

IN THE DEBTS RECOVERY APPELLATE TRIBUNAL AT KOLKATA

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

Misc. Appeal Diary No. 638 of 2026
(Arising out of I.A. 2252 of 2024 in NDN 700 of 2024 (M.A.)
in O.A. 189 of 2009 in DRT-I, Kolkata)

Order No. 03
30.06.2026

Central Bank of India ... Appellant
-Vs-
M/s. Schfields Limited & 3 Others
... Respondents

Mr. Nemani Srinivas with
Mr. Soudip Pal Chowdhuri with
Ms. Saswati Sikder, Learned
Counsel for Appellant

Mr. Nimish Mishra with Mr. Rahul
Poddar and Mr. Souvik Banerjee,
Learned Counsel for the
Respondents

THE APPELLATE TRIBUNAL: -

For Admission

I.A. 410 of 2026

Application, under Section 5 of the Limitation Act, for condonation of 26 days delay in filing the appeal against order dated 24.4.2026 in NDN 200 of 2024 (M.A.) in O.A. 189 of 2009 (Schefields Limited -vs- Prudent Asset Reconstruction Company Limited) passed by Learned DRT-I, Kolkata.

Appeal is filed on 19.6.2026. It is submitted that the delay is not intentional rather procedural.

Opposed by the Learned Counsel for Respondent.

Having considered the submission, I find the ground to be sufficient. Accordingly, I.A. 410 of 2026 is allowed. Delay in filing the appeal is condoned.

Heard the Learned Counsel for Appellant as well as Respondents and perused the record.

Instant appeal is filed against order dated 24.4.2026 passed by Learned DRT-I, Kolkata whereby a direction was issued by DRT whereby Learned DRT held that Bank cannot absolve its responsibility to return the shares of the NDN Applicant.

Learned Counsel for Appellant would submit that the Appellant was not a party in the proceedings before the Learned DRT as admittedly O.A., under Section 19 of the Recovery of Debts And Bankruptcy Act, 1993 (hereinafter referred to as the 'Act'), was filed by the Bank. Subsequently account was assigned to Phoenix ARC Private Limited. Which was further assigned to Prudent Asset Reconstruction Company Limited. The Borrower settled the account with Prudent Asset Reconstruction Company Limited. Thereafter, when the Borrower asked for release of the securities, as per the order dated 7.8.2023 passed by the Learned DRT in O.A. 189 of 2009, the same were not released, then the Borrower approached the Hon'ble Calcutta High Court by filing W.P. 365 of 2024. Hon'ble High Court directed the Borrower to approach DRT for implementation of the order dated 7.8.2023.

Learned Counsel for Appellant would submit that the the impugned order was passed although he was made a party in the NDN. But since now he is not a party in the O.A. proceedings, the impugned order could not be passed without giving opportunity of hearing.

Per contra, Learned Counsel for Respondent would submit that the order dated 7.8.2023 was passed by the Learned DRT in O.A. proceedings which attained finality as no appeal was filed against this order. Loan account is settled by the Borrower with the Prudent Asset Reconstruction Company Limited. Now the Bank is under an obligation to release the security in compliance of the order dated 7.8.2023.

It is further submitted that the Bank was originally an Applicant in the O.A. proceedings hence there is no requirement of again impleading him as party in the O.A. proceedings.

Facts are very simple wherein O.A., under Section 19 of the Act, was filed by the Appellant Bank wherein account was firstly assigned to Phoenix ARC Private Limited subsequently it was assigned to Prudent Asset Reconstruction Company Limited. It is also not in dispute that the account is settled by Prudent Asset Reconstruction Company and all the debts have been discharged. Thereafter, when the securities were not released, the Appellant moved before the Hon'ble High Court at Calcutta

by filing W.P. 365 of 2024 wherein Hon'ble High Court passed and held that:

"Tribunal specifically directed the bank to release the securities to the defendants therein. The petitioners were the co-defendants in the said proceedings and as such, the only remedy which is available to the petitioners is in implementation of the order of the tribunal before the tribunal itself under Section 19(25) of the 1993 Act."

Further Hon'ble High Court disposed of the writ petition giving liberty to the Respondents herein to approach the concerned DRT for implementation of the order dated 7.8.2023. Hon'ble High Court had also observed that the Hon'ble High Court is remitting the matter to the DRT with the hope and trust that it would be disposed of expeditiously which shows that Hon'ble High Court expected expeditious disposal of the matter. Thereafter, NDN 700 of 2024 was filed by the Respondents herein wherein the Appellants were also party. Appellants opposed the prayer but Learned DRT observed that the Bank cannot absolve its responsibility to return the shares of the NDN Applicant.

As far as issue of impleading the Appellant as Applicant in the application under Section 19 of the Act. is concerned, admittedly, an application, under Section 19 of the Act, was filed by the Appellant Bank. Now how can the Respondents herein move an application for impleadment of the Bank as Applicant in the application, under Section 19 of the Act, when in the application, under Section 19 of the Act, Appellant Bank themselves have assigned the account to Phoenix ARC Private Limited and their name was expunged on their own volition? Order dated 7.8.2023 categorically

states that the Bank is directed to release the securities to the defendants. This order was not challenged and attained finality.

Now the only question is of the implementation of the order which too has to be complied with by the Bank only. A vague ground is being taken by the Bank putting the matter to a luxurious litigation simply to implead them as Applicants in the O.A. proceedings which have already been concluded.

We do not find any ground to interfere with the impugned order. Learned DRT has rightly held that the Bank is under an obligation to comply with the order dated 7.8.2023.

Accordingly, appeal is dismissed at the 'Admission' stage with a direction to the Appellant Bank to comply with the order dated 7.8.2023 passed by Learned DRT in O.A. 189 of 2009 forthwith.

File be consigned to Record room.

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: 30th June, 2026
03/ac