IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this 25th day of August, 2026

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

MA No.55 of 2026 in TA No.195 of 2022

Asset Reconstruction Company (India) Limited
Registered Office, The Ruby, 10th Floor
29, Senapati Bapat Marg, Dadar (W)
Mumbai – 400 028

Branch Office at
No.560-562, 1G 1st Floor
Century Plaza, Anna Salai
Teynampet, Chennai – 600 018
Rep. by its Authorized Officer **…Petitioner / Applicant to be substituted In place of DBS Bank India Ltd.,**

M/s DBS Bank India Limited
(Formerly known as M/s The Lakshmi Vilas Bank Ltd.)
Papanasam Branch
No.19, 1 South Main Street
Papanasam, Thanjavur **…Petitioner / Applicant**

Versus

1. Mrs. N. Kayalvizhi
   D/o P. Natarajan
   No.8/1, Padugai New Street
   Papanasam – 614 205

2. Mr. P. Natarajan
   S/o Palanively
   No.8/1, Padugai New Street
   Papanasam – 614 205

3. Mrs. Mangaiyarkarasi
   W/o P. Natarajan
   No.8/1, Arayapuram Thatumal Padugai New Street
   Kabisthalam Road, Papanasam – 614 205 **…Respondents / Defendants**

ORDER

1. This application is filed by the applicant bank praying to condone the delay of 1021 days in filing the petition to restore TA No.195 of 2022 (OA No.389 of 2018).

2. It is submitted that the above TA No.195 of 2022 was filed by the applicant bank for recovery of amount due from the defendants herein and the same came to be dismissed by this Tribunal vide its order dated 28.07.2023. It is also submitted that subsequent to the passing of the final order, the applicant bank had assigned the subject loan account together with the underlying security interest in favour of M/s Asset Reconstruction Company (India) Limited (ARCIL) vide deed of assignment dated 21.01.2022 registered as Doc. No.5686 of 2023 before the Office of Registrar of Maharashtra. It is further submitted that by virtue of the said assignment, all rights, title and interest in respect of the subject loan account stood vested with ARCIL, including the right to execute and enforce the decree passed by this Tribunal. It is also stated that thereafter the borrower had settled the entire dues payable under the subject loan with ARCIL and ARCIL had issued No Dues Certificate confirming closure of the loan account and release of charge over the mortgaged property and filed full satisfaction memo and Form-11 before this Tribunal. It is also

stated that due to administrative reasons, internal procedural formalities and the subsequent settlement of the loan account by the borrower, the applicant could not file the petition for substitution within the period of limitation and hence there is a delay of 1021 days delay in filing the restoration petition. It is further stated that the delay in filing substitution petition is neither willful nor wanton, but purely due to the reasons stated above and if the delay is not condoned, the applicant and assignee ARCIL would be put to serious loss and hardship, on the other hand, no prejudice whatsoever would be caused to the respondents / defendants if the delay is condoned. It is prayed that the Tribunal may be pleased to take a lenient view in the interest of justice and condone the delay of 1021 days in filing the restoration petition.

3. Heard the Ld. Counsel. Perused the records.

4. The applicant seeks condonation of an inordinate delay of **1021 days** in filing the petition seeking restoration of TA No.195 of 2022 (OA No.389 of 2018). The explanation offered by the applicant is that, due to administrative reasons, internal procedural formalities and the subsequent settlement of the loan account by the borrower with the assignee, the applicant could not file the necessary petition within the prescribed period.

5. At the outset, it is to be observed that the power to condone delay is discretionary and can be exercised only when the applicant establishes “sufficient cause” for not approaching the Tribunal within the period prescribed. The expression “sufficient cause” is elastic, but the discretion is not unbridled. The applicant is required to place before the Tribunal a satisfactory, reasonable and bona fide explanation for the delay.

6. The explanation furnished is vague and does not disclose any specific or sufficient cause which prevented the applicant from approaching the Tribunal within time. No particulars of the alleged administrative impediments or steps taken during the period of 1021 days have been placed on record.

7. The Hon’ble Supreme Court in **P.K. Ramachandran v. State of Kerala, (1997) 7 SCC 556**, held that limitation has to be applied with all its rigour and that extension of the limitation period cannot be granted on equitable grounds in the absence of a satisfactory explanation. In **Office of the Chief Post Master General v. Living Media India Ltd., (2012) 3 SCC 563**, the Hon’ble Supreme Court held that administrative or procedural delay cannot constitute sufficient cause where there is lack of due diligence. The principles have also been reiterated in **Esha Bhattacharjee v. Managing Committee of Raghunathpur Nafar Academy, (2013) 12**

SCC 649 and **Basawaraj v. Special Land Acquisition Officer, (2013) 14 SCC 81**.

8. Applying the aforesaid principles to the facts of the present case, this Tribunal finds that the explanation furnished by the applicant is wholly general and vague. The applicant has merely referred to “administrative reasons”, “internal procedural formalities” and the subsequent settlement of the loan account. No specific dates, events, correspondence, administrative impediment or other material particulars have been furnished to explain the delay of **1021 days**.

9. It is not sufficient for an applicant seeking condonation of such an enormous delay to make a general statement that the delay occurred due to administrative reasons or internal procedural formalities. The applicant ought to have disclosed what prevented it from taking appropriate steps within the prescribed period, when the relevant information came to its knowledge, when instructions were issued, what steps were taken thereafter, and at which stage the matter remained pending. In the absence of such particulars, the explanation cannot be accepted as a satisfactory or sufficient cause.

10. The fact that the applicant is a banking institution does not entitle it to a different standard of diligence. On the contrary, a financial institution dealing with recovery proceedings is expected to maintain proper records and exercise due diligence in prosecuting its proceedings. Administrative or internal processing cannot, by itself, constitute a sufficient cause for condoning an unexplained delay of 1021 days.

11. In these circumstances, the applicant has not satisfactorily demonstrated what surviving cause of action or substantive interest remains with the applicant bank so as to warrant restoration of the dismissed proceedings.

12. There is also an apparent inconsistency in the pleadings which has not been satisfactorily explained. The applicant refers to the assignment deed dated 21.01.2022 and, at the same time, states that the assignment was subsequent to the passing of the final order dated 28.07.2023. The dates, as pleaded, do not correspond. The applicant has not clarified this material aspect. Such lack of clarity assumes significance when the applicant seeks the exercise of discretionary jurisdiction after an extraordinary delay.

13. The contention that no prejudice would be caused to the respondents if the delay is condoned also cannot be accepted as a sufficient ground. The burden lies upon the applicant to establish sufficient cause for the delay. Absence of demonstrated prejudice to the opposite party does not, by

itself, cure the failure to establish sufficient cause. In cases involving an inordinate delay, the Tribunal is also required to take into account the finality attached to judicial proceedings and the rights and circumstances that may have intervened in the meantime.

14. In the present case, the applicant has failed to establish any circumstances beyond its control which prevented it from filing the restoration petition within the prescribed period. The reasons stated are broad, omnibus and unsupported by sufficient particulars or documentary material. The delay is not a few days or a short period which could be explained by a minor procedural lapse. It is an **inordinate delay of 1021 days**, and the explanation furnished does not inspire confidence or satisfy the test of sufficient cause.

15. Having regard to the totality of the circumstances, this Tribunal is of the considered view that the applicant has failed to establish sufficient cause for condoning the delay of 1021 days. The explanation based on administrative reasons and internal procedural formalities is vague and inadequate; the applicant has failed to demonstrate due diligence.

16. Accordingly, the following:

ORDER

MA No.55 of 2026 **seeking condonation of delay of 1021 days is dismissed**. Consequently, the petition seeking restoration of TA No.195 of 2022 (OA No.389 of 2018) vide MA Dy No.920 of 2026 and the petition seeking substitution vide MA Dy No.1240 of 2026 are also not maintainable and stands rejected. No order as to costs.

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 20th day of August, 2026)