IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.08.2026

CORAM :

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

W.P.No.30782 of 2026
and W.M.P.No.33819 of 2026

A.Sudhakar
S/o Anandhan,
Director of Jeevaa E-Bike Manufacturing Pvt Ltd
D.No.5/746, Balaji Nagar, Chinna Ealasagairi,
Zuzuwadi, Hosur Taluk, Krishnagiri District
Tamil Nadu - 635 126.

Petitioner(s)

Vs

1. The Chief Executive Officer and
   Managing Director
   Indian Bank, Corporate Head Office at
   Wing 2-C, No.254-260,
   Avvai Shanmugam Salai, Royapettah
   Chenani - 600 014.

2. The Zonal Manager
   Indian Bank, Zonal Office,
   No.91, 1st Floor, DDDC Building,
   Pennagaram Road, Dharmapuri - 636 701.

3. The Branch Manager
   Indian Bank, Specialized MSME Hosur Branch,
   HIG 159, 1st Floor, Hosur, Krishnagiri-635 109

Respondent(s)

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for the entire records relating to the impugned reply letter in Ref.Jeeva/SAR/01/2026-27, dated 02.07.2026, issued by the 3rd respondent and quash the same as illegal and unconstitutional and consequently direct the respondents 1 to 3 to restructure the loan accounts of the petitioner based on the Framework for Revival and Rehabilitation of MSMES issued by the Ministry of MSME vide Notification dated 29.05.2015 read with RBI Guidelines for the petitioner's unit within a stipulated time.

For Petitioner(s): Mr.M.D.Thirunavukkarasu

ORDER

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

This writ petition has been filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for the records relating to the rejection letter dated 02.07.2026 issued by the third respondent/Bank, quashing the same, and consequently directing the respondents to restructure the loan accounts of the petitioner's unit in terms of the Framework for Revival and Rehabilitation of Micro, Small and

Medium Enterprises (MSMEs) issued by the Ministry of MSME vide Notification dated 29.05.2015.

2. The primary contention of learned counsel for the petitioner is that the respondent/Bank has proceeded with recovery action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) without complying with the mandatory statutory Framework for Revival and Rehabilitation of MSMEs issued by the Ministry of MSME on 29.05.2015 and the Reserve Bank of India (RBI) directions. Learned counsel relies upon a judgment of the Supreme Court in *Pro Knits v. Canara Bank*[1] to contend that the statutory guidelines for MSMEs must be exhausted prior to taking coercive measures under the SARFAESI Act.

3. From a perusal of the materials placed on record, it is evident that the recovery proceedings initiated by the respondent/Bank under Section 13(2) and Section 13(4) of the SARFAESI Act have already been challenged by the petitioner. The

1 *(2024) 10 SCC 292*

petitioner has filed S.A.No.109 of 2026 before the Debts Recovery Tribunal-II, Chennai, which is currently pending. Further, against the interlocutory orders passed by the DRT-II, the petitioner has also approached the Debt Recovery Appellate Tribunal (DRAT), Chennai, in I.A. Dy. No.1068 of 2026, where conditional orders were passed.

4. The grievance of the petitioner regarding the rejection of his restructuring request dated 19.06.2026 and the consequential E-Auction Sale Notice dated 21.07.2026 falls squarely within the realm of measures taken under Section 13(4) and Section 17 of the SARFAESI Act.

5. It is a well-settled proposition of law that the High Court should not exercise its extraordinary writ jurisdiction under Article 226 of the Constitution of India to interfere with recovery proceedings under the SARFAESI Act, when an effective statutory alternative remedy is available before the DRT/DRAT.

6. The Supreme Court in *Phoenix ARC (P) Ltd. v. Vishwa Bharati Vidya Mandir*[2], emphatically held that the remedy against an order passed under Section 13(4) or Section 14 of the Act is under Section 17 of the Act before the Debts Recovery Tribunal and a writ petition is not maintainable. The observations of the Supreme Court are extracted herein below:

> *"10. In United Bank of India v. Satyawati Tondon, (2010) 8 SCC 110,* ***it was observed and held by this Court that the remedies available to an aggrieved person against the action taken under Section 13(4) or Section 14 of the SARFAESI Act, by way of appeal under Section 17, can be said to be both expeditious and effective. On maintainability of or entertainability of a writ petition under Article 226 of the Constitution of India, in a case where the effective remedy is available to the aggrieved person****, it is observed and held in the said decision in paras 43 to 46 as under : (SCC pp. 123-24)*
>
>> *'43. Unfortunately, the High Court [Satyawati Tondon v. State of U.P., 2009 SCC OnLine All 2608] overlooked the settled law that the* ***High Court will ordinarily not entertain a petition under Article 226 of the***

2 (2022) 5 SCC 345

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 legislations 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.

...

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.***

*46. It must be remembered that stay of an action initiated by the State and/or its agencies/instrumentalities for recovery of taxes, cess, fees, etc. seriously impedes execution of projects of public importance and disables them from discharging their constitutional and legal obligations towards the citizens. **In cases relating to recovery of the dues of banks, financial institutions and secured creditors, stay granted by the High Court would have serious adverse impact on the financial health of such bodies/institutions, which (sic will) ultimately prove detrimental to the economy of the nation. Therefore, the High Court should be extremely careful***

> ***and circumspect in exercising its discretion to grant stay in such matters. ...'***

...

12. In Kanaiyalal Lalchand Sachdev v. State of Maharashtra, (2011) 2 SCC 782, after referring to the earlier decisions of this Court in Sadhana Lodh v. National Insurance Co. Ltd., (2003) 3 SCC 524, Surya Dev Rai v. Ram Chander Rai, (2003) 6 SCC 675 and SBI v. Allied Chemical Laboratories, (2006) 9 SCC 252 ***while upholding the order passed by the High Court dismissing the writ petition on the ground that an efficacious remedy is available under Section 17 of the SARFAESI Act, it was observed 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****."*

[emphasis supplied]

7. In view of the judicial dictum of the Supreme Court in the decision referred supra, this Court is not inclined to entertain this writ petition under Article 226 of the Constitution of India.

8. It is for the petitioner to work out his remedies before the DRT/DRAT, where all factual and legal contentions, including non-compliance with MSME restructuring guidelines, valuation issues, statutory notice violations, can be adjudicated on merits. It is open to the petitioner to move an appropriate application for urgent hearing, if so advised, before the competent Tribunal.

Accordingly, this writ petition is dismissed as not maintainable, reserving liberty to the petitioner to pursue his remedies before the competent Tribunal in accordance with law. No costs. Consequently, connected interim application stands closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)
05.08.2026

Index : Yes/No
Neutral Citation : Yes/No
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THE HON'BLE CHIEF JUSTICE
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