



W.P.(MD) No.871 of 2026

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 12.01.2026

CORAM:

THE HONOURABLE DR.JUSTICE G.JAYACHANDRAN

and

THE HONOURABLE MR.JUSTICE K.K.RAMAKRISHNAN

W.P.(MD)No.871 of 2026

and

W.M.P.(MD)Nos.707 & 710 of 2026

R.Mayilan

... Petitioner

-VS-

The Branch Manager,
State Bank of India,
Siruthozhi Branch,
Thuvakudi,
Trichy – 620 015.

... Respondent

PRAYER: Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records pertaining to the impugned order dated 11.12.2025 in I.A.No.5070 of 2025 in S.A.No. 1055 of 2025 so far as with relating to the conditional order for deposit



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passed by the Debts Recovery Tribunal, Madurai and quash the same and consequently directing the Debts Recovery Tribunal, Madurai, to issue direction to the respondent to formulate a committee for revival and rehabilitation scheme for the petitioner's unit as per the MSME – Development Act, 2006 and as per the Reserve Bank Guidelines within a time frame as may be fixed by this Court.

For Petitioner : Mr.S.Ravi,
Senior Counsel
for Mr.M.R.Sreenivasan
For Respondent : Mr.C.Deepak,
Standing Counsel

ORDER

[Order of the Court was made by DR.G.JAYACHANDRAN, J.]

The petitioner herein claiming to be an MSME enterprise, has availed loan from the respondent bank in the year 2000. For the second unit additional loan was availed in the year 2023. The bank has declared the account as non-performing account on 22.11.2024, ascertaining a sum of Rs.2,00,00,000/-, towards the cash credit and Rs.1,00,000/- as GECL [Guarantees Emergency Credit Line], Rs.28,00,000/- as GECL Extension



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Loan, Rs.9,00,000/- as Car Loan and Rs.81,00,000/- as Bank Guarantee Loan from the respondent bank liable to be borrowed and after payment of nearly Rs.37,85,272/-, balance is to be recovered.

2. When proceedings initiated by issuing Section 13(2) demand notice on 22.11.2024, the petitioner has approached the court claiming that the rehabilitation and reconstruction scheme contemplated by the RBI not been followed before taking coercive steps for recovery. This Court has taken note of the said submission and though dismissed the writ petition directed the petitioner to approach the DRT for necessary relief. Even thereafter, the petitioner not being satisfied had made subsequent representations to the bank for considering rehabilitation scheme. This Court in the second writ petition in W.P.(MD)No.4468 of 2025, disposed of the writ petition giving liberty to the petitioner to seek for rehabilitation scheme and a time line was fixed for disposal of the said representation.

3. In the said circumstances, when the petitioner has approached the DRT by way of a SARFAESI application, the Tribunal as an interim measure without going into the merits of the case and submissions made by the borrower, the writ petitioner and the bank had stayed all the proceedings pursuant to the possession notice dated 21.01.2025 till 15.04.2026 and on



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condition that the writ petitioner pay 35% of the claim amount in four equal installments starting from 12.01.2026.

4. According to learned Senior Counsel for the writ petitioner, the order of the DRT is cryptic and condition to deposit 35% of claim amount in four instalments is without considering the spirit of the frame work for revival and rehabilitation of MSME enterprise issued by the Government. Therefore, there must be a stay of recovery proceedings without any conditional order.

5. This Court is unable to countenance the said submission. No doubt, to protect MSME enterprise which falls under debt trap due to unavoidable situation, the Government has taken a policy decision to protect minimum resolution of the MSME units but to reserve for rehabilitation measures. It does not mean that borrowing MSME units can prolong and protract repayment. The DRT only as an interim measure, has passed the impugned order and it has not passed any final order. Hence, this Court finds no merit to interfere in the order passed by the DRT.



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6.Accordingly, this Writ Petition stands dismissed. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

[G.J., J.] & [K.K.R.K., J.]

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NCC : Yes / No

Index : Yes / No

Internet: Yes / No

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AND
K.K.RAMAKRISHNAN, J.

MR

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