IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. OF 2026
(@ SLP(C) NO.12913/2024)

INTERNATIONAL ASSET RECONSTRUCTION CO. PVT. LTD. ...Appellant(s)

VERSUS

JAYANT VITAMINS LTD. & ANOTHER ... Respondent(s)

O R D E R

Leave granted.

2. The appellant herein is aggrieved by the order dated 08.05.2024 of the High Court of Madhya Pradesh, Indore Bench in Review Petition No.368 of 2024 whereby the High Court allowed the said review petition preferred by respondent No.1 herein and thereby modified its earlier order dated 09.02.2024 passed in Writ Petition No.21285 of 2023.

3. Briefly stated, the facts of the case are that certain credit facilities were extended to respondent No.1 by respondent No.2-bank and in lieu thereof, certain charges and encumbrances in the nature of mortgage and hypothecation were created on the

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properties-movable and immovable property of respondent No.1 in favour of the bank.

4. Thereafter, due to the non-payment of dues, the account of respondent No.1 was classified as a Non-Performing Asset (hereinafter, 'NPA') by respondent No.2-bank pursuant to which Suit No.3920 of 1996 was filed by the Bank before the High Court of Judicature at Bombay which was later transferred to the Debts Recovery Tribunal-II, Mumbai and renumbered as Original Application No.283 of 2001.

5. The Debts Recovery Tribunal-II, vide order dated 17.10.2005, allowed the Original Application No.283 of 2001 and thereby directed respondent No.1 to pay respondent No.2-bank a sum of Rs.28,28,56,282.49/- along with future interest thereon at the rate of 12% per annum and pursuant thereto, a recovery certificate dated 05.12.2005 was issued and Recovery Proceeding No.409 of 2005 was initiated against respondent No.1.

6. Thereafter, a Deed of Assignment was entered into between the appellant herein and respondent No.2-bank whereby the debts, assets and liabilities of respondent No.1 were transferred by respondent No.2-bank to the appellant herein.

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7. Recovery proceedings were initiated by the appellant whereby notice dated 16.01.2009 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter, referred to as 'SARFAESI Act') was issued to respondent No.1 and subsequently, possession was taken by the appellant under Section 13(4) of the SARFAESI Act.

8. On 21.06.2023, an offer of Rs.189 lacs was received from one Apexter Corporation, which was later on improved to Rs.284 lacs that was accepted by the appellant and thereby confirmed the sale in favour of the said Corporation vide acceptance letter dated 11.07.2023 and consequently, possession of the hypothecated property (plants & machinery) was handed over to the successful purchaser by issuance of the Sale Certificate.

9. Aggrieved, respondent No.1 preferred Writ Petition No.21285 of 2023 before the High Court of Madhya Pradesh at Indore, *inter-alia,* seeking setting aside of the sale of the property on the ground of the same being null and void and to be arbitrary and fraudulent.

10. The High Court dismissed the said Writ Petition, *vide* order dated 09.02.2024, while observing that the sale proceedings had already taken place and that the entire movable property of respondent No.1 had already been sold. Furthermore, it was observed that the objection with respect to irregularity in the procedure followed under the SARFAESI Act by the appellant herein could be addressed and raised by opting for an alternative remedy before the Debts Recovery Tribunal and Debts Recovery Appellate Tribunal.

11. Aggrieved by the order dated 09.02.2024 in Writ Petition No.21285 of 2023, respondent No.1 preferred a Review Petition No.368 of 2024 which was allowed by the High Court vide order dated 08.05.2024 wherein the High Court modified paragraph 14 of its order dated 09.02.2024 to the extent that liberty was granted to respondent No.1 to avail the alternative remedy/appropriate proceedings in accordance with law.

12. Hence, this Appeal.

13. We have heard learned counsel for the appellant and learned counsel for respondent No.1. We have perused the material on record.

14. We find that the High Court was not right in reserving liberty to respondent No.1 herein to seek remedies by filing a suit for claiming damages etc. or for pursuing criminal proceedings while allowing Review Petition No.368/2024 vide order dated 08.05.2024 and by modification of its earlier order dated 09.02.2024. By order dated 09.02.2024, the Writ Petition filed by respondent No.1 herein was disposed of having regard to the availability of an alternative remedy in law to assail the actions of the appellant herein purportedly taken under the provisions of the SARFAESI Act.

15. In the Review Petition, the High Court instead of reiterating the said order, has granted further liberty to respondent No.1 herein which in our view is not right. We say so for the reason that the High Court has not taken into consideration Sections 32 and 34 of the SARFAESI Act. For immediate reference, the said provisions are extracted as under:

> "**32. Protection of action taken in good faith**.- No suit, prosecution or other legal proceedings shall lie against [the Reserve Bank or the Central Registry or any secured creditor or any of its officers] for anything done or omitted to be done in good faith under this Act.
>
> xxx xxx xxx

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> **34. Civil court not to have jurisdiction.**- No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which a Debts Recovery Tribunal or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993(51 of 1993)"

16. Any action taken under the provisions of the SARFAESI Act which is in good faith cannot be assailed so also for any omission under the provisions of the said Act. Similarly, a challenge to an action taken under the provisions of the SARFAESI Act can be assailed only under the provisions of the said Act and the Civil Court does not have jurisdiction to entertain any suit or other proceedings in respect thereof. Moreover, under Section 35 of the SARFAESI Act it is expressly stated that the provisions of the said Act would have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law. For ease of reference, the said provision is extracted as under:

> "**35. The provision of this Act to override other laws.-** The provisions of this Act shall have effect,

> notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law."

17. If respondent No.1 herein intends to seek damages for the actions initiated by the appellant herein under the provisions of the said Act, there ought to be a finding given that the said actions were wrongly initiated by the appellant herein so as to entitle respondent No.1 for damages. The said finding can only be given by the Debts Recovery Tribunal (DRT) and not by a Civil Court; the bar of jurisdiction under Section 34 of the SARFAESI Act is explicit in that regard. Moreover, pursuing criminal proceedings in respect of the actions taken or omitted to be taken under the SARFAESI Act are protected if they are taken in good faith under the SARFAESI Act.

18. In the circumstances, we do not find that the High Court was right in enlarging the scope of the alternative remedy available to respondent No.1 herein. Hence, paragraph 6 of the impugned order passed in the Review Petition which reads as under, is set aside:

> "6. Considering the fact that tenor of the order remains in tact. However, looking to the fact that a

> specific observation was made while dismissing the writ petition that the petitioner would be free to avail the alternative remedy available under the SARFAESI Act, the said order would come in his way while filing suit for claiming damages etc. or in pursuing criminal proceedings, it would be expedient in the interest of justice to modify the order so passed."

19. Consequently, the order passed in the Review Petition is set aside and the original order in the Writ Petition dated 09.02.2024 is restored. The appeal is allowed in the aforesaid terms. However, we reiterate that the passing of this order would not come in the way of respondent No.1 seeking appropriate remedy as against the appellant herein under the provisions of the SARFAESI Act.

20. All contentions on both sides are left open to be advanced before the Debts Recovery Tribunal (DRT).

Pending application(s), if any, shall stand disposed of.

.....J.
(B.V. NAGARATHNA)

.....J.
(AUGUSTINE GEORGE MASIH)

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NEW DELHI;
SEPTEMBER 17, 2026

ITEM NO.18 COURT NO.2 SECTION IV-C

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 12913/2024
[Arising out of impugned final judgment and order dated 08-05-2024 in RP No. 368/2024 passed by the High Court of Madhya Pradesh at Indore]

INTERNATIONAL ASSET RECONSTRUCTION CO. PVT. LTD. Petitioner(s)

VERSUS

JAYANT VITAMINS LTD. & ANR. Respondent(s)

(IA No. 130278/2024 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT
IA No. 130277/2024 - EXEMPTION FROM FILING O.T.
IA No. 130276/2024 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

Date : 17-09-2026 This matter was called on for hearing today.

CORAM :
HON'BLE MRS. JUSTICE B.V. NAGARATHNA
HON'BLE MR. JUSTICE AUGUSTINE GEORGE MASIH

For Petitioner(s) Mr. Amar Dave, Sr. Adv.
Mr. Himanshu Bhushan, AOR
Ms. Shagun Srivastava, Adv.

For Respondent(s) Mr. Ashutosh Dubey, AOR
Mr. Ashutosh Dubey, Adv.
Mr. Shashibhushan Nagar, Adv.
Mr. Rahul Mishra, Adv.
Mrs. Rajshri Dubey, Adv.
Mr. Amit P. Shahi, Adv.
Mr. Sunandan Mishra, Adv.
Mr. Abhishek Chauhan, Adv.
Mr. Rishabh Bhardwaj, Adv.
Mr. Govind Kashyap, Adv.
Mr. Anjan Datta, Adv.
Mr. R Anbhule, Adv.
Mr. Om Prakash Yadav, Adv.
Mr. Lokesh Raghav, Adv.

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UPON hearing the counsel the Court made the following

O R D E R

1. **Leave granted.**

2. **The appeal is allowed in terms of the signed order.**

3. **Pending application(s), if any, shall stand disposed of.**

(RADHA SHARMA) **(DIVYA BABBAR)**
ASTT. REGISTRAR-cum-PS **COURT MASTER (NSH)**
(Signed order is placed on the file)