

URMILA
PRAMOD
INGALE

Digitally signed
by URMILA
PRAMOD
INGALE
Date:
2025.07.30
10:18:34
+0530

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO. 10134 OF 2025

Touchwood Weaves Pvt Ltd. and anr. ... Petitioners
Versus
ASREC (India) Ltd. Respondent

Mr. Yuvraj Singh and Mr.Sarthak Solaskar, for the Petitioners.
Mr. Rajeev Kumar Panday a/w Ms. Isha Punalekar i/b PRS Legal,
for the Respondent.

**CORAM : M.S.KARNIK AND
N.R.BORKAR, JJ.**

DATE : 28th JULY 2025

P.C. :

1. Heard learned counsel for the parties.
2. Learned counsel for the petitioners submitted that the petitioners obtained loan from Bharat Co-operative Bank Ltd. The petitioners committed default in payment of loan and therefore proceedings were initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI Act', for short) by the Bank against the petitioners. The loan has been assigned by the Bank to the respondent.

3. This petition is for quashing the proceedings in Criminal Misc. Application initiated by the respondent under Section 14 of the SARFAESI Act. Relying on the decisions in **Pro Knits Vs. Board of Directors of Canara Bank and ors.**¹ and the Division Bench of the High Court of Madras in **A.K. Karthikeyan Vs. The Authorized Officer, Canara Bank and ors**², learned counsel for the petitioners submitted that the alternative remedy under the DRT is no bar to entertain the challenge to the order passed by the Magistrate under Section 14 having regard to the express provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act', for short) read with the Notification of 2020.

4. Learned counsel for the petitioners submitted that restructuring proposal has been made by the petitioners on 31/03/2025 and the same has been intimated to the respondent by their advocate's notice dated 31/03/2025. Learned counsel for the petitioners submitted that there is no decision on such proposal.

5. Learned counsel for the respondent without prejudice to their

1 MANU/SC/0814/2024: 2024: INSC: 565: (2024) 10 SCC 292

2 Decided by High Court of Madras (Madurai Bench) on 03/06/2025 in Writ Petition (MD)Nos. 23328, 21556, 22787, 22789 of 2024.

rights and contentions submitted that restructuring proposal of the petitioners under MSMED Act will be decided by respondent on its own merits and in accordance with law within a period of 2 weeks from today. Statement is accepted.

6. It is open for the petitioners to place additional materials in support of such proposal within a period of 4 days from today and approach the Bank with appropriate representation.

7. It is made clear that in the event, any adverse order is passed by the Chief Judicial Magistrate the same shall not be implemented for a period of 4 weeks from the date of the order to give a reasonable opportunity to the petitioners.

8. All contention on merits in this petition of either side are kept open.

9. The writ petition is disposed of.

(N.R.BORKAR, J.)

(M.S.KARNIK, J.)