IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this the 22nd day of April, 2026

PRESENT: **SHRI SHARANG DHAR UPADHYAY**
Presiding Officer

NDN (AP) No.360 of 2026 in MA No.20 of 2026
in
TRC No.1016/2022 in TA No.3440/2023
(DRC No.116/2016 in OA No.138/2015 DRT-I Chennai)

TRC No.1065/2022
(DRC No.175/2016 in OA No.134/2015 DRT-I Chennai)

TRC No.1061/2022
(DRC No.169/2016 in OA No.178/2015 DRT-I Chennai)

TRC No.1059/2022
(DRC No.167/2026 in OA No.136/2015 DRT-I Chennai)

K. Rajesh
Son of Mr. Kamalasekar
No.1602/1, Kanagadhara Apartment
J Block 9th Street, 15th Main Road
Anna Nagar, Chennai – 600 040 …Appellant / Petitioner / Auction Purchaser

Versus

The UCO Bank
Mount Road Branch
No.212, Mount Road
Chennai – 600 006 …Respondent / Respondent / Certificate Holder

ORDERS ON MAINTAINABILITY

1. The instant appeal is filed by the Appellant under Section 30(1) of the RDB Act to set aside the order of the Ld. Recovery Officer of this Tribunal dated 13.02.2026 made in MA No.20/2026 in TRC No.1016/2022 in TA No.3449/2023.

2. The case is placed before the Bench for hearing on the question of maintainability.

3. The objection of the Registry is as under: -

"*1. Clarify – How the court fees of Rs.250/- satisfies in the Appeal U/section 7(2)(5)?*

2. Outstanding amount mentioned in Appeal docket is differ – clarify?"

In reply, the appellant has replied as follows: -

"*1. I am only 3rd party / auction purchaser in the concerned loan account. I have eligible to pay Rs.250/- in the appeal, and I am enclosed one judgment copy WP(C) No.7205/2007 of Hon'ble High Court of Delhi.*

2. I am only auction purchaser, I participated in the public auction sale. The schedule mentioned property bringing for sale price of Rs.1,46,00,000/- it is mentioned Page No.17. I am successful bidder in the sale, I am not borrower or guarantor. I have no connected in the loan account and outstanding amount. If Registry is not satisfied it may be posted before Hon'ble PO for maintainability".

4. The Ld. Counsel for the appellant submits that he is a third party / auction purchaser and is not connected with the loan transaction between the borrower and the bank. It is submitted that the appellant had participated in

the auction sale conducted by the Ld. Recovery Officer of this Tribunal on 23.12.2025 and I was declared as a successful bidder for a sum of Rs.1,48,00,000/- for purchasing all the four properties and the auction was over by 12.00 noon on 23.12.2025. It is also submitted that as per the terms and conditions of the sale I have initially deposited a sum of Rs.14,60,000/- and thereafter 15% of the sale price i.e., Rs.22,40,000/- and in all have deposited a sum of Rs.37,00,000/- being 25% of the sale price and upon such deposit the Ld. Recovery Officer issued a letter of confirmation and bid acceptance letter dated 23.12.2025 and gave time till 6.1.2026 for depositing the balance 75% of the sale price and poundage fee of 1%. It is submitted in order to remit the said sum, the appellant had approached the Central Bank of India for sanction of a sum of Rs.1,00,00,000/-, which was also sanctioned in principle and the said bank agreed to release the amount by 6.1.2026. It is submitted that despite best efforts, the appellant could not mobilize and make payment of the 75% of the price and 1% poundage totaling to Rs.1,12,48,010/- resulting non-payment of the amount before the time stipulated. At this stage the appellant filed an application before the Tribunal in MA Dy No.33/2026 seeking extension of time to deposit the balance amount. However, as no order was passed by the Ld. Recovery Officer of this Tribunal, the Registry did not number the application and upon hearing the question of maintainability this Tribunal by order dated 29.01.2026, dismissed the application at the maintainability stage itself. Thereafter the appellant filed MA No.20 of 2026 before the Ld. Recovery Officer of this Tribunal seeking to

extend a period of about five working days for the bank to release the loan amount approved by Central Bank of India, Mylapore, to deposit the balance 75% of the auction sale price plus 1% poundage fee in all Rs.1,12,48,010/-. The Ld. Recovery Officer by his order dated 13.02.2026 dismissed the application for want of jurisdiction and on merits. Hence this appeal.

5. The primary issue that arises for consideration is whether the present appeal is maintainable at the instance of the Appellant. Section 30(1) of the Act provides that any person aggrieved by an order of the Recovery Officer may prefer an appeal before the Tribunal. The expression “any person aggrieved” is of wide amplitude and is not confined to the borrower, guarantor or certificate debtor alone. It would include any person whose rights are directly affected by the order of the Recovery Officer. In the present case, the Appellant, being a successful auction purchaser whose request for extension of time has been rejected, is directly affected by the impugned order. Therefore, this Tribunal holds that the Appellant has the requisite locus standi to maintain the present appeal.

6. In so far as the objection relating to court fee is concerned, the Appellant has contended that no court fee is payable or that a nominal fee of Rs.250/- would suffice, on the ground that he is a third-party auction purchaser. In support of the said contention, reliance has been placed on the judgment of the Hon’ble High Court of Delhi in *Shri Bal Kishan Bansal Versus The Jammu & Kashmir Bank Ltd. & Others* reported in CDJ 2010 DHC 334.

7. This Tribunal has carefully considered the said submission and perused the judgment relied upon. At the outset, it must be noted that Rule 7(2)(5) of the Debts Recovery Tribunal (Procedure) Rules, 1993 prescribes the court fee payable in appeals against orders of the Recovery Officer and is couched in clear and general terms. The Rule does not create any classification of appellants based on their status, nor does it provide any exemption in favour of third-party auction purchasers. The requirement to pay court fee is statutory and mandatory in nature.

8. A careful reading of the judgment in *Shri Bal Kishan Bansal* would show that the Hon'ble High Court was dealing with the peculiar facts of that case and the issue that arose therein. The observations made therein cannot be construed as laying down a universal proposition that in all cases where a third-party auction purchaser prefers an appeal under Section 30(1), no court fee is payable. Importantly, the said judgment does not interpret Rule 7(2)(5) as dispensing with the requirement of court fee altogether, nor does it declare the Rule to be inapplicable.

9. It is a settled principle that a judgment is an authority for what it actually decides and not for what may logically follow from it. The reliance placed by the Appellant seeks to extend the ratio of the said judgment beyond its factual and legal context, which is impermissible. In the absence of any binding precedent directly holding that no court fee is payable in appeals under Section 30(1) by auction purchasers, this Tribunal is bound to apply the statutory Rule as it stands.

10. Further, acceptance of the contention of the Appellant would result in creating a class-based exemption not contemplated under the Rules, which would amount to judicial legislation. Such an interpretation cannot be adopted, particularly when the Rule is explicit and admits of no ambiguity.

11. Therefore, this Tribunal is of the considered view that the judgment relied upon by the Appellant is clearly distinguishable on facts and does not dispense with the mandatory requirement of payment of court fee under Rule 7(2)(5) of the Debts Recovery Tribunal (Procedure) Rules, 1993.

12. Accordingly, the contention of the Appellant that no court fee is payable or that payment of Rs.250/- is sufficient is rejected. The Appellant is directed to pay court fee strictly in accordance with Rule 7(2)(5) of the said Rules.

13. With regard to the discrepancy in mentioning the outstanding amount, it is observed that though the Appellant is not concerned with the underlying loan liability, the valuation as reflected in the appeal has a bearing on the computation of court fee under the Rules. Therefore, the Appellant is directed to clarify and rectify the discrepancy before the Registry.

14. In view of the foregoing discussion, this Tribunal holds that the appeal is maintainable under Section 30(1) of the Act. However, the same is subject to compliance with the statutory requirement of payment of proper court fee under Rule 7(2)(5) and rectification of defects pointed out by the Registry.

15. Accordingly, the Appellant is directed to pay the requisite court fee as per Rule 7(2)(5) of the Debts Recovery Tribunal (Procedure) Rules, 1993 and cure the defects within a period of two weeks from the date of receipt of this order, failing which the appeal shall not be entertained.

Sd/-
(SHARANG DHAR UPADHYAY)
PRESIDING OFFICER
DRT-II CHENNAI

(Dictated to PS, who typed in the system directly, corrected, signed and pronounced by me in Open Court, on this 22nd day of April, 2026)