

IN THE DEBTS RECOVERY TRIBUNAL –I AT CHENNAI

Dated this 2nd Day of July, 2026

PRESENT: SHRI A.S.JAYACHANDRA
Presiding Officer

S.A.No.21 of 2025
And
S.A.No.22 of 2025

Between

1. Mysore Educational Trust,
Regd. Off. At:
No.123-127, Metagalli Industrial Area,
Metagalli, Mysore – 570016.
Rep. by its Director Mr.Fouzan Rahil Saifulla.
... Applicant in SA No.21/2025
2. Saalfo Tech Private Limited
Regd. Off. At:
No.123-127, Metagalli Industrial Area,
Metagalli, Mysore – 570016.
Rep. by its Director Mr.Fouzan Rahil Saifulla.
... Applicant in SA No.22/2025

And

1. M/s. Kotak Mahindra Bank Limited,
Branch Office at:-
6th Floor, 12 BKC,
Bandra Kurla Complex
Bandra (East),
Mumbai-400051.
Rep. by its Authorised Officer Mr.Parag B.Dholakia.
2. The Deputy Commissioner and District Magistrate,
Giribhovipalaya,
Siddarthanagar,
Mysore – 570011.

3. The Tahsildhar and Taluk Magistrate,
Vinoba Road,
Mysore – 570005.
4. M/s. Bells Control Limited,
Rep. by the Official Liquidator,
High Court of Kolkata, 4th & 5th Floor,
No.9, Old Post Office Street,
Kolkatta-700001.
5. M/s. Kolkata M.A. Business Centre Private Limited,
No.123-127, Metagalli Industrial Area,
Metagalli, Mysore – 570016.
Rep. by its Director.

. . . Common Respondents in both the SAs

Ld. Counsel for Applicant :- M/s. Abitha Banu
Ld. Counsel for Respondent No.1 :- Sh. R.Vijayakumar, Shiva J Shankar and
R.Pradeep

: - COMMON ORDER - :

The rights under which the present Applicants base their claim for the prayers in both the cases emanates from the common original title holder and the Defendants being common, the points of law urged in both the cases being identical, by a common order both the petitions are being disposed of.

Brief Facts:-

1. The present SAs filed under Section 17 of the SARFAESI Act challenging the orders dated 14.06.2024 passed by the Second Respondent, District Magistrate, Mysore District under Section 14 of the SARFAESI Act – in both the SAs. The Ld. DM acting under Section 14(1) of the Act had directed the handing over of physical possession of the properties at Plot Nos.123-127, Metagalli Industrial Area, situated in Sy.Nos.43, 44

and 57 of Metagalli Village (Kasaba Hobli), Mysore Taluk, Mysuru District admeasuring 37422 Sq. Mtrs.

2. These petitioners have approached the Hon'ble High Court of Karnataka in WP No.30518 and No.30515 of 2024 respectively and another petitioner by name M/s. M.A. Computers Private Limited in WP No.30559 of 2024 challenging the very orders. The Hon'ble High Court while disposing the writ petitions had noted the following

“6. Indeed, this is a reasonable stand, and consequently, the petitions must be disposed of with liberty to the petitioners to avail their remedy under Section 17 of the SARFAESI Act with the Debt Recovery Tribunal [DRT] leaving open all questions to be decided by the DRT, including whether the Educational Institution and the Industrial Unit are entitled to the exclusion of the time spent in prosecuting these proceedings.

7. The other question for consideration is: whether there must be any protection to the petitioners until they avail the remedy under Section 17 of the SARFAESI Act, provided they avail their remedy within - 13 - HC-KAR NC: 2025:KHC:34629 WP No. 30518 of 2024 C/W WP No. 30515 of 2024 WP No. 30559 of 2024 a reasonable time. This Court is of the view that the Educational Institution has produced documents before this Court which prima facie show that both the School and the Pre-University Institutions are being run with a substantial number of students on its Rolls and that there should not be any precipitation if the petitioner avails remedy with under Section 17 of the SARFAESI Act within eight weeks from today.

8. This Court must also observe that any continuation of this interim arrangement must be considered only by the DRT but in the light of the circumstances specific to the Educational Institution. In so far as the petitioner in W.P.No.30515/2024, this Court is of the view that a similar arrangement would be just and reasonable, but the continuation of the interim order beyond the period of eight weeks must be considered by the DRT in the circumstances specific to these petitioners.”

3. When the matters have come up before this Tribunal and considering that the petitions are filed belatedly beyond 45 days of statutory period to challenge the impugned orders under Section 17 of the SARFAESI Act, this Tribunal by an order dated

29.10.2025 had granted an order of status quo keeping open the question of maintainability and for considering the other IAs for stay. The Defendant No.1 appeared through counsel and filed a detailed counter. The notices to Defendants 2 to 5 are dispensed by a separate order dated 09.06.2025.

4. The Applicants in both the SAs are third parties to the loan transaction. They are neither the borrowers nor the guarantors.

5. The original borrower is the Respondent No.4, who availed the loan from SBI. The loan is assigned to the Respondent No.1 herein by the SBI. The loan is secured by the mortgages involving movable and immovable properties. In the immovable properties, these applicants claim lease hold interest to obstruct the orders passed by the Ld. DM, Mysore under Section 14 of SARFAESI Act . In SA No.21 of 2025, the borrower had leased the properties to one M.A.Computers Private Limited for a period of 29 years. This entity is not obstructing the possession. It has sub-let the properties to one more entity (Defendant No.5). In turn D5 sub-let only a portion to the Applicant.

(a) In SA 22 of 2025 the borrower had leased the properties in favour of M.A.Computers Private Limited and in turn, M.A.Computers Private Limited sub-leased the property to Defendant No.5 and Defendant No.5 in turn leased the property in favour of the Applicant to set up industrial unit. Applicant in SA No.21 of 2025 claims to be running an educational institution.

6. The borrower company, is undergoing the liquidation process before the Ld. NCLT, Kolkatta by an order of the Hon'ble Kolkatta High Court dated 12.03.2024.

7. The amount involved is Rs.513,69,99,220/-. The Defendant No.1 had filed objections. The pleadings on both the sides are prolix. However, the Defendant No.1 Company had furnished the list of dates and events showing that in the year 2006, the borrower was directed not to sell, let out, dispose any of the properties by the operating agency appointed under Section 17(3) of SICA 1985. BIFR in the year 2007 recommended liquidation of the borrower. In breach of the said order, the alleged lease deed in favour of M.A.Computers Private Limited was entered with a paltry lease amount of Rs.2,500/-. OA was filed in the year 2007. The Ld. DRT, Kolkatta restrained

the borrower from transferring the properties / alienating or dealing with, vide order dated 16.12.2011. In the year 2016, M.A Computers Private Limited had surrendered the lease in favour of a borrower. (No documents produced by the Applicants as pleaded.) In the year 2016, borrower executed the lease deed for the paltry sum again in respect of 37,422 Sq. Mtrs. The Signatory of the borrower and the signatory of the lessee is one and the same person and no consent is obtained for such lease in the year 2016. Thereafter M.A.Computers Private Limited sub-let in favour of Kolkatta M.A. Business. The signatory to these documents are one and the same person and the same is done without consent. In turn, Kolkatta M.A. Business against sub-let to the Applicant in the year 2019 without the consent of the 1st Defendant. It is also submitted in the list of events that the very lease of property by the borrower to M.A.Computers Private Limited is against the orders of BIFR and the further leases are thus invalid in law. Applicant have not produced any rent receipt. The letter showing consent by SBI as alleged by the Applicants is forged. The original lender SBI had not given any consent to lease the properties. Applicants have not approached the Tribunal with clean hands.

8. However, it is seen from the pleadings that the leases made by the Respondent No.5 M/s.Bells Control Limited in favour of the Applicants is terminated during March, 2020 itself as could be seen from the averments in the writ petition in WP No.30559/2024 (Pare-12 of the WP No.30559/2024 – Page 26 of the counter filed.)

9. Heard the Ld. Counsel for the Petitioners and the Defendant No.1. The Ld. Counsel for the Petitioners submit that the SAs are moved as per the directions of the Hon'ble High Court of Karnataka and the same are in time. Smt. Abitha Banu submits that Section 14 of the Limitation Act comes into play and this Tribunal cannot dismiss the SA as barred under limitation. In view of Section 14 of the Limitation Act, which according to the Ld. Counsel, the time spent in prosecuting the matter before the Hon'ble Karnataka High Court was under due diligence and with a bonafide belief. The period of limitation is thus to be excluded. She argues that the SA is filed within the period of limitation as per the directions of the Hon'ble High Court. She relies on **Kirpal Singh Vs Government of India, & Ors. Reported in 2024 INSC 944** to urge that the limitation provisions are to be interpreted liberally or else the limited window to challenge the impugned orders will be lost. The remedies under Section 34 and 37 of

the Arbitration Act are precious as held in that ruling. The Hon'ble Supreme Court directed that the Court should keep in mind the need to secure and protect the remedy while calculating the period of limitation. She submits that this is noted while following the earlier ruling as could be seen from Para-9 of the ruling. Thus she submits that the period spent before the Hon'ble Karnataka High Court be excluded.

10. On the other hand as regards limitation, the Ld. Counsel for D1 argued that the Applicants being a trust and also a private limited company cannot plead the due diligence since they were duly advised in law. When the matter was instituted before the Hon'ble High Court invoking the writ jurisdiction, Applicants were aware that the alternate remedy is provided under the SARFAESI Act, the same cannot be held to have been under good faith and due diligence to exclude the time.

11. As regards the maintainability of the SAs in the admitted factual situation, the Ld. Counsel for the Defendant No.1 in both the cases had submitted the details of the lease hold – interest in the properties in a table form. The same is not disputed by the Applicants. The lease details are: -

SA No.21/2025:-

- (a) For property of 12868 Sq.Ft. – rent agreement expired and no documents placed – **un registered.**
- (b) For property of 45,000 Sq.Ft. – rent agreement expired and no documents placed – **un registered.**
- (c) For property of 31,500 Sq.Ft. – rent agreement expired and no documents placed – **un registered.**
- (d) For property of 43,560 Sq.Ft – Sub lease executed for 25 years in the year 2016, without permission from the 1st Respondent – Registered.
- (e) For property of 87,120 Sq.Ft. – Sub lease executed in 2015 for 25 years without permission from 1st Respondent and **un registered.**

SA No.22/2025:-

(a) For property of 26,500 Sq.Ft., rent agreement registered for 33 months. No renewal documents placed. Rent agreement expired as admitted.

12. Ld. Counsel Ms.Abitha Banu for Applicants further submits that the impugned order passed by the Ld. DM is opposed to the principles of natural justice and the case law on the subject. She has relied on the ruling of **Harshad Govardhan Sondagar Vs. International Assets Reconstruction Company Limited and Ors. Reported in (2014) 6 SCC** and **Vijay Anand Srinivasan Vs. Punjab National Bank reported in 2026:MHC:1947**. According to her, the impugned order passed by the Ld. DM is opposed to Law as held in **Harshad Govardhan Sondagar (Supra)** since no notice is issued to her clients and District Magistrate ought to have issued the notices to the Applicants though they are third parties. She emphasises on Para – 28 of the said ruling in which it is noted that *“..... the District magistrate will have to give a notice and give an opportunity of hearing to the person claiming to be the lessee as well as to the secured creditor, consistent with the principles of natural justice and then take a decision. . . . but in case he comes to the conclusion that there is in fact no valid lease made either before creation of the mortgage or after the creation of the mortgage satisfying the requirements of Section 65A of the T.P.Act or that even though there was a valid lease, the lease stands determined in accordance with Section 111 of the TP Act, he can pass an order for delivering the possession of the secured asset to the secured creditor.”*

13. On the other hand, the Ld. Counsel for the Respondent No.1 submits that the impugned order passed by the Ld. DM, Mysore is strictly in accordance with the provisions of Section 14 of the SARFAESI Act. He submits that since there is no valid lease subsisting and all the leases having been terminated by the so called right holder M/s. M.A.Computers Private Limited and Others as admitted by them in WP No.30559/2024, which is also disposed by the Hon'ble High Court, the Applicants are not entitled for any relief nor they can contend that they were to be heard before the Ld.DM. Shri. Vijayakumar the Ld. Counsel for Bank had also urged that all the lease holders are the sub lease holders are in collusion with each other and some of the Directors of these firms / companies are also the Directors / Managing Parties of both

the Applicants. Even if the lease allegedly created on 18.03.2016, the same is created after the liquidation of the company, which mortgaged the properties. For creating this lease no permission is obtained as required under Section 13(13) of SARFAESI Act. He also submits that the Directors of the industrial unit and the trust are the same and they somehow try to obstruct the possession. He also points out that the properties to which the possession orders are made do not match the properties claimed by the Applicants under the rental agreements. He submits that all the rental agreements are un-registered and to some property to which certain rights are claimed and no document is placed. There is nothing to adjudicate either by the Ld. DM, since the role of DM is only ministerial in nature as held in several rulings. He points out that in **Vijay Anand Srinivasan (Supra)** the DB of our Hon'ble High Court had issued certain directions, in which it is made clear that upon filing an application under Section 14 of SARFAESI Act, the DM or CMM is not required to conduct any pre-registration hearing and the enquiry under Section 14 is ministerial and not adjudicatory. It is also made clear that the designated authority is not required to issue notice to the borrower, mortgagor, guarantor or any third party. Therefore, he submits that the petitions are not maintainable to challenge the orders of the Ld. DM on the grounds of principles of natural justice.

14. On hearing the Ld. Counsels on either side and after considering the documents along with the pleadings placed by either side, the following points arise for determination in these petitions:

A. Whether the Applicants are entitled for exclusion of time spent before the Hon'ble Karnataka High Court for the purposes of limitation?

B. Whether the Applicants in the Petitions are entitled for any relief in view of the un-registered lease deeds and one registered deed, which is admittedly opposed to Section 13(13) of the SARFAESI Act?

15. **Answer to Point A:**

No doubt while disposing the writ petitions filed challenging the very orders, the Hon'ble Karnataka High Court had noted that the Applicants can avail the remedy under Section 17 of the SARFAESI Act before the DRT and all the questions are kept open to be decided by the DRT including the time spent in prosecuting the writ petitions.

16. The Ld. Counsel Ms.Abitha Banu relied on the ruling of **Kirpal Singh (Supra)**. This dealt with the exclusion of time spent under the arbitration act. In Kirpal Singh, it is held that “It is necessary to interpret the limitation provisions liberally or else even that limited window to challenge the arbitral award will be lost. The Hon'ble Supreme Court noted that sufficient cause is made out under Section 14 of the Limitation Act. No doubt the burden of element of showing the due diligence on the party claiming exclusion of time. In **Azam Jung Vs Md. Abdul Razaak ILR 1956 HYD 680** it is held that the wordings in Section 14 no discretion is given, but the litigant is entitled as a matter of right to seek exclusion of period spent in infructuous proceedings if he satisfies that he was prosecuting the remedy bonafide.

17. It is seen from the orders of the Hon'ble Karnataka High Court that the Defendant No.1 was also aware of the wrong prosecution of the matter by the Applicants. The bonafides of the Applicants were not disputed. The matter is permitted to be agitated here.

18. Considering that the provisions of Limitation Act are to be interpreted liberally whenever a party is entitled to a right of agitation under law, such a window to agitate cannot be closed based on the technicalities. Thus following the ruling of **Kirpal Singh (Supra)**, the SAs are held to have been filed in time excluding the period of time spent in the writ proceedings.

19. **Answer to Point B:**

The argument of Ld. Counsel Ms.Abitha Banu that the impugned order is opposed to law in so far as the Ld. DM, having not issued notices to the Applicants under principles of natural justice is to be viewed from the facts of the case. No doubt, the notices were not issued. This Tribunal vested with the appellate jurisdiction, is to adjudicate the matter in the expediency of justice not by merely remanding back the matter on this technical ground. Our Hon'ble High Court in **Vijay Anand Srinivasan (Supra)**. It is held at Para – 10 as under:

10. In view of the foregoing discussion and the settled legal position as enunciated by the Supreme Court, we issue the following directions applicable to all Chief

Metropolitan Magistrate/Judicial Magistrates/District Magistrates exercising powers under Section 14 of the SARFAESI Act across the State of Tamil Nadu:

(i) Upon receipt of a written application under Section 14(1) of the SARFAESI Act from a secured creditor, the CMM/CJM/DM (hereinafter collectively referred to as "the Designated Authority") shall immediately register the application. No application under Section 14 of the SARFAESI Act shall be listed for arguments on registration. The Designated Authority is not required to conduct any pre-

Registration hearing whatsoever.

(ii) Upon registration, the Designated Authority shall verify only the following two aspects:

(a) whether the secured assets fall within its territorial jurisdiction;

(b) whether a notice under Section 13(2) of the SARFAESI Act has been duly served upon the borrower;

(c) whether the application is accompanied by the affidavit as mandated under the first proviso to Section 14(1) of the SARFAESI Act, duly affirmed by the authorized officer of the secured creditor, affirming compliance of clauses (i) to (ix) thereof; and

(d) The Designated Authority shall also ascertain whether the case of the secured creditor falls under any of the exceptions provided under Section 31 of the SARFAESI Act.

(iii) The nature of the inquiry under Section 14 of the SARFAESI Act is ministerial and not adjudicatory. The Designated Authority is not required and is indeed prohibited from adjudicating upon any dispute between the secured creditor and the borrower, or between the secured creditor and any third party (including any person in possession of the secured assets), in an application under Section 14 of the SARFAESI Act. All such disputed questions of law or fact are exclusively within the jurisdiction of the Debts Recovery Tribunal under Section 17 of the SARFAESI Act.

(iv) The Designated Authority is not required to issue notice to the borrower, mortgagor, guarantor, or any third party before passing an order under Section 14(1) of the SARFAESI Act. The power under Section 14(2) is an enabling provision and the Designated Authority may, if necessary, use force for securing compliance.

(v) Upon being satisfied about the contents of the affidavit and the existence of its territorial jurisdiction, the Designated Authority shall pass a suitable order within 30 days from the date of filing of the application, as mandated by the second proviso to Section 14(1) of the SARFAESI Act. In exceptional circumstances beyond the control of the Designated Authority, the said period may be extended by recording reasons in writing, but shall not exceed 60 days in the aggregate from the date of filing of the application.

(vi) The Designated Authority is competent to authorise any officer subordinate to it, in accordance with Section 14(1-A), to take possession of the secured assets and documents relating thereto and forward the same to the secured creditor. The

Designated Authority may, if it deems fit, appoint an Advocate Commissioner as an officer of its court for this purpose.

(vii) In cases where the secured assets have been given on lease or tenancy by the borrower prior to the mortgage and the tenant/lessee is in occupation, the Designated Authority shall be guided by the mandate of the Supreme Court in Harshad Govardhan Sondagar v. International Assets Reconstruction Co. Ltd⁴, and Vishal N. Kalsaria v. Bank of India⁵. In such cases, a notice and opportunity of hearing shall be given to the person claiming to be a Class 1 or Class 2 lessee/tenant, consistent with the principles of natural justice, before passing an order under Section 14 of the SARFAESI Act. However, such inquiry shall be limited to verification of the genuineness of the tenancy claim and shall not result in adjudication of inter se rights. The Designated Authority shall not defer its decision indefinitely on account of such occupancy; the decision must be rendered within the overall time-limit under Section 14(1) of the SARFAESI Act.

(viii) Any person aggrieved by an order passed under Section 14 or by any step taken under Section 13(4) of the SARFAESI Act, including a tenant or occupant, has a statutory remedy of appeal/ application under Section 17 of the SARFAESI Act before the Debts Recovery Tribunal having jurisdiction. The Designated Authority shall, in its order, make note of this statutory remedy available to any aggrieved party.

(ix) In the event the Designated Authority fails to pass an order within the time-limit prescribed under Section 14 of the SARFAESI Act and the secured creditor or aggrieved party approaches this Court by way of a writ petition, the Designated Authority shall file a statement of reasons for the delay before this Court. Unexplained delays in deciding applications under Section 14 of the SARFAESI Act shall be viewed seriously by this Court and may attract adverse comments and, in appropriate cases, consequential orders.

(x) This Court is conscious that a large volume of applications under Section 14 of the SARFAESI Act are pending before various courts across the State of Tamil Nadu. To ensure the effective implementation of these directions, the Registrar General shall forward a copy of this order with a direction to all Principal District and Sessions Judges in the State of Tamil Nadu, with a further direction to circulate it to all Metropolitan Magistrates, Chief Judicial Magistrates and Additional Chief Judicial Magistrates who are exercising or likely to exercise jurisdiction under Section 14 of the SARFAESI Act within their respective districts.

(xi) The Registry shall also send a copy of this order to the Chief Secretary, Government of Tamil Nadu, with a request to circulate this order among all District Magistrates/Additional District Magistrates in the State of Tamil Nadu, so as to avoid unnecessary delays and the opening of a flood-gate of writ petitions before this Court.”

Indian Bank Vs. Vishalakshi and another CA 6295/2015 dt.23.09.2019 SC, it is held that the proceedings of the Ld. CJM is only a procedural step and purely and administrative order. No adjudicatory process is involved. However, in continuation of the proceedings in appeal

under Section 17(1) of the SARFAESI Act, this Tribunal can look into the contentions of the parties, which are heard on merits.

20. From the chart/table of properties furnished by the Defendant during the course of arguments concerning the properties to which, certain rights are agitated, it is seen that almost all the rental agreements / sub-leases are un-registered. It is also admitted that the loan document, which is claimed to have been registered but no document placed is registered without the consent from the secured creditor. With these facts on record not disputed even the lone registered document dated 21.03.2016 in SA No.21/2025 is without permission from the 1st Respondent or the original lender and is opposed to the earlier directions of BIFR and also the Ld. DRT. Likewise, it is seen that the Registered document dated 17.08.2019 agitated in SA No.22/2025 is for 33 months and the same stood expired by 2022 itself. This is not disputed by the Applicants. There is no renewal of this lease in SA No.22/2025.

21. No doubt, the Hon'ble Madras High Court in **Vijay Anand** stated that if there are any registered document or leases prior to the mortgage, then the principles in **Harashad Govaradan** be followed. In the instant case, there is no mortgage or lease in favour of the Applicants prior to the mortgage. All the sub-leases have expired their lease period.

22. This Tribunal cannot lose sight of the subsequent rulings of the Hon'ble Supreme Court in **Hemaraj Ratnakar Salian Vs. HDFC Bank Ltd. 2021 SCC Online 611**, it is held that:

12. A Three Judge Bench of this Court in [Bajarang Shyamsunder Agarwal v. Central Bank of India & Anr.](#)³, after considering almost all decisions of this Court, in relation to the right of a tenant in possession of the secured asset, has held that if a valid tenancy under law is in existence even prior to the creation of the mortgage, such tenant's possession cannot be disturbed by the secured creditor by taking possession of the property. If a tenancy under law comes into existence after the creation of a mortgage but prior to issuance of a notice under [Section 13\(2\)](#) of the SARFAESI Act, it has to satisfy the conditions of [Section 65A of the Transfer of Property Act, 1882](#). If a tenant claims that he is entitled to possession of a Secured Asset for a term of more than a year, it has to be supported by the execution of a registered instrument. In the said decision of this Court, it was clarified that in the absence of a registered instrument, if the tenant only relies upon an unregistered instrument or an oral agreement accompanied by delivery of possession, the tenant is not entitled to possession of the secured asset for more than the period prescribed under the provisions of the [Transfer of Property Act](#). It was held thus:

(2019) 9 SCC 94

“24.1. If a valid tenancy under law is in existence even prior to the creation of the mortgage, the tenant’s possession cannot be disturbed by the secured creditor by taking possession of the property. The lease has to be determined in accordance with Section 111 of the TP Act for determination of leases. As the existence of a prior existing lease inevitably affects the risk undertaken by the bank while providing the loan, it is expected of banks/creditors to have conducted a standard due diligence in this regard. Where the bank has proceeded to accept such a property as mortgage, it will be presumed that it has consented to the risk that comes as a consequence of the existing tenancy. In such a situation, the rights of a rightful tenant cannot be compromised under the SARFAESI Act proceedings. 24.2. If a tenancy under law comes into existence after the creation of a mortgage, but prior to the issuance of notice under Section 13(2) of the SARFAESI Act, it has to satisfy the conditions of Section 65-A of the TP Act.

24.3. In any case, if any of the tenants claim that he is entitled to possession of a secured asset for a term of more than a year, it has to be supported by the execution of a registered instrument. In the absence of a registered instrument, if the tenant relies on an unregistered instrument or an oral agreement accompanied by delivery of possession, the tenant is not entitled to possession of the secured asset for more than the period prescribed under Section 107 of the TP Act.”

13. It was further held that the Rent Act would not come to the aid of a “tenant-in-sufferance” vis-à-vis SARFAESI Act due to the operation of Section 13(2) read with Section 13(13) of the SARFAESI Act. It was held as follows:

“35. The operation of the Rent Act cannot be extended to a “tenant-in-sufferance” vis-à-vis the SARFAESI Act, due to the operation of Section 13(2) read with Section 13(13) of the SARFAESI Act. A contrary interpretation would violate the intention of the legislature to provide for Section 13(13), which has a valuable role in making the SARFAESI Act a self executory instrument for debts recovery. Moreover, such an interpretation would also violate the mandate of Section 35, SARFAESI Act which is couched in broad terms.”

23. In view of the above ruling **Hemaraj Ratnakar Salian** (Supra), the Applicants are not entitled for any legal protection since the sub-lease deed, from which they claim their rights is baseless and opposed to the directions issued by BIFR and the Ld. DRT against the borrower. When the initial lease itself is illegal, the same cannot stand in a different pedestal under the sub-leases. Moreover, it is clear that the provisions of Section 13(13) of the SARFAESI Act is violated. Many sub-lease deeds are un-registered.

24. As regards SA No.22/2025, the registered sub-lease deed stood expired by 2022 and further there is no renewal. There is no valid lease deed. This being the admitted position as submitted in the details of lease furnished by the Respondent No.1, which is not disputed by the Applicants, the provisions of Section 13(13) of the Act comes into play and the rights agitated by the Applicants are not in accordance with the said provisions of law. There is no pleading in the SAs that the secured creditor had

consented to the same. Furthermore, it is also not disputed by the Applicants that the original mortgagor was precluded from dealing with the properties of the company by the orders of the competent DRT, Kolkatta dated 16.12.2011 as seen from the list of events furnished by the Ld. Counsel for D1. Suffice to say that from the clear perusal of the documents, the various lease documents are not registered and there are no proof of rent paid. All the leases are terminated in the year 2020 itself as admitted by M.A.Computers from whom certain rights are claimed.

25. It is also grotesque to note that the claims are based on the sub-leases created one by one by the original sub-lessee without any express permission from the competent authority, which had prohibited the title holder to deal with the properties. The cumulative effect of such sub-leases are to be understood as emanating from the basic illegality. Further, M/s.M.A Computers Private Limited in their writ petition WP No.30559/2024 at Para-12 of the Petition had submitted that they have taken possession in the month of March, 2020 by terminating by all the agreements. (Counter in SA No.22/2025 at Page-26).

26. After detailed perusal of the documents, the list of events and the lease details, it is to be concussively recorded that the rights agitated by the Applicants are not maintainable since the sub-leases are not registered and the registered document agitated in SA No.21/2025 is opposed to Law. The one document registered stood expired. Hence the contention of the Ld. Counsel for the Applicants seeking protection from the impugned order cannot be extended. Hence the following:-

: - O R D E R - :

Both the SAs stand dismissed. The order of the Ld. Dy. Commissioner and District Magistrate dated 14.06.2024 is hereby affirmed.

The Applicants shall quit and deliver the vacant possession of the secured assets in favour of the Defendant No.1 within one month from today, failing which the warrants already obtained be executed. The Defendant No.1 is entitled to seek police protection from the jurisdictional police.

All pending IAs stand disposed of.

Parties to bear their own costs.

Original signed copy of this Order be kept in SA No.21/2025 and a copy be kept in SA No.22/2025.

A copy of the order be sent to the contesting parties only and the Ld. District Magistrate, Mysore.

Sd/-

(A.S.JAYACHANDRA)

PRESIDING OFFICER

DRT-I, CHENNAI

(Dictated to PS, who directly typed in the system, corrected, signed and pronounced by me on this 2nd Day of July, 2026)