

Benefit of Sections 4 to 24 of the Limitation Act is available to the causes raised u/s 17(1) of the SARFAESI Act, before the DRT

The Madhya Pradesh High Court in the case of **Bherulal Kumawat vs Choramandalam Investment and Finance Company [Misc Petition No. 5925 of 2023]** dated July 04, 2025, has held that the provision of Section 5 of the Limitation Act, 1963, will apply for condoning the delay in an application under Section 17 (1) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

In this case, the petitioners failed to repay the loan of Rs. 1.25 crores availed from the respondent finance company on time, due to COVID-19-related restrictions, resulting in the issuance of a demand notice under Section 13 (2) of the SARFAESI Act, 2002, which led to issuance of further notice for sale of immovable property which were secured assets. When the securitization application (SA) filed by the petitioner before the DRT challenging the demand notice was pending consideration, the respondent filed a writ before the High Court suppressing the factum of the pendency of SA before the DRT. When the petition was disposed of, the petitioner applied for condonation of delay under Section 5 of the Limitation Act, for amending the SA, which was dismissed by the DRT.

The matter travelled again to the High Court, where the case of *Aniruddh Singh v. Authorized Officer, ICICI Bank Limited [ILR 2024 MP 754 (DB)]* was referred to reiterate that the benefit of the provisions from Section 4 to Section 24 of the Limitation Act are available to the causes raised under Section 17(1) of the SARFAESI Act, 2002 before the DRT. The High Court, therefore, set aside the interlocutory applications under Section 5 of the Limitation Act for condonation of delay as well as the application for amendment in the securitization application, to the DRT, to be decided afresh.

Link

https://mphc.gov.in/upload/indore/MPHCIND/2023/MP/5925/MP_5925_2023_FinalOrder_04-07-2025_digi.pdf