

April, 2026

**PRESENTATION**



# **REIMAGINING DEBT RECOVERY IN INDIA'S COMMERCIAL JUSTICE SYSTEM**

NIST Fellowship

Presented by Khushbu Shah

# KHUSHBU SHAH



## Education

Maharashtra National Law University, Mumbai

## Professional Experience



- LAMP Fellow: Drafted Private Member's Bill
- Research Associate at J-PAL South Asia: Lead data collection efforts



# INTRODUCTION



## Areas of Focus

1. How are delays defined in the DRT case lifecycle of an Original Application?
2. Where do delays occur in the DRT case lifecycle of an Original Application?

## Methodology

The study uses a mixed-methods approach, combining qualitative process mapping with quantitative analysis of case-level data collected through web scraping.





# POLICY SUGGESTIONS

1

## Defining Delay in DRT

The proposed reform is to exclude the time taken for service of summons from the measurement of judicial delay, and to treat it as a separate procedural category.

2

## Tackling Delays in Issuance of Summons

Reduce scrutiny time and streamline the process

3

## Tackling Delays at the Hearing Stage

The proposed reform mandates that vacancies in tribunals be filled within 90 days to ensure timely functioning and reduce delays



# POLICY SUGGESTIONS

1

## Defining Delay in DRT

The proposed reform is to exclude the time taken for service of summons from the measurement of judicial delay, and to treat it as a separate procedural category.

# DEFINING DELAY



## Current Legislative Framework and Proposed Reform

### Section 19(24) The Recovery of Debts and Bankruptcy Act, 1993 (RDB Act)

**1993**

The Tribunal shall deal with the application as expeditiously as possible to dispose of the application within **180 days from the date of receipt of the application**

**2016**

The 2016 amendment requires tribunals to make every effort to conclude proceedings within **two hearings** and to dispose of applications within 180 days from the date of filing.

**PROPOSED REFORM**

The proposed reform requires tribunals to make every effort to conclude proceedings within two hearings and to dispose of applications within 180 days **from the date of completion of service of summons.**

# DEFINING DELAY



## WHY IT MATTERS



### What we measure determines what we conclude

A stage-sensitive definition is important

A precise definition that distinguishes between normal procedural time and excessive delay is important



### Attribution of responsibility

Without defining delay, accountability is misplaced.

Not all delays are alike; some arise from institutional constraints within the tribunal, while others are driven by litigant behaviour.



### Policy and reform implications

When courts can transparently define and measure delay, it:

- Builds confidence in the system
- Demonstrates commitment to efficiency and fairness

# DEFINING DELAY



The paper suggests that 180 days timeline should be counted to account for core adjudicatory phase of proceedings, rather than preliminary procedural steps such as the issuance or service of summons

Aligning with the NCMS Sub-Committee on Defining Arrears, this paper proposes that cases that have not progressed beyond preliminary procedural stages should be excluded from disposal caseload calculations.

## Gross caseload

All cases instituted and pending before the tribunal, irrespective of procedural stage.

## Disposal caseload

Cases that have progressed beyond threshold procedural completeness and are ready for adjudicatory determination within a reasonable timeframe.

# POLICY SUGGESTIONS



2

## Tackling Delays in Issuance of Summons

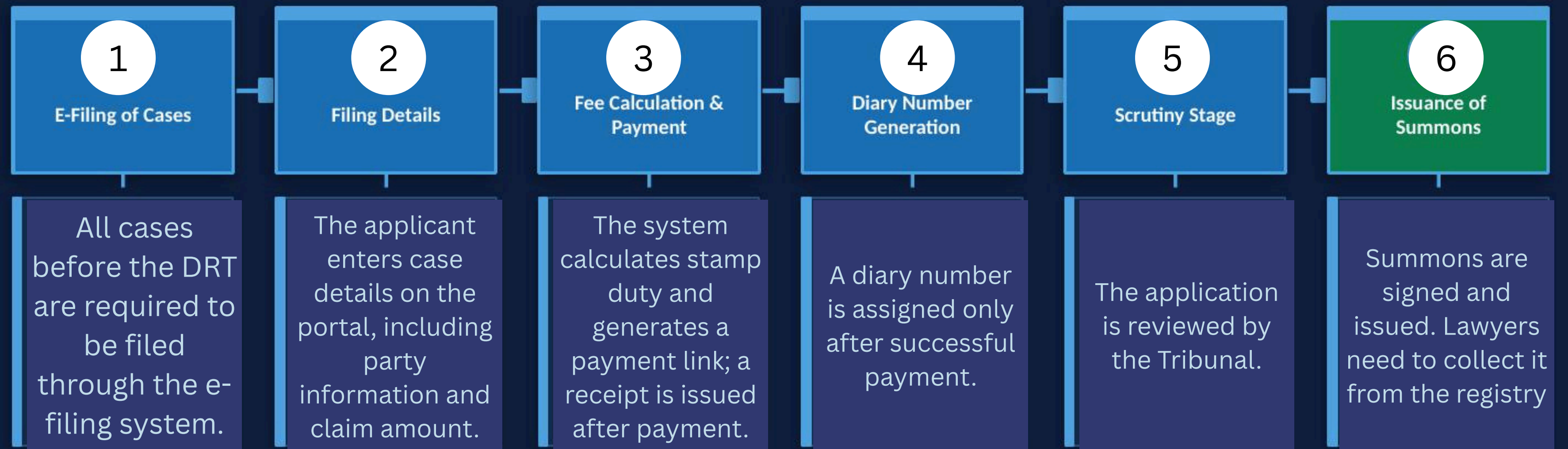
Reduce scrutiny time and  
streamlining the process

# PROCESS OF ISSUANCE OF SUMMONS



## DRT E-Filing Process

*DRTs and DRATs Electronic Filing (Amendment) Rules, 2025*



# PROCESS OF ISSUANCE OF SUMMONS



## Scrutiny Checklist

Verification of the tribunal's jurisdiction (territorial and pecuniary)	Whether the matter is barred by limitation
Whether the requisite stamp duty has been paid in full	Whether all necessary documents have been filed and the relevant parties have been correctly identified

**While scrutiny is necessary to ensure procedural compliance, the aspects examined at this stage, such as jurisdiction, limitation, and the completeness of documents, are largely mechanical checks rather than substantive adjudication**

# PROCESS OF ISSUANCE OF SUMMONS



In the DRT Regulation of 2024, a 51- working-day timeline is calculated at by combining the timelines provided in the scrutiny regulations for correcting defects in an application.

The Registrar or authorised officer must scrutinise the case within 3 working days of receipt.

3

Additional time if scrutiny is delayed

3

Time allowed to the applicant to cure defects in the application

15

Extension for removing defects

30

# DELAYS IN ISSUING OF SUMMONS



Percentage of cases in which summons were issued within 51 days

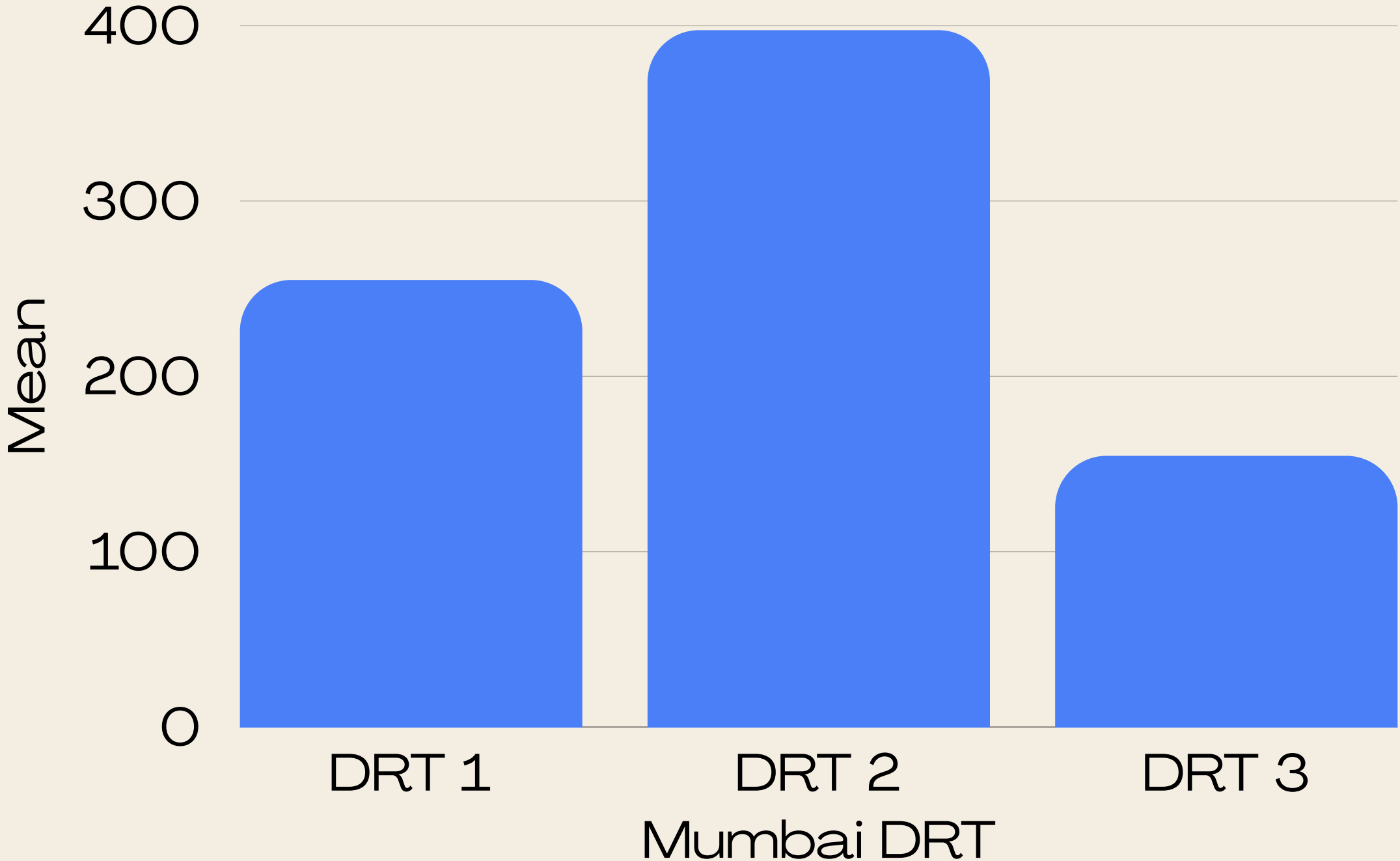
DRT	Compliance (%)
DRT 1	11.35%
DRT 2	3.56%
DRT 3	11.64%



# DELAYS IN ISSUING OF SUMMONS

MEAN DAYS FOR ISSUANCE OF SUMMONS (MUMBAI DRTS)

Mumbai DRT	Mean
DRT 1	254.96
DRT 2	397.42
DRT 3	154.66



# DELAYS IN ISSUING OF SUMMONS



Rationalising the Multi-Layered Scrutiny Process

In Mumbai DRT 1, case scrutiny is undertaken by the Associate, Section Officer, and Registrar

Automate the Issuance of Summons Through the E-Filing System

Reduce reliance on physical visits to the registry

# POLICY SUGGESTIONS



3

## Tackling of Delays at Hearing Stage

The proposed reform mandates that vacancies in tribunals be filled within 90 days to ensure timely functioning and reduce delays

# TACKLING OF DELAYS AT HEARING STAGE



## STRATIFIED RANDOM SAMPLING

- **Cases grouped for sampling:** Based on DRT (1–3), year (2022–2025), and petitioner type (Public and Private Sector Banks)
- **Random selection:** 5 cases picked from each group using a fixed method to ensure consistency
- **Final sample:** 103 cases selected, with all their hearings included for full analysis
- **Classification:** Each hearing was classified as successful or unsuccessful based on whether it resulted in any substantive progress. Hearings that involved adjournments due to reasons such as the tribunal not functioning, a vacant PO post, or requests by parties were classified as unsuccessful.

# TACKLING OF DELAYS AT HEARING STAGE



## Outcomes of Hearings

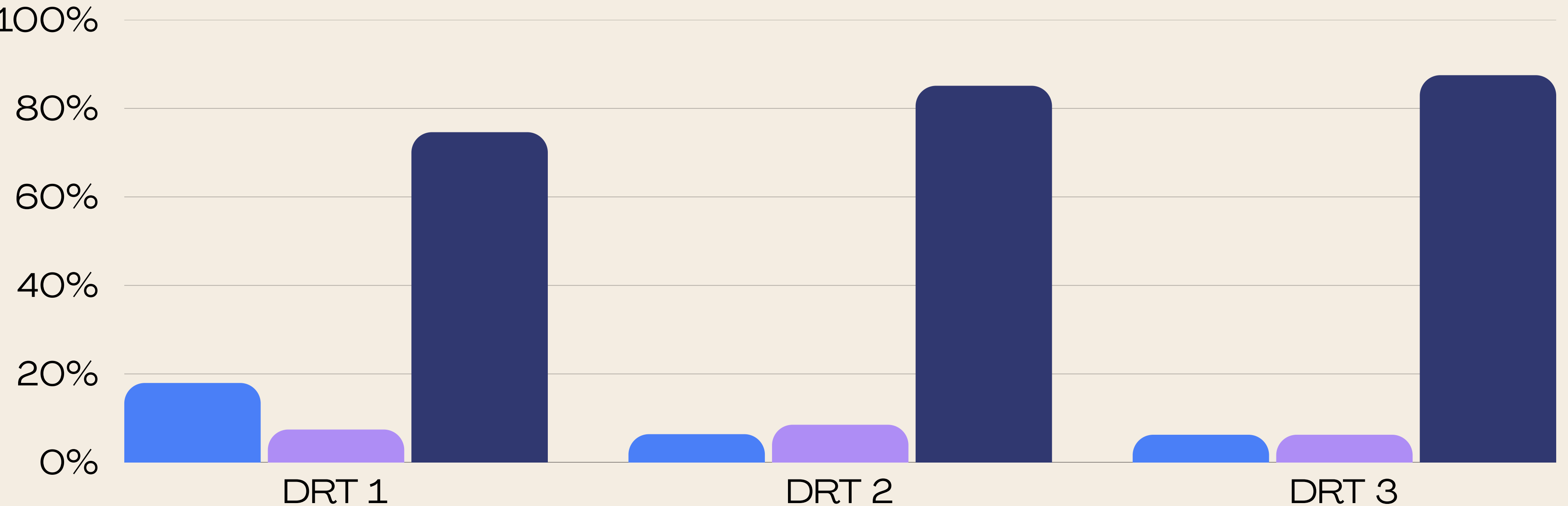
Mumbai DRT	Not successful	Successful	Order not uploaded
DRT 1	50.00%	16.92%	33.08%
DRT 2	42.86%	10.48%	46.67%
DRT 3	44.87%	8.97%	46.15%

# TACKLING OF DELAYS AT HEARING STAGE



## Attribution of Delays

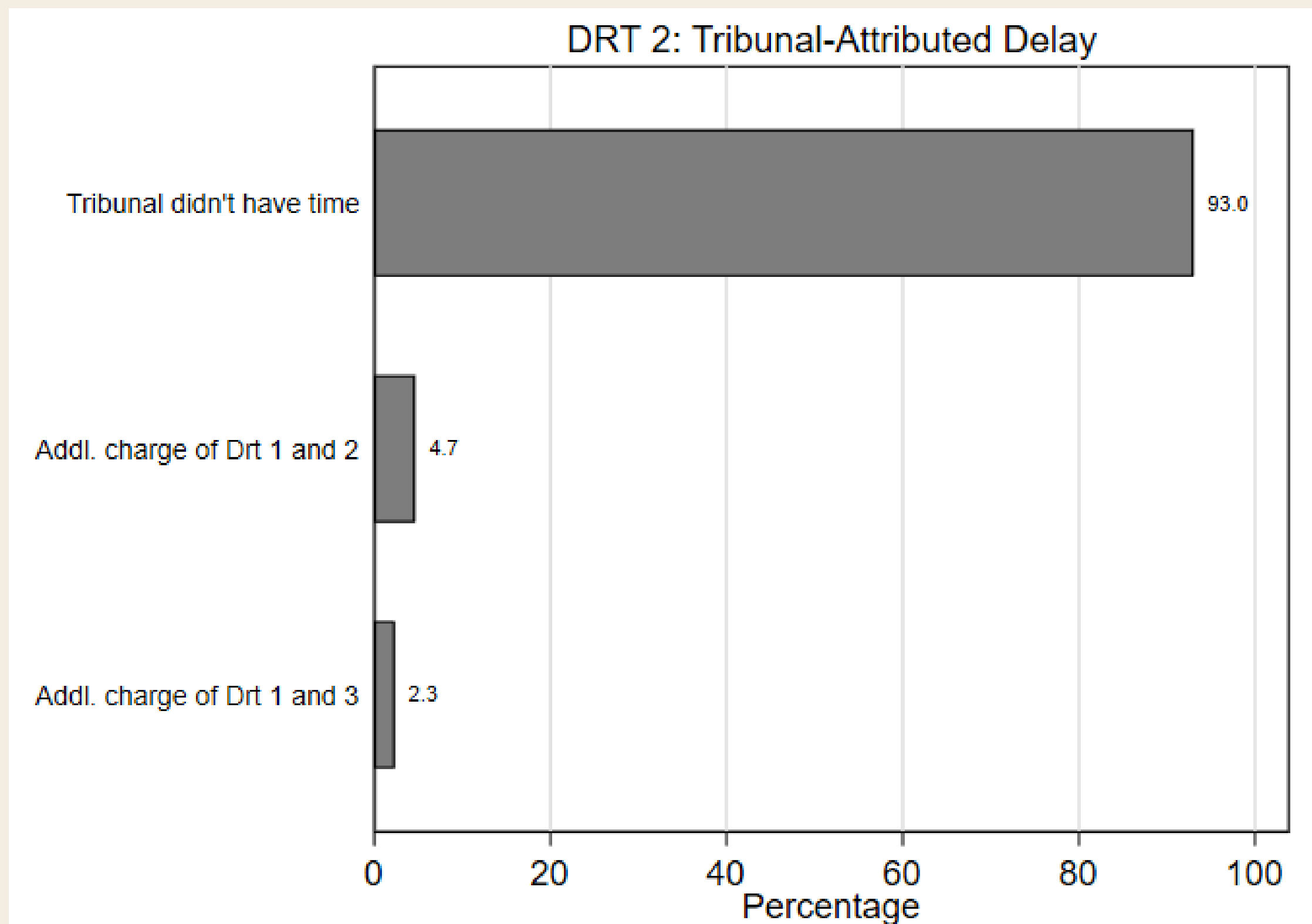
Petitioner (%)      Respondent (%)      Tribunal (%)



# TACKLING OF DELAYS AT HEARING STAGE



## DRT 2



# TACKLING OF DELAYS AT HEARING STAGE



## DRT 2

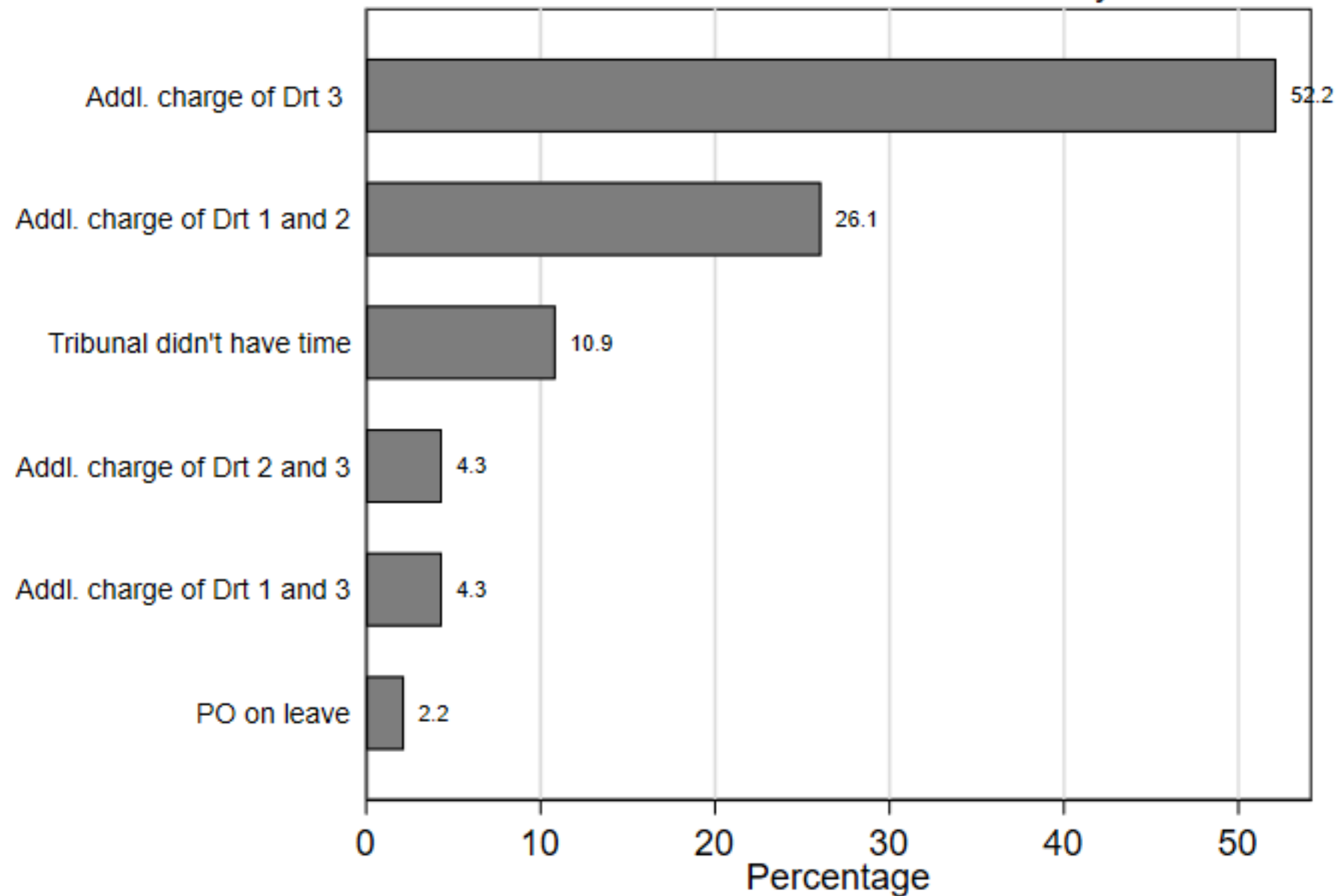
- **Primary cause of delay:** An overwhelming 93% of unsuccessful hearings in DRT 2 occurred because the tribunal did not have time
- **Minimal role of structural issues:** Delays due to additional charge arrangements are very limited (around 7% combined)
- **Capacity constraint within tribunal:** The data suggests internal scheduling and workload

# TACKLING OF DELAYS AT HEARING STAGE

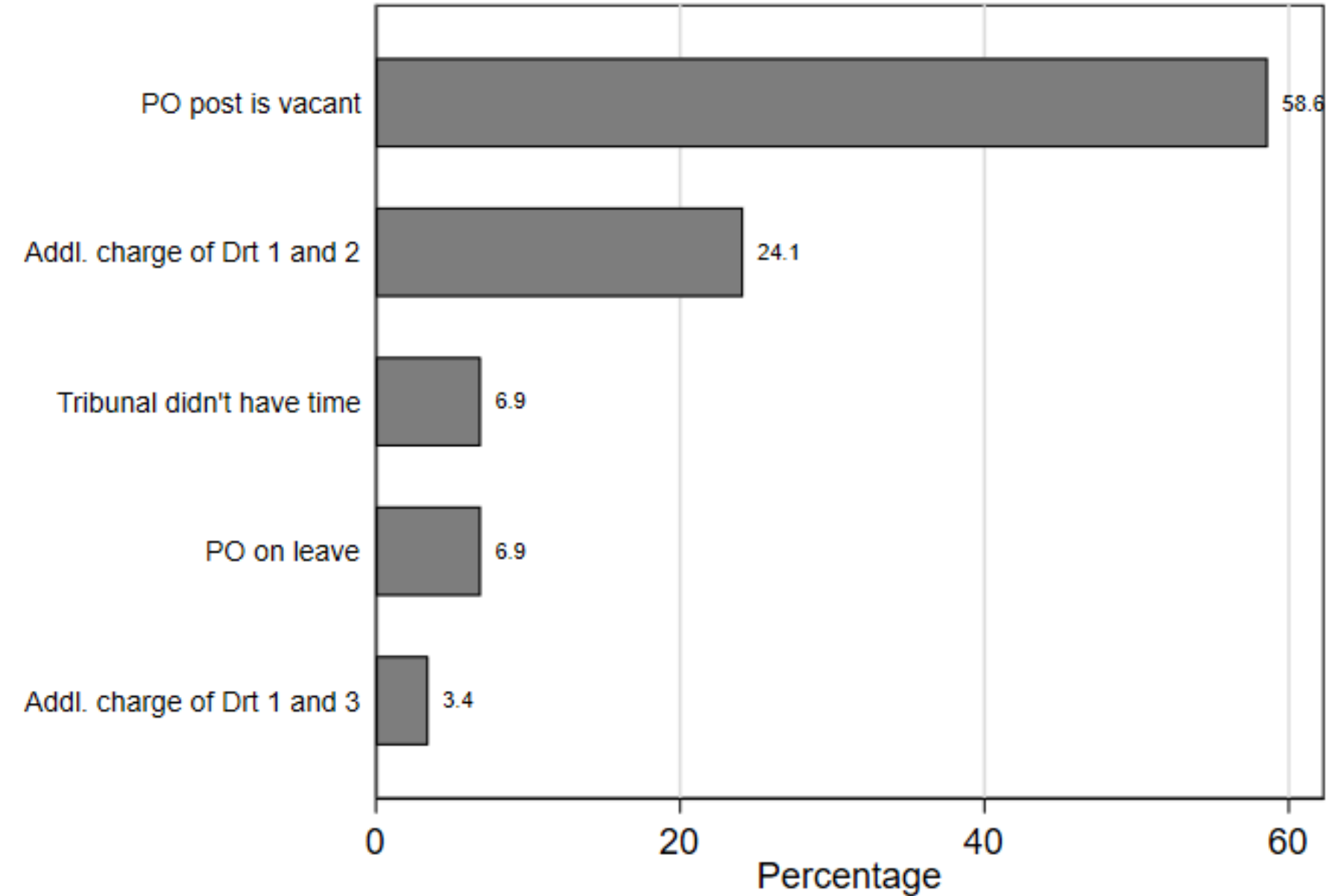


## DRT 1 AND DRT 3

DRT 1: Tribunal-Attributed Delay



DRT 3: Tribunal-Attributed Delay



# TACKLING OF DELAYS AT HEARING STAGE



## DRT 1 AND DRT 3

- **Interlinked functioning of DRT 1 and DRT 3:** A large share of delays in both tribunals is due to additional charge arrangements, showing that they rely on shared personnel resources
- **DRT 1 burdened by DRT 3 vacancies:** In DRT 1, the biggest delay (52.2%) comes from handling additional charge of DRT 3, indicating spillover of workload
- **DRT 3 heavily dependent on DRT 1:** In DRT 3, delays are mainly due to a vacant PO post (58.6%) and additional charge of DRT 1 and 2 (24.1%), reinforcing reliance on other tribunals
- **Systemic issue, not isolated inefficiency:** Delays in one tribunal directly affect the other, suggesting capacity constraints and staffing gaps are shared across DRTs

# TACKLING OF DELAYS AT HEARING STAGE



## Current Legislative Framework and Proposed Reform

**1993**

If a vacancy (other than temporary absence) arises in the office of the Presiding Officer or Chairperson, the Central Government shall appoint a replacement, and proceedings will continue from the stage at which the vacancy is filled.

**PROPOSED REFORM**

If a vacancy (other than due to temporary absence) arises in the office of the Presiding Officer of a Tribunal or the Chairperson of an Appellate Tribunal, the Central Government shall appoint a replacement **within 90 days** in accordance with this Act, and proceedings shall continue from the stage at which the vacancy is filled.

# WAY FORWARD



	<b>Current Practice</b>	<b>Reform</b>	<b>Impact</b>
1	Applications must be handled expeditiously, with every effort to complete proceedings in two hearings and dispose of the case within 180 days of receipt.	Applications must be handled expeditiously, with efforts to complete proceedings in two hearings and dispose of the case within 180 days from completion of service of summons.	Clearer benchmarks make it easier to monitor tribunal performance
2	Low compliance with 51-day timeline due to procedural delays	Streamline scrutiny and enable issuance through e-filing system	Reduced procedural bottlenecks and delays in the issuance of summons stage
3	Frequent delays due to vacancies and additional charge arrangements	Time-bound appointment (within 90 days) to fill vacancies	Reduced disruptions and improved case disposal rates



**THANK YOU**