



**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL No. _____ OF 2025
[arising out of SLP (C) No. 32684 OF 2025]

S.R. EDUCATIONAL AND CHARITABLE TRUST & ORS. APPELLANTS

VERSUS

ASSET RECONSTRUCTION COMPANY (INDIA) LTD RESPONDENT

ORDER

1. Leave granted.
2. The High Court of Kerala at Ernakulam *vide* judgment and order dated 24th October, 2025 has dismissed the original petition¹ filed by the appellants. As a result of such dismissal, the order of the Debts Recovery Appellate Tribunal, Chennai², on a review petition³ of the respondent-Asset Reconstruction Company (India) Ltd.⁴ stood affirmed.
3. The judgment and order dated 24th October, 2025 is under challenge in this appeal.
4. Decision on the present appeal does not require us to note the facts giving rise thereto in any great detail. Suffice it to note that upon ARCIL initiating action against the appellants under Section 13(2) followed by

¹ OP (DRT) No. 246/2025

² DRAT

³ Review Application No. 1/2025

⁴ ARCIL

Section 13(4) read with Section 14 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002⁵, the appellants moved the Debts Recovery Tribunal – II, Erankulam⁶, by filing an application⁷ under Section 17 of the SARFAESI Act.

5. An interim application⁸ was moved by the appellant before the DRT seeking stay of the order of the Chief Judicial Magistrate, Thiruvananthapuram under Section 14 of the SARFAESI Act, which directed taking of possession of the secured asset. The interim application was dismissed by the DRT by an order dated 5th May, 2025.
6. The appellant then preferred an appeal⁹ before the DRAT together with an application¹⁰ seeking waiver of “pre-deposit”. By an order dated 11th July, 2025, the DRAT directed the appellant to deposit 40% of Rs.22.80 crore on account of “pre-deposit”. Close on the heels of such an order, ARCIL applied for review¹¹. While allowing the review petition, the DRAT directed the appellant to deposit 30% of Rs.193.10 crore by its order dated 1st August, 2025. It is the said order that has been affirmed by the High Court by the judgment and order under challenge.
7. According to ARCIL, Rs.22.80 crore was erroneously indicated as the amount of debt due to it from the appellant in the application under Section 14. However, such error was sought to be rectified and in fact

⁵ SARFAESI Act

⁶ DRT

⁷ SA No.63/2025

⁸ IA No.373/2025

⁹ AIR(SA) No.1241/2025

¹⁰ IA No.825/2025

¹¹ IA No.828/2025

was rectified by claiming that Rs.193.10 crore was the amount of debt due and not Rs.22.80 crore. The DRAT while passing the order on the review petition accepted such claim of ARCIL.

8. We have heard Mr. Chitambaresh and Mr. Nikhil Goel, learned senior counsel for the appellant and ARCIL, respectively.
9. Having read the order on the review petition, we had enquired from Mr. Goel as to whether the rectified amount of debt due, i.e., Rs.193.10 crore mentioned in the application before the Chief Judicial Magistrate was served on the appellant or not to which Mr. Goel fairly submitted in the negative. In such view of the matter, we do not see reason to hold that there existed any ground for review of the parent order dated 11th July, 2025. The order on the review petition, since affirmed by the High Court, is indefensible. Hence, the judgment and order under challenge as well as the order dated 1st August, 2025, passed by the DRAT stand set aside.
10. In the event the appellants have deposited the amount on account of "pre-deposit" in terms of the parent order dated 11th July, 2025, the appeal may be considered by the DRAT in accordance with law; if not, we grant seven days' time to the appellants to put in the "pre-deposit" as a one-time opportunity. In default, the appeal shall stand dismissed.
11. All points are kept open for a decision by the DRAT and the DRT, as the case may be.
12. The appeal is, accordingly, allowed on the aforesaid terms.
13. Pending application(s), if any, stand disposed of.
14. It is made clear that this order is passed without prejudice to the rights and contentions of ARCIL to claim in future proceedings that the amount

due from the appellants, as stated initially in the application under Section 14 of the SARFAESI Act being erroneous was sought to be rectified, and that Rs.193.10 crore is the amount of debt due from the appellants.

.....J.
[DIPANKAR DATTA]

.....J.
[AUGUSTINE GEORGE MASIH]

**New Delhi;
November 21, 2025.**