not less than twenty-five per cent. of debt referred to in the second proviso.]*
>
> *(2) Save as otherwise provided in this Act, the Appellate Tribunal shall, as far as may be, dispose of the appeal in accordance with the provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993) and rules made thereunder."*

9. Admittedly, the petitioners after being aggrieved by the decision rendered by Debt Recovery Tribunal-I, Chandigarh in SA No. 246-2025

preferred by the them under Section 17 of the SARFAESI Act, vide the impugned order dated 03.06.2026 (Annexure P-1) have, instead of availing the remedy available under Section 18 of the SARFAESI Act, filed the instant writ petition under Article 226 of the Constitution of India.

10. It is worth mentioning that maintainability of the writ petition under Article 226 of the Constitution of India, in such a case where the alternative remedy under Section 18 of the SARFAESI Act, a specialized provision is available, is no longer *res-integra*. It is has been settled by the Hon'ble Supreme Court in *catena* of judgments that where the order of Tribunal is appealable and the remedy of appeal is provided under the Act, {Section 18 of the SARFAESI Act in the present case}, then it will not be appropriate for the High Court to exercise the jurisdiction by entertaining a writ petition.

11. It has been held by Hon'ble Supreme Court in ***Varimadugu Obi Reddy versus B. Sreenivasulu and others, (2023) 2 SCC 168*** that in the ordinary course of business where the order of the Tribunal is an appealable order, the borrowers/person aggrieved is supposed to avail the statutory remedy of appeal which the law provides under Section 18 of the SARFAESI Act. The relevant portion of the aforesaid judgment is reproduced as under:-

> *"34. The order of the Tribunal dated 1st August, 2019 was an appealable order under Section 18 of the SARFAESI Act, 2002 and in the ordinary course of business, the borrowers/person aggrieved was supposed to avail the statutory remedy of appeal which the law provides under Section 18 of the SARFAESI Act, 2002 in the absence of efficacious alternative remedy being availed, there was no reasonable justification tendered by the respondent borrowers in approaching the High Court and filing writ application assailing order of the Tribunal dated 1st August, 2019 under its jurisdiction*

under Article 226 of the Constitution without exhausting the statutory right of appeal available at its command.

35. This Court in the judgment in ***United Bank of India v. Satyawati Tondon & Others, (2010) 8 SCC 110*** *was concerned with the argument of alternative remedy provided under the SARFAESI Act, 2002 and dealing with the argument of alternative remedy, this Court had observed that where an effective remedy is available to an aggrieved person, the High Court ordinarily must insist that before availing the remedy under Article 226 of the Constitution, the alternative remedy available under the relevant statute must be exhausted. Paras 43, 44 and 45 of the said judgment are relevant for the purpose and are extracted below:*

> *"43. Unfortunately, the High Court overlooked the settled law that the High Court will ordinarily not entertain a petition under Article 226 of the Constitution if an effective remedy is available to the aggrieved person and that this rule applies with greater rigour in matters involving recovery of taxes, cess, fees, other types of public money and the dues of banks and other financial institutions. In our view, while dealing with the petitions involving challenge to the action taken for recovery of the public dues, etc. the High Court must keep in mind that the legislation's enacted by Parliament and State Legislatures for recovery of such dues are a code unto themselves inasmuch as they not only contain comprehensive procedure for recovery of the dues but also envisage constitution of quasi-judicial bodies for redressal of the grievance of any aggrieved person. Therefore, in all such cases, the High Court must insist that before availing remedy under Article 226 of the Constitution, a person must exhaust the remedies available under the relevant statute.*
>
> *44. While expressing the aforesaid view,* we are conscious that the *powers conferred upon the High Court under Article 226 of the Constitution to issue to any person or authority, including in appropriate cases, any Government, directions,*

> *orders or writs including the five prerogative writs for the enforcement of any of the rights conferred by Part III or for any other purpose are very wide and there is no express limitation on exercise of that power but, at the same time,* we cannot be oblivious *of the rules of self-imposed restraint evolved by this Court, which every* High Court is bound to keep in view while *exercising power under Article 226 of the Constitution.*
>
> *45. It is true that the rule of exhaustion of alternative remedy is a rule of discretion and not one of compulsion, but it is difficult to fathom any reason why the High Court should entertain a petition filed under Article 226 of the Constitution and pass interim order ignoring the fact that the petitioner can avail effective alternative remedy by filing application, appeal, revision, etc. and the particular legislation contains a detailed mechanism for redressal of his grievance."*

36. In the instant case, although the respondent borrowers initially approached the Debts Recovery Tribunal by filing an application under Section 17 of the SARFAESI Act, 2002, but the order of the Tribunal indeed was appealable under Section 18 of the Act subject to the compliance of condition of pre-deposit and without exhausting the statutory remedy of appeal, the respondent borrowers approached the High Court by filing the writ application under Article 226 of the Constitution. We deprecate such practice of entertaining the writ application by the High Court in exercise of jurisdiction under Article 226 of the Constitution without exhausting the alternative statutory remedy available under the law. This circuitous route appears to have been adopted to avoid the condition of pre-deposit contemplated under 2nd proviso to Section 18 of the Act 2002."

12. Further, in ***Southern Electricity Supply Co. of Orissa Ltd. versus Sri Seetaram Rice Mill, (2012) 2 SCC 108***, Hon'ble Supreme Court has held that it should only be for the specialised tribunal or the appellate authority to examine the merits of assessment or even the factual matrix of the case. The relevant portion of the aforesaid judgment is reproduced as under:-

> *"80. It is a settled canon of law that the High Court would not normally interfere in exercise of its jurisdiction under Article 226 of the Constitution of India where statutory alternative remedy is available. It is equally settled that this canon of law is not free of exceptions. The courts, including this Court, have taken the view that the statutory remedy, if provided under a specific law, would impliedly oust the jurisdiction of the civil courts. The High Court in exercise of its extraordinary jurisdiction under Article 226 of the Constitution of India can entertain writ or appropriate proceedings despite availability of an alternative remedy. This jurisdiction, the High Court would exercise with some circumspection in exceptional cases, particularly, where the cases involve a pure question of law or vires of an Act are challenged. This class of cases we are mentioning by way of illustration and should not be understood to be an exhaustive exposition of law which, in our opinion, is neither practical nor possible to state with precision. The availability of alternative statutory or other remedy by itself may not operate as an absolute bar for exercise of jurisdiction by the courts. It will normally depend upon the facts and circumstances of a given case. The further question that would inevitably come up for consideration before the Court even in such cases would be as to what extent the jurisdiction has to be exercised.*
>
> *81. Should the courts determine on merits of the case or should they preferably answer the preliminary issue or jurisdictional issue arising in the facts of the case and remit the matter for consideration on merits by the competent authority? Again, it is somewhat difficult to state with absolute clarity any principle*

governing such exercise of jurisdiction. It always will depend upon the facts of a given case. We are of the considered view that interest of administration of justice shall be better sub-served if the cases of the present kind are heard by the courts only where they involve primary questions of jurisdiction or the matters which go to the very root of jurisdiction and where the authorities have acted beyond the provisions of the Act. However, it should only be for the specialised tribunal or the appellate authorities to examine the merits of assessment or even the factual matrix of the case."

13. It has been held by Hon'ble Supreme Court in ***Kanaiyalal Lalchand Sachdev versus State of Maharashtra, (2011) 2 SCC 782***, while considering the question of maintainability of the writ petition, when alternate remedy is available, Hon'ble Supreme Court has held as under:-

> *"23. In our opinion, therefore, the High Court rightly dismissed the petition on the ground that an efficacious remedy was available to the appellants under Section 17 of the Act. It is well settled that ordinarily relief under Articles 226/227 of the Constitution of India is not available if an efficacious alternative remedy is available to any aggrieved person. (See* ***Sadhana Lodh v. National Insurance Co. Ltd.****,* ***Surya Dev Rai v. Ram Chander Rai*** *and* ***SBI v. Allied Chemical Laboratories****.)*
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> *24. In* ***City and Industrial Development Corpn. v. Dosu Aardeshir Bhiwandiwala*** *this Court had observed that:*
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> > *"30. The Court while exercising its jurisdiction under Article 226 is duty-bound to consider whether:*
> >
> > *(a) adjudication of the writ petition involves any complex and disputed questions of facts and whether they can be satisfactorily resolved;*
> >
> > *(b) the petition reveals all material facts;*
> >
> > *(c) the petitioner has any alternative or effective remedy for the resolution of the dispute;*

> *(d) the person invoking the jurisdiction is guilty of unexplained delay and laches;*
> *(e) ex facie barred by any laws of limitation;*
> *(f) grant of relief is against public policy or barred by any valid law; and host of other factors."*

14. Similarly in ***Nivedita Sharma versus Cellular Operators Assn. of India,(2011) 14 SCC 337***, Hon'ble Supreme Court held that when a statutory forum is created by law for redressal of grievances, a writ petition should not be entertained, ignoring the statutory dispensation.

15. Hon'ble Supreme Court had issued a direction of caution to the fact that it will not be a proper exercise of the jurisdiction by the High Court to entertain a writ petition against such orders against which statutory appeal lies. In this regard reference is made to the judgment of Hon'ble Supreme Court in In ***Cicily Kallarackal versus Vehicle Factory, (2012) 8 SCC 524***, The relevant portion of the aforesaid judgment is reproduced as under:-

> *"4. Despite this, we cannot help but state in absolute terms that it is not appropriate for the High Courts to entertain writ petitions under Article 226 of the Constitution of India against the orders passed by the Commission, as a statutory appeal is provided and lies to this Court under the provisions of the Consumer Protection Act, 1986. Once the legislature has provided for a statutory appeal to a higher court, it cannot be proper exercise of jurisdiction to permit the parties to bypass the statutory appeal to such higher court and entertain petitions in exercise of its powers under Article 226 of the Constitution of India. Even in the present case, the High Court has not exercised its jurisdiction in accordance with law. The case is one of improper exercise of jurisdiction. It is no expected of us to deal with this issue at any greater length as we are dismissing this petition on other grounds."*

16. In ***South India Bank Limited case (supra),*** it has been held by Hon'ble Supreme Court that although the power under Article 226 of the Constitution of India to issue writs can be exercised not only for the enforcement of Fundamental Rights but for any other purposes as well, the High Court still has the discretion not to entertain a writ petition and one of the restrictions placed on the power of the High Court is therein an effective alternative remedy is available to the aggrieved person. It would be appropriate to reproduce the relevant portion of the judgment rendered by Hon'ble Supreme Court in ***South India Bank Limited case (supra),*** as under:-

> *"16. We wish to quote with profit a recent decision of this Court in Radha Krishan Industries v. State of H.P. (2021) 6 SCC 771 : (SCC pp. 794-95, paras 25-27)*
>
> > *"25. In this background, it becomes necessary for this Court, to dwell on the "rule of alternate remedy" and its judicial exposition. In* ***Whirlpool Corpn. v. Registrar of Trade Marks (1998) 8 SCC 1****, a two-Judge Bench of this Court after reviewing the case law on this point, noted: (SCC pp. 9-10, paras 14-15)*
> >
> > > *"14. The power to issue prerogative writs under Article 226 of the Constitution is plenary in nature and is not limited by any other provision of the Constitution. This power can be exercised by the High Court not only for issuing writs in the nature of habeas corpus, mandamus, prohibition, quo warranto and certiorari for the enforcement of any of the Fundamental Rights contained in Part III of the Constitution but also for "any other purpose".*
> > >
> > > *15. Under Article 226 of the Constitution, the High Court, having regard to the facts of the case, has a discretion to entertain or not to entertain a writ*

petition. But the High Court has imposed upon itself certain restrictions one of which is that if an effective and efficacious remedy is available, the High Court would not normally exercise its jurisdiction. But the alternative remedy has been consistently held by this Court not to operate as a bar in at least three contingencies, namely, where the writ petition has been filed for the enforcement of any of the Fundamental Rights or where there has been a violation of the principle of natural justice or where the order or proceedings are wholly without jurisdiction or the vires of an Act is challenged. There is a plethora of case-law on this point but to cut down this circle of forensic whirlpool, we would rely on some old decisions of the evolutionary era of the constitutional law as they still hold the field".

*26. Following the dictum of this Court in **Whirlpool Corpn. v. Registrar of Trade Marks [(1998) 8 SCC 1]**, in **Harbanslal Sahnia v. Indian Oil Corpn. Ltd. [(2003) 2 SCC 107]**, this Court noted that: (Harbanslal Sahnia case, SCC p. 110, para 7)*

"7. So far as the view taken by the High Court that the remedy by way of recourse to arbitration clause was available to the appellants and therefore the writ petition filed by the appellants was liable to be dismissed is concerned, suffice it to observe that the rule of exclusion of writ jurisdiction by availability of an alternative remedy is a rule of discretion and not one of compulsion. In an appropriate case, in spite of availability of the alternative remedy, the High Court may still exercise its writ jurisdiction in at least three contingencies: (i) where the writ petition seeks enforcement of any of the fundamental rights; (ii) where there is failure of principles of natural justice; or

*(iii) where the orders or proceedings are wholly without jurisdiction or the vires of an Act is challenged. (See **Whirlpool Corpn. v. Registrar of Trade Marks [(1998) 8 SCC 1]**.) The present case attracts applicability of the first two contingencies. Moreover, as noted, the appellants' dealership, which is their bread and butter, came to be terminated for an irrelevant and non-existent cause. In such circumstances, we feel that the appellants should have been allowed relief by the High Court itself instead of driving them to the need of initiating arbitration proceedings."*

27. The principles of law which emerge are that:

27.1. The power under Article 226 of the Constitution to issue writs can be exercised not only for the enforcement of fundamental rights, but for any other purpose as well.

27.2. The High Court has the discretion not to entertain a writ petition. One of the restrictions placed on the power of the High Court is where an effective alternate remedy is available to the aggrieved person.

27.3. Exceptions to the rule of alternate remedy arise where: (a) the writ petition has been filed for the enforcement of a fundamental right protected by Part III of the Constitution; (b) there has been a violation of the principles of natural justice; (c) the order or proceedings are wholly without jurisdiction; or (d) the vires of a legislation is challenged.

27.4. An alternate remedy by itself does not divest the High Court of its powers under Article 226 of the Constitution in an appropriate case though ordinarily, a writ petition should not be entertained when an efficacious alternate remedy is provided by law.

27.5. When a right is created by a statute, which itself prescribes the remedy or procedure for enforcing the right or liability, resort must be had to that particular statutory

> *remedy before invoking the discretionary remedy under Article 226 of the Constitution. This rule of exhaustion of statutory remedies is a rule of policy, convenience and discretion.*
>
> *27.6. In cases where there are disputed questions of fact, the High Court may decide to decline jurisdiction in a writ petition. However, if the* High Court is objectively of the view that *the nature of the controversy requires the exercise of its writ jurisdiction, such a view would not readily be interfered with."*

17. Learned Senior Counsel for the petitioners has heavily relied upon the judgment rendered in ***Whirlpool Corporation's case (supra)*** for invoking the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India, despite the availability of alternative remedy of appeal under Section 18 of the SARFAESI Act. The Hon'ble Supreme Court in ***South India Bank Limited and others versus Naveen Mathew Philip and another, (2023) 17 SCC 311*** while referring to the earlier judgment of Hon'ble Supreme Court in ***Radha Krishan Industries versus State of H.P., (2021) 6 SCC 771***, in which ***Whirlpool Corporation's case (Supra)*** finds reference, held that although the power under Article 226 of the Constitution of India to issue writs can be exercised not only for the enforcement of Fundamental Rights but for any other purposes as well, the High Court still has the discretion not to entertain a writ petition and one of the restrictions placed on the power of the High Court is wherein an effective alternate remedy is available to the aggrieved person.

18. So far as, the arguments advanced by learned Senior Counsel for the petitioners qua wrong declaration of the account as NPA in violation of the Master Circular issued by the Reserve Bank of India, or regarding the account of

the petitioners being maintained within the sanctioned limit and also whether the Bank was justified in asking for renewal of the account is concerned, the same involves a lot many questions of facts to be decided which we are afraid cannot be looked into while invoking the extraordinary jurisdiction of writ under Article 226 of the Constitution of India, especially when the petitioners have already choosen to avail remedy under SARFAESI Act by filing SA No. 246-2025 under Section 17 of the SARFAESI Act before the Debt Recovery Tribunal-I, Chandigarh and now after the passing of the impugned order dated 03.06.2026 (Annexure P-1), the petitioners have got an alternative remedy of appeal provided under Section 18 of the SARFAESI Act to prefer appeal against the same before Debt Recovery Appellate Tribunal, a specialized forum where all such aspects can be looked into and considered in accordance with law.

19. In the light of the above discussion, based on the law laid down by Hon'ble Supreme Court in the judgments referred to above, it is a settled position by now that the practice of entertaining the writ petition by the High Courts in exercise of Article 226 of the Constitution of India without exhausting the alternative remedy available under the law has been strongly deprecated by the Hon'ble Supreme Court of India. It has been held by the Hon'ble Supreme Court that when a statutory forum is created by law for redressal of grievances, a writ petition should not be entertained, ignoring the statutory dispensation.

20. Moreover, even though the powers under Article 226 of the Constitution of India to issue writs is rather wide but at the same time, it is required to be exercised only in exceptional circumstances. In the present case the petitioners have not been able to make out a case to bring the instant writ

petition within any of the well recognized exceptions carved out in the aforesaid judgments, namely where,

(a) the writ petition has been filed for enforcement of a Fundamental Right protected by Part III of the Constitution of India,

(b) there has been a violation of the principles of natural justice,

(c) the order or proceedings are wholly without jurisdiction and

(d) the *vires* of a legislation is challenged

21. As a consequent, we are of the considered view that the instant writ petition preferred under Article 226 of the Constitution of India by the petitioners cannot be entertained by this Court in view of the availability of an alternative remedy of appeal under Section 18 of the SARFAESI Act, which the petitioners are at liberty to avail in accordance with law. The instant petition is accordingly dismissed.

(SANJIV BERRY)
JUDGE

(JASGURPREET SINGH PURI)
JUDGE

Dated: 22.07.2026
Gyan

i)	Whether speaking/reasoned?	Yes
ii)	Whether reportable?	Yes