

IN THE DEBTS RECOVERY APPELLATE TRIBUNAL AT CHENNAI

Dated the 19th of May, 2026

PRESENT: Hon'ble Mr. Justice G. Chandrasekharan
CHAIRPERSON

R.A (SA): 138/2025

(IA 1759/2024 in SA No.404/2024 on the file of DRT -1, Bengaluru)

Between

Y. Bhaskar
S/o. Narayana
21, 2nd Cross
Chinnappa Layout
Near SBI Coffee Board Layout Main Road
Hebbal, Kempapura, Bangalore
Karnataka - 560 024

... Appellant

And

1. The Authorised Officer
Union Bank of India
Asset Recovery Branch
ARB Bengaluru, 2/3
Raja Building, N R Road
Bengaluru, Karnataka - 560 002.

2. Veena Pani R
W/o Seena Nayak
51, 2nd Floor, 1st Main
1st Cross
Behind Nitesh Central Park
Vinayakanagar, Yelahanka
Bengaluru, Karnataka - 560 063

3. Seena Nayak H
W/o. Hanume Nayak
51, 2nd Floor, 1st Main
1st Cross
Behind Nitesh Central Park
Vinayakanagar, Yelahanka
Bengaluru, Karnataka - 560 063

... Respondents

Counsel for Appellant : *M/s. ARK Law Associates*
Counsel for R1 : *Mr. A. Jaishankar*
Counsel for R2 and R3 : *Mr. T. R. Sundaram*

ORDER

1. Appellant has filed this Appeal challenging the order dated 08.11.2024 passed by Learned Presiding Officer, DRT-I, Karnataka at Bengaluru, in IA 1759/2024 in SA 404/2024.

2. Appellant filed SA 404/2024 on the file of DRT-I, Karnataka at Bengaluru, to quash and set aside the impugned Sale Notice dated 13.10.2022; set aside the Sale Certificate issued, if any, and for other reliefs.

2.1 Since the Securitization Application was filed with a delay of 638 days, the Appellant filed IA 1759/2024 seeking condoning of the delay in filing the Securitization Application.

Learned Presiding Officer, DRT-I, Karnataka at Bengaluru, on going through the records, and after hearing the submissions of the Learned Counsel appearing for the parties, found that Appellant had not shown due diligence in filing the Securitization Application in time, and in the absence of valid explanation and when there is gross negligence and lack of *bonafides* on the part of the Appellant, refused to condone the delay of 638 days, and thus dismissed the Application filed for condoning the delay in filing the Securitization Application, and ultimately the Securitization Application was dismissed. Aggrieved against this order, the present Appeal is filed.

3. Learned Counsel for the Appellant submitted that the Appellant availed loan at Rs.1.90 Crores in the year 2015, for construction of house and another loan of Rs.1.23 Crores in the year 2016 for raising crops. Between 2015 and 2019, Appellant made payment of Rs.1,30,57,125/-. Due to Covid-19 pandemic, Appellant was not able to pay the loan amount, and thus, occurred default. The first Respondent issued Sale

Notice dated 13.10.2022 claiming a due amount of Rs.5,10,35,514.67p. The building together with land, was valued at Rs.6,50,71,000/- prior to sale. In the Sale Notice issued in 2022, the reserve price was fixed at Rs.2,63,69,000/-.

(i) The Appellant filed Writ Petition in WP 23433/2022 to challenge the Sale Notice before the Hon'ble High Court of Karnataka, wherein the Hon'ble High Court of Karnataka, passed a conditional order to pay a sum of Rs.1 Crore. As per this order, Appellant made payment of Rs.50,00,000/- but, could not pay the balance amount. Appellant also filed Writ Petition in WP 23736/2022 challenging the order passed under Section 14 of the SARFAESI Act. Against the dismissal order passed in the Writ Petition, Appellant filed Writ Appeal in WA 97/2023 and that was also dismissed. Then, Appellant filed WP 2520/2023 to consider the representation for OTS. Since conditional order passed in the Writ Petition was not complied fully, the Writ Petition was dismissed. Against that order, Appellant filed Writ Appeal in WA 977/2024 and the

said Writ Appeal was also dismissed giving liberty to the Appellant to approach DRT. Thereafter, Appellant filed SA 404/2024 with an Application to condone the delay of 638 days in filing the Securitization Application.

(ii) Thereafter, Appellant filed WP 30382/2024 to quash and set aside the order dated 08.11.2024 in SA 404/2024. The Hon'ble High Court of Karnataka dismissed the Writ Petition reserving liberty to the Petitioner to approach DRAT. Thus, this Appeal is filed.

(iii) It is further submitted that Appellant made total payment of Rs.5.51 Crores as per the order of the Hon'ble High Court of Karnataka and the details of payment are given in page 5 of the Appeal. The property worth about Rs.6.50 Crores was sold for Rs.2,64,69,000/-.

(iv) Appellant was granted interim protection in WP No. 2520/2023 against confirmation of sale and also taking physical possession. Therefore, Auction Purchaser filed Writ

Petition in WP 16273/2024 for extension of time to pay the balance sale consideration and that was allowed on 27.06.2024. The Review Petition in RP No.294/2024 was disposed directing the Respondent not to give effect the order sought to be reviewed for the period of three weeks from that date. Thereafter, Appellant filed SA 404/2024 and obtained interim order not to confirm the sale in favour of the Auction Purchaser till the disposal of the SA.

(v) In Writ Petition in WP 30382/2024(GM-DRT), there was a direction to pay Rs.1,62,64,000/- and the said amount was paid on 10.12.2024. There was interim protection granted against the issuance of Sale Certificate. Hon'ble High Court of Karnataka at Bengaluru also directed not to issue Sale certificate for a period of three weeks from the date of the order on 19.12.2024. Only after filing the Securitization Application, Appellant was not able to get interim order against issuance of Sale Certificate, and thus, the Sale Certificate was issued. In the said circumstances, Learned Counsel for the Appellant prays to set aside the order passed

by the Learned Presiding Officer, DRT-I, Karnataka at Bengaluru.

4. In reply to this submission, Learned Counsel for the first Respondent submitted that Securitization Application was filed with the delay of 638 days without sufficient and reasonable cause for condoning the delay. In the reasons stated in the Securitization Application in the column meant for limitation, it was stated as follows:-

“ The appellant declare that a WP No.2520/2023 (GM-Res) filed on the file of Hon’ble High Court of Karnataka at Bangalore challenging the auction sale notice dated 13.10.2022 issued by the respondent-Bank under Rule 8 (1) of the Security Interest (Enforcement) Rules 2002 purporting to take measures under Section 13 of the Act. Further, by an order dated 10.06.2024 in W.A.No. 977/2024 is disposed of reserving liberty to the Applicant herein to avail remedy under Section 17 of the SARFAESI ACT. The Certified

Copy of the same was ready and delivered on 15.07.2024 and as such, application filed is within the limitation as per Section 17(1) of the SARFAESI Act that is from the date of orders minus days delayed in securing the certified copies as per the limitation Act. Thus, the application is well within the limitation. In view of the liberty granted by the Hon'ble Division Bench of the High Court of Karnataka and application under Section 14 of the Limitation Act filed along with the Securitization Application.”

5. Writ Petition in WP No. 2520/2023 was filed to consider the representation given by the Appellant for OTS. SARFAESI Application was filed for setting aside the sale notice. As per Section 14 of the Limitation Act, 1963, when excluding the time spent in prosecuting the case in a Court without jurisdiction, Appellant has to show due diligence in prosecuting in the wrong forum *bonafidely*. The proceedings should relate to the same matter in issue and prosecuted in

good faith. That is not the case here. The prayer in WP No. 2520/2023 is different and prayer in Securitization Application is different. Therefore, Appellant cannot claim the benefit under Section 14 of the Limitation Act, 1963. Against the order passed in WP No.2520/2023, Appellant filed Writ Appeal in WA. No. 977/2024 while disposing this Writ Appeal on 05.07.2024, Appellant was given liberty to approach the appropriate forum. Prior to that, Appellant filed Writ Petition in WP No. 23736/2022 to quash the Possession Notice dated 25.11.2022 and Writ Petition in WP No. 23433/2022 to challenge the Sale Notice dated 13.10.2022. There was a conditional order in WP No. 23433/2022 to pay a sum of Rs.1 Crore, but, the conditional order passed by the Hon'ble High Court was not complied, and therefore, the Hon'ble High Court, held that if the Petitioner again abuses the process of the Court without any valid reason, the Court would view the matter seriously. Against this order, Appellant filed Writ Appeal in W.A.No.97/2023 and that was dismissed on 27.01.2023. In the aforesaid Writ Petition or in the Writ

Appeal, no liberty was given to the Appellant to approach the concerned Tribunal for remedy.

6. Auction Purchaser filed Writ Petition in WP No. 16273/2024 for extension of time to pay the balance sale consideration of 75% and that was allowed on 27.06.2024. Appellant filed Review Petition against this order in RP No. 294/2024 and the Hon'ble High Court of Karnataka at Bengaluru passed an order on 30.07.2024 directing the Bank not to give effect to the order sought to be reviewed for a period of three weeks.

7. Learned Presiding Officer, considered the Application filed for condoning the delay and gave reasons for not allowing the Application filed for condoning the delay. It was observed that the delay of 638 days (typed as 620 days) is inordinate delay, which was not explained with valid reasons. Sale is over, sale confirmed and Sale Certificate is also issued. Thus, Learned Counsel for the first Respondent submitted that the

impugned order does not call for any interference and prays for dismissal of the Appeal.

8. Learned Counsel for the Auction Purchasers/Respondents 2 & 3, submitted that they paid a sum of Rs.2,64,69,00,000/- towards sale consideration. In view of the pendency of the case, physical possession is not taken so far. Appellant's wife filed WP No. 39460/2025 seeking various reliefs against the order passed under Section 14 of the SARFAESI Act, to return the Auction Purchasers money; to quash the sale certificate etc. After the matter was heard for some times, Learned Counsel for the Petitioner in WP 39460/2024, sought permission to withdraw this Writ Petition, and therefore, that Writ Petition was dismissed as withdrawn with liberty to approach the appropriate forum. Thus, he submitted that Appellant is protracting the proceedings just to avoid taking physical possession of the property purchased by the Auction Purchasers. In all other aspects, he adopted the submissions of the Learned Counsel

for the first Respondent and prayed for dismissal of the Appeal.

9. Considered the rival submissions and perused the records.

10. This Appeal is filed with a prayer to set aside the order dated 08.11.2024 passed in IA 1759/2024 in SA 404/2024 on 08.11.2024 on the file of DRT-I, Karnataka at Bengaluru. SA 404/2024 was filed to set aside the Sale Notice dated 13.10.2022 and set aside the Sale Certificate issued in pursuance of sale held. The Securitisation Application came to be filed only in the year 2024 and was verified on 12.08.2024. Therefore, the Appellant filed IA 1759/2024 seeking to condone the delay of 638 days in filing the Securitisation Application. As already extracted, the reason for delay in filing the Securitisation Application attributed to the filing Writ Petition in WP No. 2520/2023 (GM-RES) before the Hon'ble High Court of Karnataka challenging the Sale Notice dated 13.10.2022, and liberty granted to Appellant in

Writ Appeal in WA No. 977/2024 on 05.07.2024 to avail remedy under Section 17 of SARFAESI Act, 2002. It is claimed that the Securitisation Application was filed along with an Application seeking condoning delay in filing the SA, under Section 14 of the Limitation Act, 1963.

11. Any person aggrieved by any of the measures referred to in Sub-section (4) of Section 13 taken by the secured creditor or his Authorised Officer, shall have to make an Application before the DRT within 45 days from the date of such measures had been taken. That is not done in this case. Therefore, it is required to take note of the Writ Petitions and Writ Appeals filed by Appellant before Hon'ble High Court of Karnataka at Bengaluru.

12. The order passed in Writ Petitions in WP No. 23736/2022 (GM-RES) and WP No. 23433/2022 (GM-RES) on 09.01.2023 by Hon'ble High Court of Karnataka at Bengaluru shows that Writ Petition in WP No. 23736/2022 (GM-RES) has been filed to quash the Possession Notice dated

25.11.2022 issued by the Respondent Bank and WP No. 23736/2022 (GM-RES) has been filed to quash the Notice issued by the Respondent Bank vide No. OR/UBI/ARB/BNG/351/2022-23 DD 13.10.2022. In effect, Writ Petition in WP No. 23433/2022 (GM-RES) has been filed to quash the Sale Notice dated 13.10.2022. When this Writ Petition came up for hearing on 24.11.2022, Hon'ble High Court, on the submission made by Learned Counsel for Appellant that the Petitioner would deposit Rs.1 Crores within the next four weeks towards the loan amount of Rs.5,10,00,000/-, directed the Appellant to deposit Rs.50 Lakhs in the next two weeks and another Rs.50 Lakhs in the next two weeks thereafter. The Bank was restrained from precipitating the matter till the next date of hearing. It was made clear that any deviation in the first deposit will entail automatic vacation of the interim order and no extension would be entertained. The matter was ordered to be posted to 12.12.2022. Meanwhile, Writ Petition No. 23736/2022 had been filed to set aside Possession Notice. Since the conditional order passed in WP No. 23433/2022 (GM-RES)

was not complied with, the Hon'ble High Court passed an order on 12.12.2022 directing the matter to be listed on 14.12.2022. Thereafter, the case was adjourned from time to time. When the matter was listed on 09.01.2023, and when it was informed that not even a single rupee had been deposited, Hon'ble High Court dismissed both the Writ Petitions with a warning that if the Petitioner again seeks to abuse the process of the Court without any valid reason, the Court would view the matter seriously.

13. This order was challenged by Appellant in Writ Appeal in WA No. 97/2023, before the Division Bench of Hon'ble High Court of Karnataka at Bengaluru. The Hon'ble Division Bench simply dismissed the Writ Appeal on 27.01.2023. Thereafter, the Appellant filed Writ Petitions in WP No.2520/2023 (GM-RES), seeking a direction to Respondent Bank to consider his Application dated 31.01.2023. Hon'ble High Court passed noticing that despite giving several opportunities, the Petitioner did not comply with the directions of the Court to pay the balance sum of Rs.25

Lakhs, as per interim order passed on 07.06.2024, and that even on 10.06.2024, the condition was not complied with, dismissed the Writ Petition. Against the order passed in Writ Petition in WP No. 2520/2023 (GM-RES), Appellant filed Writ Appeal in WA No. 977/2024 (GM- RES) on the file of Hon'ble High Court of Karnataka at Bengaluru, the Division Bench of Hon'ble High Court, dismissed the Appeal reserving liberty to the Appellant to approach DRT. It is to be noted that the liberty was granted to only approach the DRT, and there is no order passed for exclusion of the period spent in prosecuting the writ proceedings.

14. Auction Purchasers filed Writ Petition in WP No. 16273/2024 (GM-RES) before Hon'ble High Court of Karnataka at Bengaluru, seeking the following relief:

“..... praying to quash Annexure-B Notice dated 15.06.2024 bearing No.LR.No.UBI/ARB/BLR/(S)/0129/2024-25 and online bank reply dated 20.06.2024 vide

LR.No.UBI/ARB/BLR/(S)/0136/2024-25 issued by respondent bank as per Annexure-D and further direct the respondent to consider representation extend the time for a period of 30 days from 18.06.2024 by considering Annexure-C for payment of balance bid amount of Rs.1,98,32,100/- and etc.”

This Petition was disposed of on 27.06.2024, by permitting the Petitioner to deposit Rs.1 Crore out of the total sum of Rs.1,98,32,100/- with the Respondent Bank on or before 15.07.2024 and the remaining amount of Rs.98,32,100/- was ordered to be deposited on or before 31.07.2024. It was also observed that Respondent Bank is obligated to take physical possession of the secured asset and hand over the same to the Auction Purchasers.

15. A Review Petition was filed by Appellant for reviewing this order in RP No. 294/2024. That Petition was disposed of on 30.07.2024, directing the Respondent Bank not to give effect to the order sought to be reviewed for a period of three

weeks. Thereafter, the Appellant filed SA 404/2024 on 12.08.2024 along with IA 1759/2024 seeking to condone delay of 638 days in filing the Securitisation Application.

16. As already stated, IA 1759/2024 and SA 404/2024 had been disposed of on 08.11.2024. Instead of approaching this Tribunal against the order passed by Learned Presiding Officer, DRT-I, Karnataka, at Bengaluru, the Appellant filed Writ Petition in WP No. 30382/2024 (GM-DRT) before Hon'ble High Court of Karnataka at Bengaluru. The Hon'ble High Court disposed of this Writ Petition reserving liberty to the Appellant to approach DRAT, under Section 18 of the SARFAESI Act, 2002 within a period of three weeks. That is how this Appeal is filed.

17. From the narration of the sequence of events starting from the issuance of Possession Notice, it is apparent that the Appellant, instead of challenging the measures taken under Section 13(4) of the SARFAESI Act, like issuance of

Possession Notice and Sale Notice, before concerned DRT, continued to file Writ Petition after Writ Petition before Hon'ble High Court of Karnataka at Bengaluru. Even the conditional order passed by the Hon'ble High Court was not complied with. During the first round of litigation, in Writ Petitions in WP No. 23736/2022 and WP No. 23433/2022 and Writ Appeal in WA No. 97/2023, there was no liberty given to him to approach DRT. These Writ Petitions and Writ Appeal had been dismissed without reserving any liberty to approach DRT. Even in Writ Petition in WP No.2520/2023, there was no liberty given to Appellant to approach DRT. However, in Writ Appeal in WP No.977/2024, liberty was given to the Appellant to approach the DRT. As already stated, there is no specific indication regarding condonation of the time spent in prosecuting the writ proceedings.

18. The Writ Petitions in WP No. 23736/2022 and WP No. 23433/2022 filed by the Appellant challenging the Possession Notice and Sale Notice has some connection with pleadings in SA 404/2024. However, the Writ Petition in WP No.

2520/2023 filed by the Appellant was for a different purpose for considering the Application dated 31.01.2023. That has no connection with pleadings or reliefs in the SA 404/2024.

19. Section 14 of the Limitation Act, 1963, reads as follows:-

“14. Exclusion of time of proceeding bona fide in court without jurisdiction.—*(1) In computing the period of limitation for any suit the time during which the plaintiff has been prosecuting with due diligence another civil proceeding, whether in a court of first instance or of appeal or revision, against the defendant shall be excluded, where the proceeding relates to the same matter in issue and is prosecuted in good faith in a court which, from defect of jurisdiction or other cause of a like nature, is unable to entertain it.*

(2) In computing the period of limitation for any application, the time during which the applicant has been prosecuting with due diligence another civil proceeding,

whether in a court of first instance or of appeal or revision, against the same party for the same relief shall be excluded, where such proceeding is prosecuted in good faith in a court which, from defect of jurisdiction or other cause of a like nature, is unable to entertain it.

(3) Notwithstanding anything contained in rule 2 of Order XXIII of the Code of Civil Procedure, 1908 (5 of 1908), the provisions of sub-section (1) shall apply in relation to a fresh suit instituted on permission granted by the court under rule 1 of that Order, where such permission is granted on the ground that the first suit must fail by reason of a defect in the jurisdiction of the court or other cause of a like nature.”

Section 14 of the Limitation Act, 1963 deals with exclusion of time of proceeding *bonafide* in court without jurisdiction. To avail the benefit under this Section, it has to be established that:

- i) The proceedings in both forums should relate to the same issue and are between the same parties;
- ii) The proceedings in the wrong forum should have been prosecuted in good faith and bonafide.
- iii) The prosecution in wrong forum due to defect of jurisdiction or other causes of a like nature.

20. The prayers sought in Writ Petitions in WP No. 23736/2022 and WP No. 23433/2022 have relevance to the prayer sought in SA 404/2024. On dismissal of Writ Appeal in WA No. 97/2023 on 27.01.2023, the Appellant ought to have approached the DRT by filing an Application under Section 17 of the SARFAESI Act, 2002, challenging the sale measures. However, that was not done in this case. Filing of Writ Petitions in WP No. 2520/2023 and Writ Appeal in WA No. 977/2024 would not save the limitation, because the scope of the Writ Petition and prayer thereon are totally different from the scope of the Securitisation Application in SA 404/2024 and the prayer thereon in it. It has to be borne in mind that the Appellant has not complied with the

conditional order passed in Writ Petitions. All along writ proceedings were initiated only to protract the recovery proceedings taken by the Respondent Bank under SARFAESI Act, 2002.

21. The Hon'ble Supreme Court in **The Property Company (P) Ltd. Vs. Rohinten Daddy Mazda**, reported in 2026 INSC 33, held that *“the provisions of Limitation Act 1963, i.e. the applicability of Sections 4 to 24 would only apply to suits and applications or appeals, as the case may be, which are made under any law to “courts” and not to those made before quasi judicial bodies or Tribunals, unless such quasi judicial bodies or Tribunals are specifically empowered in that regard.”*

Thus, it is settled by the Hon'ble Supreme Court that Sections 4 to 24 of the Limitation Act 1963, cannot be applied for the proceedings before the Tribunal including DRT. That apart, the Appellant had miserably failed to establish that he was prosecuting the writ proceedings before Hon'ble High Court of Karnataka at Bengaluru, *bonafide* and in good faith. He was

a defaulter all along even in complying with the orders passed by Hon'ble High Court of Karnataka at Bengaluru. Therefore, this Tribunal is of the view that the Application in IA 1759/2024 seeking condonation of delay of 638 days in filing the Securitisation Application in SA 404/2024 was rightly dismissed, and consequently, SA 404/2024 was dismissed in accordance with law. Hence, the orders passed by the Learned Presiding Officer, in IA 1759/2024 in SA 404/2024 do not warrant reconsideration.

22. In the result, the orders passed by the Learned Presiding Officer, DRT-I, Karnataka at Bengaluru in IA 1759/2024 in SA 404/2024 are hereby confirmed and consequently, this Appeal in R.A (SA): 138/2025 is dismissed. Both parties shall bear their own costs. All pending IAs, if any, stand closed.

[Dictated to Athistamani, PS, in open court, transcribed by her, corrected and signed by me this 19th of May, 2026]

[Justice G. Chandrasekharan]
CHAIRPERSON