

IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this 27th day of July, 2026

PRESENT: SHRI SHARANG DHAR UPADHYAY
Presiding Officer

IA No.895 of 2026 in Appeal No.3 of 2026
in DRC No.124 of 2023 in OA No.653 of 2018

1. Mrs. M. Sathya
W/O Mr. V. Mahesh Babu
Proprietrix, J.P. Granites
No.2/916, Vasanthi Nivas
Narasamma Colony, Hosur – 635 109
2. Mr. V. Mahesh Babu
S/o Mr. C. Venkatesh
No.2/916, Vasanthi Nivas
Narasamma Colony, Hosur – 635 109

...Certificate Debtors / Appellants

Versus

Union Bank of India
(Erstwhile Corporation Bank)
No.153/3, Pedda Belagondapalli Post
Thally Road, Belagondapalli
Denkanikottai, Krishnagiri District-635 114...**Certificate Holder / Respondent**

ORDER

1. This Interlocutory Application is filed by the Certificate Debtor / Appellant praying to grant interim stay of all further proceedings pursuant to the Warrant of Taking Possession dated 15.04.2026 in DRC No.124/2023 including physical possession of the schedule property.

Averments in the petition

2. It is stated that the petitioner is the Certificate Debtor in the above proceedings. It is also stated that the Recovery Officer has issued

Warrant of Taking Possession dated 15.04.2026 appointing Advocate Commissioner to taken possession of the schedule property mentioned property situated at Chennathur Village, Hosur Taluk. It is further stated that the impugned warrant is causing grave prejudice and irreparable hardship to the petitioner. It is submitted that the petitioner has complied with the statutory requirement of depositing 50% of the “debt due” as per Section 30A of the RDB Act and hence this appeal must be entertained to be adjudicated on merits. The petitioner relied upon the judgment of Hon’ble High Court of Kerala in “**Ashoka Rubber Products Vs. Collector of Central Excise – 1989 (25) ECR 356 (Kerala)**” and submitted that as has been held by the Hon’ble High Court the stay comes into force by operation of law on its’ own when the deposit has been made. The petitioner also relied upon the judgment in “**Jugalkishore Saraf Vs. Raw Cotton Co. Ltd., 1955 AIR 376**” and submitted that the stay comes into operation by law on depositing 50% of the claim amount and nothing more at the time of filing of appeal.

Counter by Respondent

3. The Respondent filed its counter stating that the petition is not maintainable both in law and on facts and is liable to be dismissed. It is stated that the appellants had already approached the Hon’ble High Court by filing W.P. No.20265 of 2026 against recovery proceedings in OA No.653/2018 and the same is pending. It is also stated that since

the appellant has approached the higher forum for relief and the same is pending this Tribunal cannot entertain the present petition.

4. It is stated that the “debt due” for the purpose of Section 30A has to be calculated as per the terms of the final order in OA. The final order is for recovery of Rs.1,02,76,880/- along with interest at 12% per annum, as such the debt due as on date of appeal comes to Rs.1,97,98,057.37p as on 25.05.2026. Hence the pre-deposit come to Rs.98,99,028.68p and since the appellants have not deposited the said sum the appeal cannot be entertained and is liable to be rejected and no interim order can be passed in this appeal.
5. It is also stated that after the receipt of notice from Advocate Commissioner the Appellants moved before the Ld. Recovery Officer seeking for an interim order of stay of execution of warrant dated 15.4.2026 and submitted that they are willing to comply with any condition and produced a copy of Demand Draft dated 21.5.2026 for Rs.51,40,000/- in favour of bank. After hearing the parties the Ld. Recovery Officer, on 22.05.2026 passed an order of stay subject to the condition that the petitioners have to pay a sum of Rs.51,40,000/- as offered and thus the said order is an order passed on consent. However, after the order the appellants failed to hand over the demand draft. The order of the Ld. Recovery Officer is binding on the appellants and the order is a consent order invited by the appellant and the condition is imposed only on the basis of the offer made by the

appellant. Since the appellant failed to comply with the condition they are not entitled to any interim order at this stage.

6. It is stated that the appellant brought a demand draft and showing the same obtained an interim order and thereafter failed to handover the demand draft, which act is not just a default, it is contempt and act of fraud played on the Tribunal, hence the appellants are not entitled to any equity in this proceedings.
7. The appellants have indulged in 'Forum shopping'. They have already approached the Hon'ble High Court but failed to obtain any order. Subsequently they approached the Ld. Recovery Officer, invited an interim order by consent but failed to comply with the condition and now they have approached this Tribunal. The act of the appellants is an abuse of process of law and is not entitled for any relief both in law and in equity in this regard. The present petition is therefore liable to be dismissed.
8. Heard the Ld. Counsel appearing on behalf of both parties. Perused the records.

Point for Consideration

9. Whether the Appellant has made out a case for grant of interim stay of all further proceedings pursuant to the Warrant of Taking Possession dated 15.04.2026 pending disposal of the appeal?

Answer to the Point for Consideration

10. The Appellant contends that upon deposit of 50% of the debt due under Section 30A of the Recovery of Debts and Bankruptcy Act, 1993, the recovery proceedings stand automatically stayed by operation of law. Reliance has been placed on the decisions in *Ashoka Rubber Products v. Collector of Central Excise* and *Jugalkishore Saraf v. Raw Cotton Co. Ltd.*
11. The said contention cannot be accepted at this interlocutory stage. Section 30A prescribes the condition for entertaining an appeal. The provision does not stipulate that recovery proceedings shall automatically remain stayed upon deposit of the prescribed amount. Grant of interim protection is a matter falling within the discretion of the Tribunal and has to be considered on the facts and circumstances of each case.
12. The records further disclose that the Appellants had earlier approached the learned Recovery Officer seeking stay of the Warrant of Taking Possession. The Recovery Officer, by order dated 22.05.2026, granted interim protection subject to the condition that the Appellants should remit a sum of Rs.51,40,000/-, which amount was admittedly offered by the Appellants themselves. It is also not disputed that the Appellants failed to comply with the said condition. Having obtained a conditional

order on the basis of their own undertaking and thereafter failed to honour the same, the Appellants cannot seek equitable discretionary relief from this Tribunal without satisfactorily explaining such non-compliance.

13. The conduct of the Appellants in not complying with the conditional order passed by the Recovery Officer disentitles them to such discretionary relief. This Tribunal is, therefore, of the considered view that no case is made out for grant of interim stay.
14. Accordingly, the following:

ORDER

IA No.895 of 2026 seeking interim stay of all further proceedings pursuant to the Warrant of Taking Possession dated 15.04.2026, including taking of physical possession of the schedule property, is **dismissed**.

**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 27th day of July, 2026)