BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 27.02.2026

CORAM:

THE HONOURABLE MR.JUSTICE R.VIJAYAKUMAR

W.P(MD)No.5673 of 2026
and
W.M.P(MD) No.4732 of 2026

1. M/s. Aromica Restaurant,
Proprietor Devasagayam Irudhayaraj,
D/C 4B SIDCO Industrial Estate,
Thuvakudi - 620 013,
Thiruverumbur Trichy - 620 013.

2. Devasagayam Irudhayaraj
Proprietor,
R/o No. 173 2 Kannimar K,
Thiruverumbur Taluk,
Boiler Project,
Tiruchirappalli - 620 014.

3. Meena.M
Guarantor
W/o.William Rajkumar
R/o No.49, First Floor,
Kesava Nagar,
Trichy - 620 023. ... Petitioners

Vs.

The Authorized Officer,
Canara Bank,
Thiruverumbur Branch,
Mullaivayil,
Deenadayalan Nagar,
Thanjavur Main Road,
Thiruverumbur,
Trichy - 620 013. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus directing the respondent Bank to consider the petitioners representation dated 05.02.2026 by placing the same before the appropriate Committee for stressed/distressed Micro, Small and Medium Enterprises (MSMEs) for revival measurers of their Loan as per the Central Government's Notification dated 29.05.2015 and the guidelines issued by the Reserve Bank of India dated 17.03.2016, within a reasonable time as may be prescribed by this Honble Court.

For Petitioners	: Mr.Issac Mohanlal Senior Counsel for M/s.Isaac Chambers
For Respondent	: Mr.C.Deepak Standing Counsel

ORDER

The present Writ Petition has been filed by a Proprietorship firm engaged in the business of running a restaurant seeking a Mandamus directing the respondent Bank to consider their representation dated 05.02.2026 by placing the said representation before the appropriate committee for stressed/ distressed Micro, Small and Medium Enterprises (MSMEs) for revival measurers of their Loan as per the Central Government's Notification dated 29.05.2015.

2. The petitioners have defaulted in payment of the loan and the same has been declared as Non-Performing Assets (NPA). Notice has been issued under Section 13(2) of the SARFAESI Act, dated 18.12.2025. Thereafter, the petitioners concern had sent a communication on 05.02.2026 to the respondent claiming the benefits of MSME and sought a request for forming committee for Revival/Rehabilitation. Since the said application is still pending without constitution of the committee, the present writ petition has been filed.

3. The learned Senior Counsel appearing for the petitioners had relied upon the decision of the Hon'ble Supreme Court in ***2025 INSC 908 Sri Sri Swami Samarth Construction and Finance Solution and others Vs. the Board of Directors of NKGSB Cooperative bank limited and others***.

Paragraph No.6 of the said order is extracted as follows:

> ....6 *The way Mr. Nedumpara urges us to read the Notification and the terms of the FRAMEWORK, if accepted, would lead to the conclusion that every lending bank/secured creditor under the SARFAESI Act would be obliged to find out in every event of continuing default, likely to give rise to classification of the relevant account as NPA, whether the borrower is an MSME to which the FRAMEWORK applies, whether its business has failed or whether it is suffering from any disability to pay its debts; and upon receiving a response, to apply the terms thereof by,* inter alia*, including the account in the Special Mention Account for the claim for a corrective action plan to be considered by the Committee for stressed MSMEs. This could not have been the intention behind introduction of the FRAMEWORK to aid the MSMEs which, for reasons personal to them, is unable to clear its debt and require revival and rehabilitation that the FRAMEWORK envisages. If indeed it is only the obligation of the lending bank/secured creditor to identify incipient stress in the account, sub-paragraphs 2 and 3 of paragraph 1 would be rendered redundant. An MSME, despite finding that*

its business is failing or that it is unable to pay its debts or accumulation of losses equals to half or more of its entire net worth and classification of its account as NPA is imminent, it would rest on its oars believing that it has no responsibility and that its account will not be classified as NPA because it is the entire obligation of the lending bank/secured creditor to do what the FRAMEWORK requires. We would read and interpret the seemingly confusing terms of the FRAMEWORK harmoniously to ensure that a right under the MSME Act is not destroyed by the SARFAESI Act or vice versa. In our reading, the terms of the FRAMEWORK do not prohibit the lending bank/secured creditor (assuming that it has no conscious knowledge that the defaulting borrower is an MSME) to classify the account of the defaulting MSME as NPA and to even issue the demand notice under Section 13(2) of the SARFAESI Act without such identification of incipient stress in the account of the defaulting borrower (MSME); however, upon receipt of the demand notice, if such borrower in its response under Section 13(3-A) of the SARFAESI Act asserts that it an MSME and claims the benefit of the FRAMEWORK citing reasons supported by an *affidavit, the lending bank/secured creditor would then be mandatorily bound to look into such claim keeping further action under the SARFAESI Act in abeyance; and, should the claim be found to be worthy of acceptance within the framework of the FRAMEWORK, to act in terms thereof for securing revival and rehabilitation of the defaulting borrower.*

4. According to the learned Senior Counsel, mere issuance of notice under Section 13(2) of the SARFAESI Act, would not be a legal impediment for banking company to refer the matter to the MSME Committee for Revival and Rehabilitation.

5. It could be seen from the records that within a period of 60 days from the date of receipt of notice under Section 13 (2) of the SARFAESI Act, the petitioners concern has sent a reply on 05.02.2026 claiming the benefits under the MSME Act.

6. In view of the above said facts, the respondent is directed to constitute the committee for Revival and Rehabilitation of MSME with

regard to the petitioners Proprietorship concern and the said Committee is directed to consider the representation of the petitioners dated 05.02.2026 and take a decision within a period of eight weeks from the date of receipt of a copy of this order.

7. With the above said observation, this Writ Petition stands disposed of. There shall be no order as to costs. Consequently connected Miscellaneous Petitions are closed.

27.02.2026
2/2

NCC : Yes/No
Index : Yes / No
Internet : Yes / No
ebsi

To

The Authorized Officer,
Canara Bank,
Thiruverumbur Branch,
Mullaivayil,
Deenadayalan Nagar,
Thanjavur Main Road,
Thiruverumbur,
Trichy - 620 013.

R.VIJAYAKUMAR,J.

ebsi

W.P(MD)No.5673 of 2026

27.02.2026

2/2