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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-20978-2026 (O&M)
Date of decision: 13.07.2026

M/S BALAJI ISPAT AND ANOTHER

...Petitioner(s)

VERSUS

DEBTS RECOVERY TRIBUNAL-III, CHANDIGARH AND OTHERS
...Respondent(s)

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 and
Mr. Inderjeet Singh, Advocate for the petitioners.

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JASGURPREET SINGH PURI, J.

1. The present Civil Writ Petition has been filed under Articles 226/227 of the Constitution of India seeking issuance of a writ in the nature of *certiorari* for quashing the impugned order dated 23.06.2026 (Annexure P-10), whereby the Debts Recovery Tribunal-III, Chandigarh has dismissed the Securitization Application No.240 of 2026, along with the sale notice dated 19.05.2026, the auction conducted on 24.06.2026 and all subsequent and consequential actions undertaken 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 also the subsequent sale notice dated 25.06.2026 (Annexure P-13), 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. Anand Chhibbar, learned Senior Counsel appearing on behalf of the petitioners submitted that petitioner No.1, which is a partnership concern, had availed financial facilities by way of a loan from the respondent-Bank and petitioner No.2 is also one of the partners as well as one of the mortgagors of the property, the details whereof have been described in paragraph No.3 of the writ petition. The petitioners being aggrieved by the action of the respondent-Bank, whereby the Bank had earlier issued a notice dated 04.08.2021 under Section 13(2) of the SARFAESI Act, had moved a representation dated 15.09.2021 under Section 13(3-A) of the SARFAESI Act but the same was neither replied to nor decided by the respondent-Bank and in this way, the respondent-Bank failed to reply to the objections raised under Section 13(3-A) of the SARFAESI Act and therefore, the petitioners filed a Securitization Application before the Debts Recovery Tribunal-III, Chandigarh, which was allowed vide order dated 21.08.2025 (Annexure P-4) on the ground that the aforesaid objections were not considered and communicated by the respondent-Bank to the petitioners. Consequently, the proceedings initiated by the respondent-Bank under the SARFAESI Act were quashed and the application was allowed by the Debts Recovery Tribunal-III, Chandigarh and liberty was granted to the respondent-Bank to initiate fresh proceedings under the SARFAESI Act as per law.

3. Thereafter, fresh notice under Section 13(2) of the SARFAESI Act was issued on 01.11.2025 vide Annexure P-5 and subsequently, notice under Section 13(4) of the SARFAESI Act was also issued on 21.02.2026 vide Annexure P-6. The petitioners challenged the aforesaid notices and the

proceedings initiated thereunder before the Debts Recovery Tribunal-III, Chandigarh and in this way, a second Securitization Application was filed before the Debts Recovery Tribunal-III, Chandigarh vide Annexure P-7. The Debts Recovery Tribunal-III, Chandigarh decided the second application vide Annexure P-8 dated 27.03.2026. The Debts Recovery Tribunal considered the aspect that no valuation reports were filed by the respondent-Bank along with the reply to show that the properties were put on sale after obtaining fresh valuation reports and came to the conclusion that in the absence of any reports, it appears that the respondent-Bank had not obtained fresh valuation reports before putting the properties on sale and therefore, the Securitization Application was allowed by the Debts Recovery Tribunal-III, Chandigarh and the respondent-Bank was restrained from auctioning the property, which was put to sale vide sale notice dated 21.02.2026. It was also directed that the respondent-Bank may initiate fresh SARFAESI proceedings as per law.

4. Thereafter, a fresh sale notice was issued by the respondent-Bank vide Annexure P-9 dated 19.05.2026, which was again challenged by the petitioners before the Debts Recovery Tribunal-III, Chandigarh and by way of the impugned order dated 23.06.2026 (Annexure P-10), the Securitization Application was dismissed by the Debts Recovery Tribunal-III, Chandigarh. The present writ petition has been filed by the petitioners seeking quashing of the order dated 23.06.2026 (Annexure P-10), sale notice dated 19.05.2026 (Annexure P-9), the auction conducted on 24.06.2026 and the subsequent sale notice dated 25.06.2026 (Annexure P-13).

5. Learned Senior Counsel appearing on behalf of the petitioners submitted that when the petitioners had filed the second Securitization Application before the Debts Recovery Tribunal-III, Chandigarh, which was decided on 27.03.2026 vide Annexure P-8, they had challenged the SARFAESI proceedings and the Debts Recovery Tribunal had allowed the Securitization Application with a direction that the respondent-Bank may initiate fresh SARFAESI proceedings as per law, which would mean that the respondent-Bank was permitted to initiate fresh SARFAESI proceedings in its entirety starting from the stage of issuance of notice under Section 13(2) of the SARFAESI Act. However, the respondent-Bank did not initiate the SARFAESI proceedings as per law but issued a sale notice once again on the basis of the earlier notices issued under Section 13(2) and Section 13(4) of the SARFAESI Act and therefore, the action of the respondents-Bank was contrary to the order dated 27.03.2026 (Annexure P-8) passed by the Debts Recovery Tribunal-III, Chandigarh.

6. Mr. Chhibbar submitted that once the present impugned order passed vide Annexure P-9 was without jurisdiction as the entire SARFAESI proceedings itself had been quashed by the Debts Recovery Tribunal-III, Chandigarh, the impugned order dated 23.06.2026 (Annexure P-10) is also liable to be set aside by this Court even if an alternative remedy of appeal is available to the petitioners under Section 18 of the SARFAESI Act. He further submitted that despite the availability of an alternative remedy to the petitioners, they can still invoke the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India on the aforesaid grounds. In this

regard, he referred to the judgment passed by Hon'ble Supreme Court in ***Whirlpool Corporation versus Registrar of Trade Marks, Mumbai, 1998 (8) SCC 1*** to contend that when the order or proceedings are wholly without jurisdiction, then even if an alternative remedy is available, the High Court in exercise of its jurisdiction under Article 226 of the Constitution of India can entertain a writ petition. He also submitted that since the Securitization Application was filed challenging the entire SARFAESI proceedings and it has been so recorded in the order dated 27.03.2026 (Annexure P-8) that the said application was allowed, it would automatically mean that the entire prayer made in the application stood allowed.

7. We have heard the learned Senior Counsel appearing on behalf of the petitioners.

8. Before proceeding further, it would be just and proper to reproduce the operative parts of all the three orders passed by the Debts Recovery Tribunal-III, Chandigarh:-

Annexure P-4 dated 21.08.2025

> *"No other point was argued/pressed.*
>
> *After considering the above facts it appears that objections raised by applicants under Section 13(3-A) of the SARFAESI Act to the notice under Section 13(2) of the SARFAESI Act dated 04.08.2021 was not considered and communicated by the respondent Nos. 1 & 2 is proved. Therefore, all proceedings initiated by the respondent Nos.1 & 2 under the SARFAESI Act are hereby quashed and **SA is allowed**. It is made clear that respondent Nos. 1 & 2 may initiate fresh proceedings under the SARFAESI Act as per law.*

Record be consigned to record room after due compliance."

Annexure P-8 dated 27.03.2026

"*In light of above provision of law, reply/written statement filed by respondents, which is admittedly a pleading in the present matter was required to be supported by affidavit of Authorised Officer of the respondent bank but the same does not supported by any affidavit. Except it, there is no verification of the pleadings in the reply, which was also mandatory. Therefore, the same is liable to be rejected.*

Perusal of reply further shows that no valuation reports were filed by respondents along with the reply to show that the properties were put on sale after obtaining fresh valuation reports. It was not argued by learned counsel for respondents that on which date valuation was done neither it was pleaded in the reply to SA. There is no merit in the argument by Sh. Kamal Satija, Advocate that applicants have not filed any valuation report to contradict the reserve price. In the considered opinion of this Tribunal, there was no need of negative evidence. Therefore, in absence of any reports it appears that respondents had not obtained fresh valuation reports before putting the properties on sale.

No other point was argued/pressed.

In light of above facts, circumstances as well as evidence on record, applicants have made out their case.

Therefore, respondents are restrained to auction the property, which is fixed for today as per sale notice dated 21.02.2026.

*Accordingly, **SA is allowed**. Respondents may initiate fresh SARFAESI proceedings as per law.*

Record be consigned to record room after due compliance."

Annexure P-10 dated 23.06.2026

"In the considered opinion of this Tribunal, it appears that in the present SA all the compliances were duly made by respondents in issuance of sale notice dated 19.05.2026 and applicants have not made out any case in their favour, they have misrepresented the facts before this Tribunal stated that earlier SA was allowed by this Tribunal, therefore respondents have no authority for issuance of fresh sale notice without issuing fresh notices under Section 13(2) & 13(4) of the Act. There is no force in the said argument of learned counsel for applicants because vide order dated 27.03.2026 passed in SA No.120/2026, this Tribunal has only set aside the sale notice 21.02.2026, whereby auction of the property was fixed for 27.03.2026 because both the parties had argued to the extent of sale notice only as mentioned in the said order. No arguments were advanced by applicants in the earlier SA on the point of notices under Section 13(2) & 13(4) of the Act, therefore no order was passed in respect of the said notices and the said notices were not set aside in the earlier SA.

In light of above facts, circumstances as well as evidence on record, no case is made out by applicants in their favour to set aside sale notice dated 19.05.2026, whereby auction of the properties are fixed for 24.06.2026.

*Accordingly, this **SA is dismissed**.*

Record be consigned to record room after due compliance."

9. The facts of the present case clearly suggest that when in the first round of litigation, the petitioners had filed a Securitization Application challenging the notice issued under Section 13(2) of the SARFAESI Act, the Debts Recovery Tribunal-III, Chandigarh vide order dated 21.08.2025

(Annexure P-4) allowed the same and quashed all the proceedings initiated under the SARFAESI Act and liberty was granted to the respondent-Bank to initiate fresh proceedings under the SARFAESI Act as per law. Thereafter, fresh notices were issued under Section 13(2) and Section 13(4) of the SARFAESI Act, which were again challenged by the petitioners before the Debts Recovery Tribunal in the second round of litigation. Prayer was made by the petitioners by laying challenge to the SARFAESI proceedings but while passing the order dated 27.03.2026 (Annexure P-8), the Debts Recovery Tribunal-III, Chandigarh restrained the respondent-Bank from auctioning the property, which was fixed as per the sale notice dated 21.02.2026 and further observed that the respondent-Bank may initiate fresh SARFAESI proceedings as per law.

10. It was thereafter when the respondent-Bank issued a fresh sale notice vide Annexure P-9 to the petitioners and the petitioners filed the third Securitization Application that the Debts Recovery Tribunal-III, Chandigarh discussed in detail the issue of whether the entire SARFAESI proceedings were set aside in the earlier order or whether it was only the sale notice which was set aside. The argument of the petitioners was rejected and it was observed in the impugned order dated 23.06.2026 (Annexure P-10) that the Debts Recovery Tribunal had in its earlier order only set aside the sale notice dated 21.02.2026.

11. By way of the impugned order dated 23.06.2026 (Annexure P-10), the Debts Recovery Tribunal-III, Chandigarh has dismissed the Securitization Application filed by the petitioners. The said order is appealable under Section 18 of the SARFAESI Act but the petitioners have chosen to invoke the extraordinary jurisdiction of this Court under Article 226 of the Constitution of

India instead of filing the statutory appeal. It was the argument of the learned Senior Counsel appearing on behalf of the petitioners that the impugned order dated 23.06.2026 (Annexure P-10) passed by the Debts Recovery Tribunal-III, Chandigarh was without jurisdiction and therefore, the petitioners can invoke the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India.

12. The law with regard to the maintainability and entertainability of a writ petition in the presence of an alternative remedy under Section 18 of the SARFAESI Act is no longer *res integra*. Hon'ble Supreme Court in ***Varimadugu Obi Reddy versus B. Sreenivasulu and others, (2023) 2 SCC 168*** held 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."*

13. Basic principle for exercising the power under Article 226 was considered by Hon'ble Supreme Court in ***Babubhai Muljibhai Patel versus Nandlal Khodidas Barot, (1974) 2 SCC 706,*** wherein it was held that the discretion must be exercised on sound judicial principles. The relevant portion of the aforesaid judgment is reproduced as under:-

"10. Exercise of the jurisdiction is no doubt discretionary, but the discretion must be exercised on sound judicial principles. When the petition raises complex questions of fact, which may for their determination require oral evidence to be taken, and on that account the High Court is of the view that the dispute should not appropriately be tried in a writ petition, the High Court may decline to try a petition (see ***Gunwant Kaur v. Bhatinda Municipality (1969) 3 SCC 769****)."*

14. 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:*
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> > *(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."*

15. 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.

16. 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."*

17. In ***Cicily Kallarackal versus Vehicle Factory, (2012) 8 SCC 524***, Hon'ble Supreme Court issued a direction of caution 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. 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."*

18. In ***CIT versus Chhabil Dass Agrawal, (2014) 1 SCC 603***, Hon'ble Supreme Court has 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.

19. So far as the judgment relied upon by the learned Senior Counsel appearing on behalf of the petitioners in ***Whirlpool Corporation's case (Supra)*** is concerned, 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. The relevant portion of the aforesaid judgment in South India Bank ***South India Bank Limited's case (Supra)*** is reproduced 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."*

20. By way of impugned order dated 23.06.2026 (Annexure P-10), the Securitization Application has been decided by the Debts Recovery Tribunal-III, Chandigarh. The argument which was raised by the learned Senior Counsel appearing on behalf of the petitioners that the impugned order has been passed without jurisdiction is misconceived and unsustainable. It is not the case of the petitioners that the Debts Recovery Tribunal-III, Chandigarh did not have any jurisdiction or was lacking jurisdiction in passing the order and rather it was the argument of the learned Senior Counsel appearing on behalf of the petitioners that the Debts Recovery Tribunal could not have dismissed the Securitization Application filed by the petitioners because in the earlier round of litigation, the SARFAESI proceedings were set aside.

21. We are of the considered view that the aforesaid ground would not mean that the Debts Recovery Tribunal-III, Chandigarh did not have any jurisdiction to pass an order.

22. Therefore, we are conscious of the fact that the power under Article 226 of the Constitution of India to issue writs is rather wide but is required to be exercised only in exceptional circumstances but this Court in the facts and circumstances of the present case is not inclined to entertain the present writ petition in the exercise of its discretionary jurisdiction as the case does not fall 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.

23. In view of the above, we are of the considered view that the present petition is liable to be dismissed in view of the availability of an alternative remedy to the petitioners under Section 18 of the SARFAESI Act. The petitioners may avail the aforesaid remedy in accordance with law.

24. Consequently, the present Civil Writ Petition is dismissed. Liberty is granted to the petitioners to avail the alternative remedy available to them by filing an appeal under Section 18 of the SARFAESI Act, in accordance with law.

(JASGURPREET SINGH PURI)
JUDGE

(SANJIV BERRY)
JUDGE

13.07.2026
Chetan Thakur

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No