DEBTS RECOVERY APPELLATE TRIBUNAL, DELHI

Appeal No.149/2022
Arising out of SA No.42/2022 (DRT-II, Chandigarh)

Item No. 21

Naveen Kumar & another
V.
Bank of Baroda

19.08.2026 Hon'ble Dr. Justice Sudhir Kumar Jain

Present: Sh. Sunil Malhotra, Advocate for appellant through VC

Ms. Niharika Tanwar, Advocate for respondent through VC

This matter is taken up through Hybrid hearing.

Appeal No.149/2022

1. The appellants filed S.A. bearing No.42/2022 titled as **Naveen Kumar and another V. Bank of Baroda** which was stated to be pending before DRT-II, Chandigarh. DRT-II, Chandigarh vide impugned order dated 13.05.2022 has dismissed the S.A. bearing No.42/2022.

2. The perusal of impugned order dated 13.05.2022 reflects that the appellants have contended that they have defaulted in six months instalments from 15.03.2015 to 15.09.2015 but due to the COVID situation. The Reserve Bank of India vide circulars dated 27.03.2020 and 23.05.2020 as well as the Supreme Court in the case titled as **Small Scale Industrial and Manufacturer Association Registered v Union of India & others, 2021(8) SCC 511,** directed that the account could not be classified as NPA till 31.03.2021. It was further contended on behalf of the appellants that the said plea was taken by the appellants in the rejoinder which was filed in pursuance of order dated 28.04.2022 passed by DRT-II, Chandigarh whereby after filing the reply to S.A. the rejoinder was allowed to be filed. It is also reflecting from the impugned order that DRT-II, Chandigarh has not accepted the said plea taken on behalf of the appellant in the rejoinder. The relevant portion of the impugned order date 13.05.2022 is reproduced as under:

8. After hearing the rival submissions at Bar and going through the case file this Tribunal is of the considered opinion that the theory of the applicants propounded in the rejoinder with regard to the account being classified as NPA in contravention of the Circulars of RBI, cannot be taken into consideration because it is beyond the scope of the SA. This Tribunal is not at all impressed by the argument of the learned counsel for the applicants that the rejoinder was part of the pleadings. It is true that rejoinder is a part of the pleadings but by way of filing the rejoinder to the reply, the scope of the SA could not be allowed to be enhanced unilaterally by the applicants. If the scope of the original pleadings of the applicants can be enlarged by the rejoinder/replication and the other party can be further allowed to bring its version to controvert the same, this would be a never-ending process which is not known to law/procedure. Therefore, this Tribunal does not deem it necessary to adjudicate upon that aspect.

9. There being signature of the applicant Naveen on the acknowledgment, it cannot be said that notice under Section 13(2) of the Act, was not served upon the applicant Naveen especially when there is no denial of the signature of the applicant on the acknowledgment of the registered post. In view of the above discussion, the SA stands dismissed. File be consigned to the record room after due compliance.

Announced in the open Tribunal

3. Sh. Sunil Malhotra, Advocate for the appellant argued that the appellants have filed rejoinder in pursuance of order dated 28.04.2022 passed by DRT-II, Chandigarh and in the rejoinder the plea of benefit extended by the RBI Circular as well as the decision delivered by Supreme Court regarding the non-declaration of NPA which was extended till 31.03.2021 was taken but was not considered by DRT-II, Chandigarh while passing the impugned order dated 13.05.2022. In view of the submissions, Sh. Sunil Malhotra, Advocate for the appellant argued that the impugned order is liable to be set aside.

4. Ms. Niharika Tanwar, Advocate for the respondent during the course of argument also referred the RBI Circulars as referred by the counsel for the appellants and stated that these Circulars are not applicable under the given facts and circumstances of the present case.

5. It is reflecting from the impugned order that DRT-II, Chandigarh has not considered the Reserve Bank of India Circulars as referred by the counsel for the appellant as well as the decision of the Supreme court merely on the plea

that the said plea was taken in the rejoinder and the rejoinder was filed in pursuance of order dated 28.04.2022 passed by DRT-II, Chandigarh. DRT-II, Chandigarh while passing the impugned order dated 13.05.2022 was required to consider the Circulars issued by RBI and the judgement delivered by the Supreme Court as referred herein above in the right perspective.

6. Accordingly, the order dated 13.05.2022 cannot be sustained and is accordingly set aside. The S.A. bearing No.42/2022 is remanded back for fresh consideration by DRT-II, Chandigarh. It is also directed to take into consideration the Circulars issued by RBI referred herein above as well as the judgement/decision passed by the Supreme Court.

7. The parties are directed to appear before DRT-II, Chandigarh on 12.11.2026 for fresh consideration.



(Dr. Justice Sudhir Kumar Jain)
Chairperson

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