Sl.6
17.07.2026
Court No.6
BP

C.O. 2085 of 2026

Pyaridevi Chabiraj Steels Pvt. Ltd. & Ors.
-versus-
Axis Bank Limited & Anr.

Mr. Arijit Bardhan
Mr. Soumyajit Mishra
Mr. Gourav Mondal
Ms. Archita Roy
Mr. Shah Alam
Ms. Susmita Das
..for the petitioners

Mr. Jaydip Kar, Sr. Advocate
Mr. Avishek Guha
Ms. Anamika Dutta
..for the opposite party no.1

Though this matter is appearing under the heading "To Be Mentioned" but with the consent of the learned counsel for the respective parties this matter is taken up for final hearing by treating the same as on the day's list.

The order dated June 16, 2026 passed by the learned Presiding Officer, Debts Recovery Tribunal-1, Kolkata in RA 01 of 2024 arising out of SA No. 90 of 2019 is under challenge in this application under Article 227 of the Constitution of India.

The petitioners filed a SARFAESI application being S.A. no. 90 of 2019 before the Debts Recovery Tribunal-1, inter alia, praying for quashing the demand notice dated 27th August, 2018 issued under Section 13(2) of the SARFAESI Act and for declaration that the classification of the loan account of the petitioners as NPA is illegal and in violation of the guidelines of the Reserve Bank of India.

The SARFAESI application was allowed by a judgement and order dated November 22, 2023 upon holding that the demand notice dated 27th August, 2018 and the possession notice dated 8th January, 2019 are bad in law and the same were set aside and liberty was granted to the opposite party/bank to issue fresh demand notice with details of amount payable by the borrower by showing payment made by the borrower and interest added.

Pursuant to the liberty granted to the opposite party/bank by the judgement dated November 22, 2023 a subsequent notice under Section 13(2) dated 9th September, 2024 was issued which is under challenge at the instance of the petitioners in SA 293 of 2025. During the pendency of SA 293 of 2025 separate orders under Section 14 of the SARFAESI Act were passed by the concerned authorities in respect of secured assets. Being aggrieved by the said order the petitioners filed interlocutory applications being IA 404 of 2026 and 855 of 2026.

The learned Presiding Officer, Debts Recovery Tribunal-1, Kolkata, by an order dated 13th March, 2026, refused to pass any interim order on the said interlocutory applications. Prior to the issuance of notice under Section 13(2) dated 9th September, 2024, the petitioners filed an application for review of the judgement dated 22nd November, 2023 before the Debts Recovery Tribunal-1, Kolkata which was registered as RA 01 of 2024. The review application stood dismissed by a judgement dated June 16, 2026.

Being aggrieved by the judgement dated June 16, 2026 passed in RA 01 of 2024 and judgment dated November 22, 2023 passed in S.A. 90 of 2019, the petitioners have approached this Court.

Mr. Bardhan, learned advocate appearing for the petitioners submits that the petitioners have specifically challenged the classification of the account in question as a NPA, According to him, such classification was a de hors the Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the Reserve Bank of India. He submits that though the SARFAESI application being SA 90 of 2019 was allowed thereby setting aside the demand notice under Section 13(2) but there was no finding with regard to the petitioners challenge to the classification of the account in question as NPA. He submits that since such issue was specifically raised in the pleading and also in course of argument of the SARFAESI application but not taken note of by the Presiding Officer, Debts Recovery Tribunal-1 while passing the judgement dated 22nd November, 2023, the review application was filed. He submits that the Presiding Officer without taking note of such fact, dismissed the review application.

Mr. Kar, learned senior counsel representing the opposite party/bank seriously disputes the submission of

Mr. Bardhan. He submits that it is for the Tribunal before whom the parties advanced their argument to consider what points were raised in course of hearing of such SARFAESI application. He submits that since the Presiding Officer of the Debts Recovery Tribunal after considering the review application has recorded in the order dated 16.06.2026 that the petitioners herein had not made any argument regarding NPA, such order should not be interfered with by this Court sitting under Article 227 of the Constitution of India.

Heard learned advocates for the parties and perused the materials on record.

It is well settled that the records of the proceedings are sacrosanct and a party to a proceedings should not be permitted to challenge the same before a superior forum by way of an affidavit. It is for the party who claims that some point though raised in course of the hearing were not taken note of to approach that forum at the earliest possible opportunity and raise such issue before such forum.

It is not in dispute that in the case on hand the petitioners approached the Debts Recovery Tribunal with a review application. After going through the pleadings in SARFAESI Application no.90 of 2019 this Court finds that the petitioner herein had specifically challenged the classification of the account as NPA and a specific relief to such effect was also prayed for in the SARFAESI application.

After going through the order dated 5th April, 2023 passed in SA 90 of 2019 this Court finds that the Presiding Officer, Debts Recovery Tribunal-1 has specifically taken note of the fact that in the SARFAESI application it has been challenged that the account cannot be classified as NPA as the overdue in respect of CC loan does not exceed less than ninety days. That apart it also appears from the written notes of argument that the alleged irregularity in classification of the account as NPA was also raised then. At this stage it would also be relevant to point out that at the time of final hearing of the review application the erstwhile learned advocate who had represented the Bank in the SARFAESI proceeding did not represent the Bank in the review application at the final hearing. The erstwhile learned advocate also could have thrown some light on such issue.

After going through the materials on record and after hearing the submissions of the learned counsel for the respective parties, this Court is of the view that the issue regarding classification of an account as NPA goes to the root of the matter. It appears to this Court that such point was raised in the pleading and also in the written notes of argument. To the mind of this Court the learned Tribunal ought to have considered the issue regarding classification of NPA.

For such reason, this Court is inclined to interfere with the orders dated 16th June, 2026 and 22nd November,

2023. The order dated 16th June, 2026 is set aside. The SARFAESI application being SA 90 of 2019 is remanded to the Debts Recovery Tribunal-1, Kolkata only to the limited extent for deciding the issue regarding the classification of the account as NPA. The Presiding Officer, Debts Recovery Tribunal-1 is requested to hear the parties afresh on the aforesaid issue, decide the aforesaid issue and dispose of SA 90 of 2019 as expeditiously as possible but preferably within a period of four weeks from the date of receipt of a server copy of this order without granting any unnecessary adjournments to either of the parties.

There shall be an interim order restraining the opposite party/bank from disturbing the possession of the petitioners in respect of the secured assets in question till the disposal of SA 90 of 2019.

Parties will be at liberty to take appropriate steps before the Debts Recovery Tribunal in SA 293 of 2025.

C.O. 2085 of 2026 stands disposed of with the aforesaid observations.

There shall be, however, no order as to costs.

Urgent certified photocopy of this order, if applied for, be supplied to the parties expeditiously on compliance of usual legal formalities.

(Hiranmay Bhattacharyya, J.)