

Limitation Act, 1963 (36 of 1963), Section 14 - Does not say that Section 14 can only be invoked on termination of the earlier proceedings - Is to be read as a whole - A conjoint and careful reading of Sub-Sections (1), (2) and (3) of Section 14 makes it clear that an applicant who has prosecuted another civil proceeding with due diligence, before a forum which is unable to entertain the same on account of defect of jurisdiction or any other cause of like nature, is entitled to exclusion of the time during which the applicant had been prosecuting such proceeding, in computing the period of limitation - The substantive provisions of Sub-sections (1), (2) and (3) of Section 14 do not say that Section 14 can only be invoked on termination of the earlier proceedings, prosecuted in good faith - Section 14 excludes the time spent in proceeding in a wrong forum, which is unable to entertain the proceedings for want of jurisdiction, or other such cause. Where such proceedings have ended, the outer limit to claim exclusion under Section 14 would be the date on which the proceedings ended.

Held, To cite an example, if a party were to file a suit in a wrong forum, to enforce payment of money secured by a mortgage or charge upon immovable property, for which the prescribed period of limitation is twelve years, after expiry of three years from the date of accrual of the right to sue, and then file an application under Section 7 of the IBC after dismissal of the suit for want of jurisdiction, that application under Section 7 of the IBC would be time barred since such party would not be entitled to exclusion of any period of time beyond the date of institution and date of termination of the earlier proceeding. If after exclusion of the time between the initiation and termination of the proceedings instituted bona fide and in good faith and prosecuted with due diligence, an application was still beyond three years, Section 14 would not help save limitation. To cite another example, if civil proceedings were initiated in a wrong forum in good faith and prosecuted with due diligence, but after the proceedings ended, time was wasted by making frivolous, meritless applications, the applicant would only be entitled to exclusion of time from the date of initiation till the end of the proceedings initiated in good faith and bona fide and pursued diligently, and no more. The applicant would not be entitled to exclusion of any further time spent in pursuing frivolous further proceedings, or otherwise.

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