

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL No. _____/2026
[Arising out of SLP (CIVIL) No.25074/2025]

**THE AUTHORIZED OFFICER, STATE BANK
OF INDIA & ANR.**

...APPELLANTS

VERSUS

A. GANESAMURTHY

...RESPONDENT

WITH

CIVIL APPEAL No. _____/2026
[Arising out of SLP (CIVIL) No.30728/2025]

**THE AUTHORIZED OFFICER,
CANARA BANK & ANR.**

...APPELLANTS

VERSUS

RAJAPPA RAJKUMAR

...RESPONDENT

WITH

CIVIL APPEAL No. _____/2026
[Arising out of SLP (CIVIL) No.24850/2025]

**THE AUTHORIZED OFFICER, STATE BANK
OF INDIA & ANR.**

...APPELLANTS

VERSUS

ASHOK SUNDARESAN

...RESPONDENT

ORDER

1. Leave granted.
2. These appeals, at the instance of the appellants/secured creditors, arise out of a common judgment and order dated 3rd June, 2025¹ passed by a Division Bench of the High Court of Judicature at Madras, Madurai Bench whereby the Division Bench allowed several writ petitions² filed by the respective respondents/borrowers. While setting aside sale notices issued pursuant to measures taken in terms of the provisions contained in Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002³ and the rules framed thereunder, the Division Bench also observed that since the borrowers were Micro Small and Medium Enterprises⁴, the secured creditors ought to formulate a revival and rehabilitation scheme in terms of notification dated 29th May, 2015 issued by the Joint Secretary to the Government of India, Ministry of Micro, Small and Medium Enterprises.
3. In course of pendency of these proceedings, opportunity was extended to all the borrowers to offer terms of settlement to the secured creditors. Final opportunity was granted by order dated 07th September, 2026.
4. We are informed that upon terms of settlement being offered by the borrowers, State Bank of India⁵ has rejected the offer of A.

¹ impugned order

² W.P.(MD) Nos.23328, 21556, 22787 and 22789 of 2024

³ SARFAESI

⁴ MSMEs

⁵ SBI

Ganesamurthy, whereas, Canara Bank has rejected the offer of Rajappa Rajkumar; however, the offer of S. Ashok Sundaresan is under active consideration of the SBI.

5. Learned counsel appearing for the secured creditors, opposing the submission advanced on behalf of the borrowers, have submitted that no further opportunity ought to be given.

6. Having regard to the decisions of this Court in ***Pro Knits v. Canara Bank***⁶ as well as ***Shri Shri Swami Samarth Construction & Finance Solution and Anr. v. Board of Directors of NKGSB Co-Op. Bank Ltd. & Ors.***⁷ delineating the rights and obligations of MSMEs in default and upon consideration of the materials on record, we are of the firm opinion that the borrowers did not set up any case for interference and, hence, the impugned order of the High Court cannot be sustained.

7. The impugned order is, accordingly, set aside.

8. The appeals are allowed on the following additional terms: -

(i) SBI may proceed to consider the offer of S. Ashok Sundaresan in accordance with law and give its decision within a fortnight from date.

(ii) Though the appeals are being allowed, as aforesaid, we grant one last opportunity to A. Ganesamurthy and Rajappa Rajkumar to submit proposals containing better terms of settlement within a week from date; if such proposals are received, SBI and Canara Bank shall dispose of the same in accordance with law.

⁶ (2024) 10 SCC 292

⁷ (2025) SCC Online SC 1566

(iii) Should the offers be not acceptable either to SBI or to Canara Bank and communication in this behalf is made, the borrowers concerned shall be at liberty to pursue their remedy before the relevant Debts Recovery Tribunal in accordance with law.

(iv) The secured creditors shall communicate the decision within a week from date of receipt of the proposals from the borrowers.

CIVIL APPEAL No. _____/2026
[Arising out of SLP (CIVIL) No.31435/2025]

THE AUTHORIZED OFFICER & ANR.

...APPELLANTS

VERSUS

A. K. KARTHIKEYAN

...RESPONDENT

ORDER

1. SLP (C) No.31435/2025 is taken on Board.
2. Leave granted.
3. This appeal is also directed against the said order dated 3rd June, 2025.
4. With the consent of Mr. Rajesh Kumar Gautam, learned counsel for the appellants and Mr. M. R. Venkatesh, learned counsel for the respondent, this appeal is also disposed of on the aforesaid terms. The impugned order is set aside but liberty is granted to the borrower, viz. A. K. Karthikeyan to offer a proposal with better terms of settlement within a week. Once such proposal is received by Canara Bank, the order passed above shall apply mutatis mutandis.

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

.....J.
[DIPANKAR DATTA]

.....J.
[SHEEL NAGU]

**NEW DELHI;
15th SEPTEMBER, 2026.**

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No.25074/2025

[Arising out of impugned final judgment and order dated 03-06-2025 in WPMD No.21556/2024 passed by the High Court of Judicature at Madras at Madurai]

THE AUTHORIZED OFFICER & ANR.

Petitioners

VERSUS

A. GANESAMURTHY

Respondent

WITH

SLP(C) No.30728/2025 (XII)

SLP(C) No.24850/2025 (XII)

Date : 15-09-2026 These petitions were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE DIPANKAR DATTA
HON'BLE MR. JUSTICE SHEEL NAGU

For Petitioner(s) :Mr. Rajesh Kumar Gautam, AOR
Mr. Anant Gautam, Adv.
Mr. Vibhu Sharma, Adv.
Ms. Likivi K Jakhalu, Adv.
Mr. Aman Gahlot, Adv.
Ms. Isha Gaur, Adv.
Mr. Rishi Chauhan, Adv.
Ms. Azal Aekram, Adv.

Mr. Rajiv Shakdher, Sr. Adv.
Mr. Sanjay Kapur, AOR
Mr. Surya Prakash, Adv.
Mr. Kartikey Kaushik, Adv.
Ms. Shristi Kundu, Adv.
Ms. Mahima Kapur, Adv.

For Respondent(s) :Mr. M. R. Venkatesh, Adv.
Mr. M. Veeraragavan, AOR

UPON hearing the counsel the Court made the following
O R D E R

CIVIL APPEAL No.	<u>/2026 (@ SLP (CIVIL) No.25074/2025)</u>
CIVIL APPEAL No.	<u>/2026 (@ SLP (CIVIL) No.30728/2025)</u>
CIVIL APPEAL No.	<u>/2026 (@ SLP (CIVIL) No.24850/2025)</u>

1. Leave granted.
2. The appeals are allowed in terms of the signed order.
3. Pending application(s), if any, shall also stand disposed of.

CIVIL APPEAL No. /2026 (@ SLP (CIVIL) No.31435/2025)

1. SLP (C) No.31435/2025 is taken on Board.
2. Leave granted.
3. This appeal is disposed of in terms of the signed order.
3. Pending application(s), if any, shall also stand disposed of.

(RASHMI DHYANI PANT)
ASTT. REGISTRAR-cum-PS

(SUDHIR KUMAR SHARMA)
COURT MASTER (NSH)

(signed order is placed on the file)