Reportable/Non-Reportable

Judgment reserved on 18th May, 2026
Judgment delivered on 20th May, 2026



**IN THE DEBTS RECOVERY APPELLATE TRIBUNAL AT KOLKATA**

**HON'BLE MR. JUSTICE ANIL KUMAR SRIVASTAVA**
**CHAIRPERSON**

Misc. Appeal No. 65 of 2025
(Arising out of S.A. 306 of 2019 in DRT-III, Kolkata)

M/s. Dhanvridhi Commercial Pvt. Ltd. at 5/2, Russel Street, Kolkata-700071

…Appellant

-Versus-

1. The Authorized Officer, Indian Bank, Gariahat Branch, 51D, Gariahat Road, Kolkata – 700019;

2. Indian Bank, Gariahat Branch, 51D, Gariahat Road, Kolkata-700019; (Presently represented by SAML Kolkata Branch)

3. M/s. Shree Ramdoot Rollers Private Limited, 3, Wood Street, Govind Mahal, P.S. Park Street, Kolkata – 700016;

... Respondents

Counsel for the Appellants … Mr. Samik Basu

Counsel for Respondent No. 1&2 … Mr. Soudip Pal Chowdhuri
Ms. Saswati Sikder

Counsel for the Respondent No. 3 … Mr. Debabrata Basu Ray
Ms. Sharmistha Pal
Ms. Moumita Bhattacharjee

With
Misc. Appeal No. 66 of 2025
(Arising out of S.A. 306 of 2019 in DRT-III, Kolkata)

The Authorized Officer, Indian Bank at SAM LARGE BRANCH, 14, India Exchange Place, 1st Floor, Kolkata – 700001, West Bengal.

… Appellant

-Versus-

1. M/s. Dhanvridhi Commercial Pvt. Ltd., at Kazipara South, Mullickpur – 10 Baruipur, 24 Parganas(South), Kolkata – 700145;

2. M/s. SHREE RAMDOOT ROLLERS PRIVATE LIMITED, at 3, Govind Mahal, Wood Street, Kolkata – 700016;

... Respondents

| | | |
|---|---|---|
| Counsel for the Appellants | … | Mr. Soudip Pal Chowdhuri<br>Ms. Saswati Sikder |
| Counsel for Respondent No. 1 | … | Mr. Samik Basu |
| Counsel for the Respondent No. 2 | … | Mr. Debabrata Basu Ray<br>Ms. Sharmistha Pal<br>Ms. Moumita Bhattacharjee |

**JUDGMENT : 20th May, 2026**

**THE APPELLATE TRIBUNAL:**

**1.** Since both these appeals have arisen against an order dated 21.05.2025 passed by Learned DRT-III Kolkata in S.A. 306 of 2019 (M/s. Dhanvridhi Commercial Pvt. Ltd. -Vs- The A.O., Indian Bank & Anr.). Hence are being decided by a common judgement.

**2.** Misc. Appeal No. 65 of 2025 was filed by the borrower, M/s. Dhanvridhi Commercial Pvt. Ltd. while Misc. Appeal No. 66 of 2025 is filed by the Bank i.e. Indian Bank.

**3.** S.A. No. 306 of 2019 is filed by the borrower under Section 17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT) (hereinafter referred as to as the 'Act'), challenging the action taken by the Bank under the SARFAESI Act and the possession notice dated 04.01.2019. It so appears that pending S.A. secured assets were auctioned for an amount of Rs. 1,40,58,000/- . Pending S.A. I.A. No. 4735 of 2024 was filed jointly by the borrower as well as the bank for dismissal of the S.A. on the ground of

settlement. An OTS arrived at between the parties on 21.08.2024 for an amount of Rs. 2,03,00,000/- which culminated into the joint petition for withdrawal upon settlement. The amount of Rs. 2,03,00,000/- was also deposited and the 'No Due Certificate' was also issued by the bank on 29.10.2024. O.A. proceedings were also withdrawn by the bank. Compromise petition filed by the borrower and the bank in the S.A. was not accepted by the Learned DRT on the ground that the Auction Purchaser is also a defendant in the S.A. proceedings who is raising the objection against the withdrawal and also filed a petition for contempt for not complying with the directions issued by the Learned DRT on 07.03.2024 whereby sale was set aside and the bank was directed to refund the sale consideration to the Auction purchaser.

**4.** I heard the Learned Counsel for the parties and perused the records.

**5.** Learned Counsel for the Appellant, Borrower would submit that the S.A was filed by the borrower challenging the possession notice dated 04.01.2019 issued by the bank. Pending S.A. vide order dated 07.03.2024, sale was cancelled by the Learned DRT thereafter, borrower and the bank entered into a settlement for Rs. 2,03,00,000/- on 21.08.2024 which was also deposited by the borrower and a joint application for withdrawal of the S.A. was filed. In the meantime, Bank also withdrew the O.A. No. 619 of 2019 filed against the borrower which was duly accepted by the Learned DRT on 21.11.2024 and the O.A. was disposed of. It

is submitted that the S.A. Applicant could not be compelled to continue with the S.A. proceedings. It is further submitted that the Auction Purchaser is in possession. He is enjoying the fruits of the property. Registered sale deed is also executed in his favour. Even after passing of the order dated 07.03.2024 no steps have been taken by him for implementation of the order dated 07.03.2024.

**6.** Learned Counsel for the Bank also adopted the submissions made by the Learned Counsel for the Borrower.

**7.** Per contra, Learned Counsel for the Auction Purchaser vehemently opposed the prayer. It is submitted that the Auction Purchaser was made a party in the S.A., but the settlement was arrived at between borrower and the bank behind his back. Even in the settlement letter or the 'no due certificate' issued by the bank, there is no reference or mention of the amount deposited by the Auction Purchaser with the Bank.

**8.** It is further submitted that the Bank has not complied with the order dated 07.03.2024. Appeal against the said order, although was preferred by the Bank but was withdrawn on 06.05.2025 and the Misc. Appeal No. 26 of 2024 was dismissed as withdrawal. Hence, the order dated 07.03.2024 attained finality.

**9.** It is further submitted that even in the Affidavit of the Bank dated 11.02.2025, there is no mention about the amount deposited by the Auction Purchaser. It is submitted that after withdrawal of the appeal, Auction Purchaser made representation to the bank for refund of amount but no reply

was given by the bank, thereafter, application for contempt was filed by the Auction Purchaser.

**10.** Learned Counsel for the Appellant Borrower place reliance upon the judgement of Division Bench of Hon'ble Delhi High Court in ***Neeraj Syal -Vs- State Bank of India [2019 SCC OnLine Del 11227],*** wherein Hon'ble Delhi High Court has relied upon the Judgement in ***W.P.(C). NO. 2588/2010 Satish Chandra Gupta -Vs- SBI and Harpreet Kaur -Vs- Fullerton India Credit Company Limited 2018 SCC OnLine Del 6838.***

**11.** Facts of the present case are entirely different from the case of ***Harpreet Kaur -Vs- Fullerton India Credit Company Limited*** [Supra].

It was held that the parties to a proceedings are at liberty at any stage thereof to arrive at amicable settlement in relation to the subject matter of the dispute and it does not lie in the mouth of the Judicial Authority to obstruct or impede the amicable settlement on a ground which is not sustainable in law.

**12.** In the present case, admittedly, the Auction Purchaser was not made a party in the settlement between the borrower and the bank. Order dated 07.03.2024 was passed by the Learned DRT in the S.A. no. 306 of 2019 which was a detailed order on merits wherein Learned DRT categorically held that the sale is absolutely illegal and in violation of the orders of the tribunal. Auction Purchaser claimed refund of the entire amount and has prayed for cancellation of the sale and refund of Rs. 1,59,10,031/- along with interest at the

rate of 18%. Consequently, Learned DRT set aside the E-Auction sale held on 16.03.2022. Defendant Bank was directed to refund an amount of Rs. 1,59,10,031/- to the Auction Purchaser along with interest at the rate of 12% Per Annum within 30 days from the date of the order. Further the Bank was given liberty to reauction the property. This order admittedly was not complied with by the Bank. The contempt petition is also filed by the Auction Purchaser. Misc. Appeal No. 26 of 2024 against the order dated 07.03.2024 was filed by the Bank but was withdrawn by the bank and the appeal was dismissed as withdrawn on 06.05.2025. Order dated 07.03.2024 attained finality.

**13**. Subsequent thereto, some negotiations were held between the borrower and the bank. In the meantime, Auction Purchaser wrote a letter to the bank for refund of the amount in compliance of the order of the Learned DRT but was not responded by the Bank. When the negotiations were made between the borrower and was accepted by the Bank for an amount of Rs. 2,03,00,000/-, but neither there is any mention of the amount of the Auction Purchaser in the settlement nor the amount was refunded to the Auction Purchaser by the Bank. When the order dated 07.03.2024 was passed by Learned DRT on merits setting aside the sale conducted by the Bank and for refund of the sale, consideration was passed and attained finality, then it was incumbent upon the Bank to comply with the said order. But neither the order was complied with nor any mention is made in the settlement. Admittedly, the Auction Purchaser

was a party in the pending S.A. but was not made a party to the settlement. It means that the Auction Purchaser was kept in dark before arriving at a settlement.

**14.** In such circumstances Learned DRT has rightly not accepted the settlement arrived at between the parties. Although Learned DRT would be at liberty to decide the contempt petition filed by the Auction Purchaser on its own merits. But, as far as the impugned order is concerned, we don't find any illegality or infirmity in the impugned order. Both the appeals lack merits and are liable to be disposed.

O R D E R

Misc. Appeal No. 65 of 2025 and Misc. Appeal No. 66 of 2025 are dismissed.

No order as to costs.

File be consigned to Record room.

Copy of the judgement be placed in the records of Misc. Appeal No. 66 of 2025.

Copy of the Judgment/Final Order be uploaded in the Tribunal's Website.

Order signed, dated and pronounced in open Court.

(Anil Kumar Srivastava,J)
Chairperson

Dated: 20th May, 2026
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