

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON : 29.07.2026

PRONOUNCED ON : 04 .08.2026.

CORAM:

THE HONOURABLE MR.JUSTICE R.VIJAYAKUMAR

**Cont.Petition (MD).No.1897 of 2026
and Sub.Aplc(MD).No.219 of 2026
in WP(MD).No.3173 of 2026**

Raju Spinning Mills Private Limited
Represented by its Director
Mr.K.B.Abinanthan
Having its Registered Office at
1110-B, Cotton Market, Rajapalayam
Virudhunagar District, Tamil Nadu 626 117

....Petitioner

Vs

1.The Assistant General Manager/Branch Head
State Bank of India
Commercial Branch
2nd Floor, 7-A, West Veli Street
Madurai 625 001

2.The Board of Directors of State Bank of India
Represented by its Managing Director
Regional Office
Madhura Complex,
No.2, Ambedkar Road, Madurai 625 002

....Respondents

Prayer: This Contempt Petition filed under Sections 11 & 12 of the Contempt of Courts Act 1972 read with Article 215 of the Constitution of



India, to take cognizance of the wilful, deliberate and contumacious disobedience committed by the respondents in violating the order dated 04.02.2026 passed by this Court in WP(MD).No.3173 of 2026 hold the respondents guilty of civil contempt under Contempt of Courts Act, 1971, punish them in accordance with law, direct them to purge the contempt by restoring and maintaining the status quo as contemplated under the said order and by withdrawing, keeping in abeyance and refraining from giving effect to all coercive measures initiated in violation thereof, including the actions founded upon the NPS classification of the petitioner's loan accounts and the issuance of the demand notice under Section 13(2) of the SARFAESI Act, and further direct strict compliance with the directions issued by this Court in its order dated 04.02.2026 by considering the petitioner's representation through a committee duly constituted in accordance with the Framework for Revival and Rehabilitation of MSMEs and thus render justice.

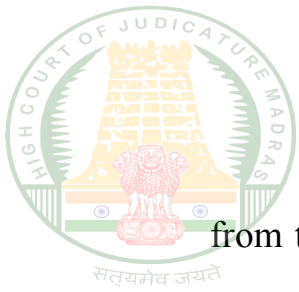
For Petitioner : Mr.B.Ramachandran

For Respondents : Mr.M.Ajmalkhan
Senior Counsel for
Mr.C.Deepak

ORDER

The present petition has been filed alleging violation of the order of this Court dated 04.02.2026 made in WP(MD).No.3173 of 2026.

2.A perusal of the records reveals that the petitioner company is a registered MSME enterprise under the provisions of Micro, Small and Medium Enterprises Development Act, 2006. The company has availed loan



from the respondent Bank and due to default, it has been classified as NPA.

The company has given a representation on 27.12.2025 seeking Rehabilitation Scheme that has to be placed before the Committee.

3.Considering the limited prayer, this Court has directed the respondent Bank to constitute the committee for revival and Rehabilitation of MSME with regard to the petitioner Mill and the said committee was directed to consider the representation of the petitioner within a period of eight weeks from the date of receipt of a copy of the order. This Court has further directed that no coercive steps shall be taken till a decision is taken by the Committee.

4.The present contempt petition has been filed alleging that the Committee has so far not taken a decision, but proceedings have been initiated under SARFAESI Act, 2002.

5.The learned counsel appearing for the petitioner submitted that as per directions of this Court, the Committee was convened on 18.03.2026. However, the petitioner was informed at the last minute and he had participated in the same. A proposal was given by the Committee. The petitioner was expecting for convening of the next meeting to present the proposal of the petitioner company. However, a reminder was sent by the respondent Bank on 18.04.2025 and the petitioner has given a reply to the said reminder. Thereafter, notice under Section 13(2) of SARFAESI Act has been issued by the Bank on 02.05.2026 which is clearly in violation of the



order of this Court.

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6. According to the learned counsel appearing for the petitioner, only when the second meeting is convened, the proposal of the petitioner could be submitted. No decision has been taken by the committee rejecting the proposal of the petitioner company and in such circumstances, the petitioner company is not able to invoke the remedy under MSME Act. Cornering the petitioner company, they have already initiated proceedings under SARFAESI Act.

7. Per contra, the learned Senior counsel appearing for the respondent Bank submitted that the Bank in the meeting held on 18.03.2026, a resolution came to be passed calling upon the petitioner company to submit a proposal with regard to six aspects and the petitioner company was directed to submit the same before 10.04.2026. There was no response from the petitioner company till the said date. Therefore, the Bank was constrained to issue a reminder on 18.04.2026. Even thereafter the petitioner had only sent a reply and he has not submitted the proposal. In such circumstances, the respondent Bank was constrained to proceed under SARFAESI Act.

8. The learned Senior Counsel had further submitted that this Court has only directed the constitution of the Committee and a decision to be taken within a period of eight weeks. The decision was taken by the Committee by way of proposal dated 18.03.2026 for which the petitioner company has not



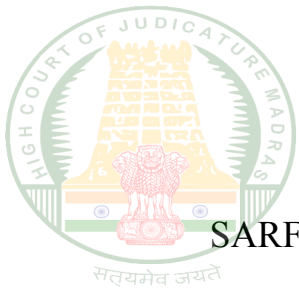
responded and in such circumstances, the petitioner cannot invoke contempt jurisdiction.

9. Heard the learned counsel appearing on either side and perused the material records.

10. The operative portion of the order of this Court in Paragraph No.6 is extracted as follows:

“6.Considering the limited prayer sought for in the writ petition, the respondents herein are directed to constitute the committee for Revival and Rehabilitation of MSME with regard to the petitioner Mill and the said Committee is directed to consider the representation of the petitioner dated 27.12.2025 and take a decision within a period of eight weeks form the date of receipt of copy of this order. Till such time, any coercive steps shall be kept in abeyance.”

11.As directed by this Court, a committee has been constituted and the meeting was convened on 18.03.2026. The petitioner has also participated in the said meeting. A plan of action was formulated with the consent of the petitioner and the petitioner was directed to submit his proposal on or before 10.04.2026. Admittedly, the petitioner has not submitted any proposal before the said cut-off date. The Bank has sent a reminder on 18.04.2026 and thereafter also the petitioner has not submitted his proposal. In such circumstances, the Bank proceeded to issue notice under Section 13(2) of



SARFEASI Act on 02.05.2026.

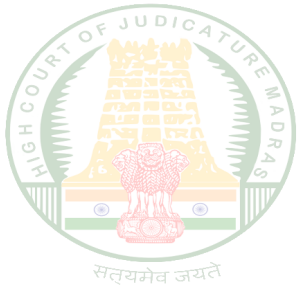
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12.The petitioner has not responded to the plan of action formulated in the meeting held on 18.03.2026 within the time frame fixed on the said date. Only if the petitioner has submitted his response within the time frame or he had sought for extension of time, the committee is expected to take a decision. When the petitioner, having participated in the meeting and not responded to the plan of action, cannot expect the committee to convene the meeting again.

13.In such view of the matter, this Court does not find that the order of this Court has been violated by the respondent Bank. This Contempt Petition stands closed. Consequently, connection Sub Application is also closed.

04.08.2026.

NCC : Yes/No
Internet : Yes/No
Index : Yes/No
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Case Citation: (2026) ibclaw.in 4885 HC



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R.VIJAYAKUMAR, J.

msa

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