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WP No.13427 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.07.2026

CORAM

THE HON'BLE MR.SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE G.ARUL MURUGAN

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M/s.Paterson Cancer Center Private Limited
Rep. by its Managing Director
Dr.S.Vijayaraghavan, Registered office at No.
175 N.S.K.Salai, Vadapalani, Chennai 26 Petitioner

Vs

1. The Authorised officer
M/s. Indian Overseas Bank, Asset Recovery
Management Branch, Ground Floor, Central
office Building, 763 Anna Salai, Chennai 02

2.Yogesh Dhanapal
Rep. by POA Dhanapal Dharman, S/o. Dhanapal
Dharman, New No. 10, Old No. 41B
Manduganeeswarar Koil Street, Big
Kancheepuram, Kancheepuram district 631 501 Respondents

Prayer: Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus calling for the records of first respondent relating to the sale certificate dated 21.09.2020 in favour of the second respondent and quash the same and forbearing the respondents their men, agents and servants from interfering and taking physical possession of the Item No.2 of Schedule property.



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For Petitioner

Mr. J.S.T.Vijay Sai

For Respondents

Ms. Dhivya Kumar
for the first respondent

Ms. K.Anandhi
for the second respondent

ORDER

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

Challenging the sale certificate issued in respect of the second respondent-auction purchaser by the first respondent bank, the present writ petition has been filed by the petitioner seeking to quash the sale certificate dated 21.09.2020.

2. It is the case of the petitioner that the first respondent bank sanctioned a term loan of Rs.12,75,70,000/- towards purchase of medical equipment; Rs.8,95,45,000/- towards credit for import of medical equipment and Rs.16,55,65,000/- towards purchase of land and construction of hospital. According to the petitioner, though term loan of Rs.16,55,65,000/- was sanctioned, only Rs.10,81,00,000/- was disbursed. The petitioner had repaid a sum of Rs.3,00,00,000/- towards interest. The petitioner approached the bank and requested

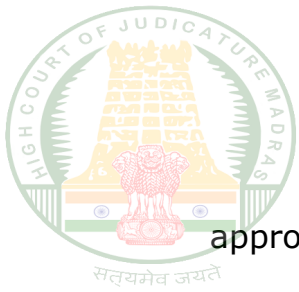


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for release of balance sanctioned amount. However, without any valid reason, the first respondent has declared the account of the petitioner as a non-performing asset and issued notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, followed by notice under Section 13(4) of the Act. The petitioner approached the Debts Recovery Tribunal and the Debts Recovery Tribunal directed the first respondent bank to consider one-time settlement. The petitioner agreed for Rs.9.85 crores and paid a sum of Rs.1 crore. Due to covid pandemic, the petitioner was not able to mobilize funds and pay the balance amount. In the meantime, the bank had approached Chief Judicial Magistrate, Tiruvallur, under Section 14 of the Act of 2002. The learned Chief Judicial Magistrate, by order dated 04.11.2022 passed in Crl.M.P.No.47 of 2022, permitted physical possession of the property.

3. The petitioner has challenged the order dated 04.11.2022 of the Chief Judicial Magistrate, Tirvallur, by filing securitisation application in SA No.502 of 2022, on the file of the Debts Recovery Tribunal-III, Chennai. The Debts Recovery Tribunal has dismissed the securitisation application vide order dated 16.03.2026. Aggrieved by the dismissal of the securitisation application, the petitioner has

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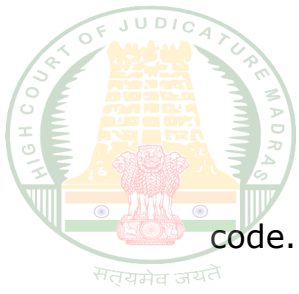
approached the Debt Recovery Appellate Tribunal, Chennai, by filing appeal in RA Dairy No.805 of 2026. The application is still pending before Debt Recovery Appellate Tribunal.

4. When the petitioner has already approached Debt Recovery Appellate Tribunal, this petition could not have been filed before this Court. The petitioner ought to have continued the proceedings only before the Debt Recovery Appellate Tribunal. The extraordinary constitutional jurisdiction of this Court under Article 226 cannot be invoked to bypass the statutory forum.

5. The Supreme Court in *Celir LLP v. Bafna Motors (Mumbai) (P) Ltd*¹, reiterating its seminal decision in *United Bank of India v. Satyawati Tondon*², expressed grave concern over High Courts bypassing statutory forums to exercise jurisdiction under Article 226 of the Constitution of India. The Supreme Court observed that while the powers under Article 226 of the Constitution of India are wide, the rule of exhaustion of alternative remedies applies with greater rigour in matters involving the recovery of public money and bank dues, where Parliament has provided a comprehensive, self-contained statutory

¹ (2024) 2 SCC 1

² (2010) 8 SCC 110



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code. The High Courts were explicitly cautioned to exercise their discretion with utmost care and circumspection, so as not to disrupt the statutory mechanism for recovery or prejudice the rights of financial institutions. It is seemly to extract the relevant portion of the said judgment hereunder:

“97. This Court has time and again, reminded the High Courts that they should not entertain petition under Article 226 of the Constitution if an effective remedy is available to the aggrieved person under the provisions of the SARFAESI Act. This Court in United Bank of India v. Satyawati Tondon, (2010) 8 SCC 110 made the following observations: (SCC pp. 123 & 128, paras 43-45 & 55)

‘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 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



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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



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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.

55. It is a matter of serious concern that despite repeated pronouncement of this Court, the High Courts continue to ignore the availability of statutory remedies under the DRT Act and the SARFAESI Act and exercise jurisdiction under Article 226 for passing orders which have serious adverse impact on the right of banks and other financial institutions to recover their dues. We hope and trust that in future the High Courts will exercise their discretion in such matters with greater caution, care and circumspection.'

...

101. More than a decade back, this Court had expressed serious concern despite its repeated pronouncements in regard to the High Courts ignoring the availability of statutory remedies under the RDBFI Act and the SARFAESI Act and exercise of jurisdiction under Article 226 of the Constitution. Even after, the decision of this Court in United Bank of India v. Satyawati Tondon, (2010) 8 SCC 110, it appears that the High Courts have continued to exercise its writ jurisdiction under Article 226 ignoring the statutory remedies under the RDBFI Act and the SARFAESI Act."



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[emphasis supplied]

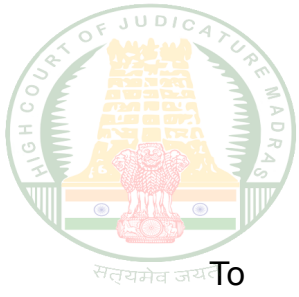
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6. In view of the above, the writ petition stands dismissed as not maintainable. There shall be no order as to costs. Consequently, WMP Nos.14681, 14683, 14684 of 2026 are closed.

7. It is open to the petitioner to pursue its remedy before the Debt Recovery Appellate Tribunal, Chennai.

(SUSHRUT ARVIND DHARMADHIKARI, CJ.) (G.ARUL MURUGAN, J.)
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Index : Yes/No
Neutral Citation : Yes/No
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To
The Authorised officer
M/s. Indian Overseas Bank,
Asset Recovery Management Branch,
Ground Floor, Central Office Building,
763 Anna Salai, Chennai 02



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THE HON'BLE CHIEF JUSTICE
AND

G.ARUL MURUGAN, J.

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