

IN THE DEBTS RECOVERY TRIBUNAL-II AT AHMEDABAD  
Present: Pankaj Kumar Upadhyay, Presiding Officer, DRT-II.

Original Application No.150 of 2016

Date of Filing : 23.12.2015  
Date of Decision : 29.06.2026

1. **Union Bank of India (Erstwhile Andhra Bank),**

A Bank constituted and functioning under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and having its Head Office at Mumbai and a Branch Office amongst other places at 8<sup>th</sup> Floor, Maker Tower F Wing, Cuffe Parade, Mumbai - 400 005.

2. **PUNJAB NATIONAL BANK,**

A body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 7, Bhikaji Cama Place, Africa Avenue, New Delhi 110 066, and amongst others a Branch at Maker Tower 'E', Cuffe Parade, Mumbai - 400 005.

3. **CANARA BANK,**

A Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 112, J.C. Road, Bangalore, Karnataka and Branch office amongst other places at Mittal Towers, 'C' Wing, Nariman Point, Mumbai - 400 021

4. **Bank of Baroda (Erstwhile Dena Bank),**

A Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its

Head Office at Mandavi, Baroda And branch amongst others at Corporate Business Branch, C-10, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051.

**5. Punjab National Bank (Erstwhile Oriental Bank of Commerce)**

a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at 7, Bhikaji Cama Place, Africa Avenue, New Delhi 110 066, and concerned Branch situated at 14th floor, Maker Tower, 'F' Wing, Cuffae Parade, Mumbai – 400 005.

**6. Bank of Baroda (Erstwhile Vijaya Bank),**

A Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980 and having its Head Manadvi, Baroda and a branch amongst others at New Excelsior Building, Fort, Mumbai – 400 001.

**7. The Jammu & Kashmir Bank Ltd.**

a banking company registered under the Jammu & Kashmir Companies Act, 1977 (Samvat) having its Registered Office at Corporate Head Quarters, M.A. Road, Srinagar – 190 001 and having a Branch Office amongst other places at Ist floor, National, Business centre, Bandra Kurla Complex, Bandra (E), Mumbai 400051

**8. Bank Of Maharashtra,**

a Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office At "Lokmangal", 1501, Sivaji Nagar, Pune – 411 501 And a branch amongst others at Apeejay

House, 130 Dr. V.B. Gandhi Marg, Fort, Mumbai - 400 001.

**9. Indian Bank (Erstwhile Allahabad Bank),**

a body corporate, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its Head Office at 66, Rajaji Salaiya, Chennai and concerned branch situated at 2<sup>nd</sup> Floor, 37, Mumbai Samachar Marg, Fort, Mumbai – 400 023

**10. Indian Overseas Bank,**

a Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970 and having its Head Office at 763, Anna Salai, Chennai – 600 602 and a Branch Office among other places at 229 Bhatwar, Ground Floor, Nariman Point, Mumbai – 400 021.

**11. Punjab & Sind Bank,**

a body corporate constituted by and under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and having its Head Office at Bank House, 21 Rajendra Place, New Delhi – 110 125 and having a Branch Office amongst other places at 91, Bhandari House, Nehru Place, New Delhi – 110 019.

**12. Bank of India,**

a Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Head Office at Star House, C-5, G Block, Bandra, Kurla Complex, Bandra (East), Mumbai -400 051 and a branch amongst others at Andheri Large Corporate Branch, MDI Building, First Floor, 28 S.V. Road, Andheri (W), Mumbai-400

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**13. State Bank Of India**

a Bank incorporated under the State Bank of India Act, 1955 and having its Central Office at Madam Cama Road, Nariman Point, Mumbai – 400 021 with one of its branches at 2<sup>nd</sup> floor, Paramsiddhi Complex, Opp. V.S. Hospital, Ellisbridge, Ashram Road, Ahmedabad – 380 006.

**14. Canara Bank (Erstwhile Syndicate Bank),**

a Bank constituted and functioning under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970 And having its Head Office at 112, J.C.Road, Bangalore, Karnataka and concerned branch Situated at 1<sup>st</sup> Floor, 10, Homji Street, Fort, Mumbai – 400 023

.....Applicant Bank

**Versus**

**1. M/s. Krishna Knitwear Technology Limited**

A company registered under the Companies Act, 1956, having its registered office and factory at Krishna Nagar, Samarvani, Silvasa, (U.T.) and also Having a corporate office at 396, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.

**2. Shri Sanjay Kumar Tayal**

S/o. Shri Ram Pratap Tayal in the capacity as Director of defendant no.1 As well as in personal capacity as

guarantor.

**3. Shri Navin Kumar Tayal**

S/o. Shri Ram Pratap Tayal in the capacity as Director of defendant no.1 As well as in personal capacity as guarantor.

**4. Shri Pravin Kumar Tayal**

S/o. Shri Ram Pratap Tayal in the capacity as Director of defendant no.1 As well as in personal capacity as guarantor.

Defendants No. 2 to 4 residing at Happy House, Sonapurwala Lane, Prabhadevi, Mumbai 400 025.

**5. M/s. Madhu Crimpers Private Limited**

(in the capacity of corporate guarantor as well as mortgagor) A Company registered under the Companies Act, 1956 having its registered office at Kamat Industrial Estate, 396, Veer Savarkar Marg, Prabha Devi, Mumbai 400 025.

**6. M/s. Kanishka Infrastructure Private Ltd.**

(in the capacity of corporate guarantor as well as mortgagor) A Company registered under the Companies Act, 1956 having its registered office at H.No. B/2, Survey No. 75/3P, Tokarkhada, Silvasa – Khanvel Main Road, Silvasa (U.T. of D & H) 396 230.

**7. M/s. KSL And Industries Limited**

(in the capacity of corporate guarantor as well as mortgagor) A Company registered under the Companies Act, 1956 having its registered office at 69-A, Dhanu Udyog Industrial Area, Piperia, Silvasa (U.T. of D & H) 396 230.

**8. Upasana Silk Mills Private Limited**

In the capacity as Pledgor, A Company registered under the Companies Act, 1956 having its registered office at Unit No. 34-A, 2<sup>nd</sup> Floor, Arsiwala Building, Wode House Road, Colaba, Mumbai 400 005.

**9. IL & FS Trust Company Limited,**

1<sup>st</sup> Floor, Bhisim Pitamaha Marg, Defence Colony, New Delhi – 110024, Delhi and having its registered office at the IL & FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051.

**10. UCO Bank,**

a Bank constituted and functioning under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and having its Head Office at 10, BTM Sarani, Kolkata 700 001 and a Branch Office amongst other places at Flagship Corporate Branch, 1<sup>st</sup> floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021.

.....Defendants

**ORIGINAL APPLICATION FOR RECOVERY OF  
Rs. 1046,04,27,902.10 ALONGWITH INTEREST**

Ld. Counsel for the Applicant : Mr. P. G. Desai  
None for the Defendants

**JUDGMENT**

1. The present Original Application has been filed by the Applicant Banks under Section 19 of The Recovery of Debts and Bankruptcy Act, 1993, against the Defendants for recovery of

**Rs.1046,04,27,902.10 (Rupees: One Thousand Forty-Six Crore Four Lacs Twenty-Seven Thousand Nine Hundred Two & Paise Ten only)** against the Defendants and in favour of the Applicants together with interest and cost and other reliefs as stated therein.

2. It is the case of the Applicants that 14 Banks have preferred this O.A. on 23.12.2015 for the total claim amount of Rs.1046,04,27,902.10. The Defendant No.1 is a borrower Company and also mortgaged its properties. The Defendant Nos.2, 3 and 4 have been joined in their personal capacity as guarantors and the Defendant No.8 is joined in the capacity as pledger of shares. The Defendant Nos.5, 6 and 7 have been joined in their capacity as corporate guarantors as well as mortgagors so far as only Applicant No.1 is concerned.
3. So far as Defendant No.9 is concerned, he is joined in the capacity as security trustee and Defendant no.10 is joined in proforma capacity as member of the consortium who has filed separate application and who is holding pari passu charge on the security covered under the consortium agreement.
4. Credit facilities were granted to Defendant No.1 since 2001 from time to time and the concerned Defendants have executed various documents from time to time.
5. The Defendants approached for restructuring in or around 26.12.2012 whereupon final restructuring package of term lender Applicants and working capital lender Applicants were

sanctioned, which have been enumerated Applicant Banks wise on page No.83 to 86 of the O.A.

6. In pursuance to the above-mentioned sanction, the Defendants have executed various documents enumerated in para 5.68 (a) to (r). These documents are produced (pages 1696 to 2195) This also includes deed of guarantee executed by defendant no.2 to 4 dated 20.04.2013 for different facilities as per para 5.68(n) to (p) (produced Pages 2121 to 2176).
7. The Defendant Nos.5 to 7 Corporate Guarantors and mortgagors so far pertains to applicant No.1 only, executed guarantee agreement dated 25.03.2011 (produced at page 1462 to 1473) further they have also passed resolution in the meeting of board of Directors held on 12.03.2011 (produced at page 1457 to 1459) for giving corporate guarantee and for execution of mortgage for their immovable property. The said Defendant no.5 to 7 deposited title deeds of immovable property belonging to them on 28.03.2011 with an intent to secure all the amount due and payable from Defendant no.1 and also executed undertaking confirming mortgage properties free from encumbrance on 25.03.2011 (produced page 1486 to 1497).
8. Defendant no.8 and Defendant no.1 executed agreement of pledge of shares dated 20.04.2013 and board of directors of Defendant No.8 in its meeting held on 08.04.2013 passed resolution for pledge of shares of Defendant No.1 owned by

Defendant No.8 to the consortium and executed necessary power of attorney concerning the said pledge shares on 20.04.2013 as well as on 10.09.2014 (produced at pages 2245 to 2297).

9. Defendant No.1 has executed mortgage deed by visiting the office of Defendant No.9 security trustee on 19.02.2013 and also executed declaration cum undertaking concerning the said mortgage on said date (produced at pages 2298 to 2320). Further Memorandum of entry and declaration and undertaking have been executed on 10.09.2014 by Defendant No.1 (produced at pages 2347 to 2372).
10. The Defendant No.1 failed to comply certain critical conditions of the CDR package as detailed in para 5.78 and therefore, consortium member banks have exited from CDR mechanism and initiated recovery proceedings and also initiated proceeding under the SARFAESI Act.
11. The following reliefs are claimed in para 6 of the Original Application and Applicant Banks has claimed separate amount from the concerned Defendants;

In view of the facts mentioned herein above, the Applicant Banks pray for the following reliefs:

- A. *This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.1 for an amount of Rs. 174,98,35,714.45 (Rupees One Hundred Seventy Four Crore Ninety Eight Lacs Thirty Five Thousand Seven Hundred Fourteen Rupees Forty Five Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant*

no. 1 to 7 jointly and/or severally to make payment of the above mentioned amount with interest @ Andhra Bank Base rate + 4.75% i.e. 14.50% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs. 164,69,65,275.18 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no. 2 for an amount of Rs. 93,18,08,540.14 - (Rupees Ninety Three Crore Eighteen Lacs Eight Thousand Five Hundred and Forty Rupees Fourteen Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ Punjab National Bank Base rate + 4.50% i.e. 14.10% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs. 90,30,92,571.23 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.3 for an amount of Rs.51,88,00,783.75 - (Rupees Fifty One Crore Eighty Eight Lacs Seven Hundred and Eighty Three Seventy Five Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ Canara Bank Base Rate + 7.00% i.e. 16.65% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.517639110.08 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.4 for an amount of Rs. 80,33,90,639.21 (Rupees Eighty Crore Thirty Three Lacs Ninety Thousand Six Hundred Thirty Nine Twenty Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct defendant no. 1 to 4 jointly and/or severally to

*make payment of the above mentioned amount with interest @ Dena Bank Base rate +3.05% i.e.12.75% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.793192928.61 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.*

*This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.5 for an amount of Rs.90,69,25,920.99 - (Rupees Ninety Crore Sixty-Nine Lacs Twenty-Five Thousand Nine Hundred Twenty Rupees Ninety-Nine Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ Oriental Bank of Commerce Base rate + 4.75% i.e. 14.45% p.a. at present monthly rests together with 2% p.a. penal interest on Rs.88,87,14,040.05 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.*

*This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.6 for an amount of Rs.28,13,90,085.00 - (Rupees Twenty Eight Crore Thirteen Lacs Ninety Thousand Eighty Five Rupees only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @Vijaya Bank Base rate + 4.50% i.e. 14.15% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.27,67,23,354.79 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.*

*This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.7 for an amount of Rs.27,05,26,677.67 - (Rupees Twenty Seven Crore Five Lacs Twenty Six Thousand Six Thousand Six Hundred and Seventy Seven Rupees Sixty Seven Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993*



read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ Jammu & Kashmir Bank Base rate + 3.75% i.e. 13.25% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.26,56,20,509.87 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.8 for an amount of Rs.24,55,46,228.00 - (Rupees Twenty Four Crore Fifty Five Lacs Forty Six Thousand Two Hundred and Twenty Eight only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally amount with interest @ Bank of Maharashtra Base rate + 4.75% i.e. to make payment of the above mentioned E defendants. 14.45% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.23,87,73,581.00 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.9 for an amount of Rs. 98,27,46,981.52 - (Rupees Ninety Eight Crore Twenty Seven Lacs Forty Six Thousand Nine Hundred Eighty Rupees Fifty Two Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest Allahabad Bank Base rate + 4.25% i.e.13.95..% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.96,20,83,581.98 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.10 for an amount of Rs.111,06,62,445.00 (Rupees one Hundred Eleven Crore Six Lacs Sixty Two Thousand Four Hundred Forty Five Rupees only) under the provisions of Section

19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ IOB Base rate + 4.30% i.e. 14.00% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs. 109,67,82,198.00 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.11 for an amount of Rs.63,53,24,130.08 (Rupees Sixty Three Crore Fifty Three Lacs Twenty Four Thousand One Hundred Thirty Rupees Eight Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ PSB Base rate + 4.00% i.e. 13.75% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.629798639.01 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.12 for an amount of Rs.63,63,94,205.32 - (Rupees Sixty Three Crores Sixty Three Lakh Ninety Four Thousand Two Hundred Five and Paise Thirty Two only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ Bank of India Base rate + 5.25% i.e. 14.95% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.61,84,23,023.55 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.13 for an amount of Rs.110,55,47,081.36 (Rupees One Hundred and Ten Crore Fifty Five Lacs Forty Seven

Thousand Eighty One Rupees Thirty Six Paise only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no.1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ SBI Base rate + 8.25% i.e. 17.55% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.105,08,45,410.34 from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

This Tribunal be pleased to issue Recovery Certificate in favour of Applicant no.14 for an amount of Rs.28,15,28,470 - (Rupees Twenty Eight Crore Fifteen Lacs Twenty Eight Thousand Four Hundred Seventy Only) under the provisions of Section 19(22) of the Recovery of Debts Due to the Banks and Financial Institutions Act, 1993 read with rules framed thereunder and be pleased to direct Defendant no. 1 to 4 jointly and/or severally to make payment of the above mentioned amount with interest @ BMPLR 1.00% i.e. 12.95% p.a. at present on monthly rests together with 2% p.a. penal interest on Rs.276042979.00\* from the date of the application till realization and the Recovery Officer be authorized under the provisions of the Act to recover the amount stated above along with running interest with monthly rests, costs, etc. from the persons and properties of the Defendants.

- B. The Tribunal be pleased to issue necessary recovery certificate to the Recovery Officer for recovery of the aforesaid amounts as claimed in relief prayer 6-
- C. The Tribunal be pleased to direct the Recovery Officer to realize the amount from disposal of secured assets as stated in Schedule I, II & III attached herewith and the amount be applied towards the recovery certificate.
- D. This Hon'ble Tribunal may be pleased to award the costs of this application along with interest on the said amount of costs to the Applicant.
- E. Any other relief and reliefs which the Hon'ble Tribunal deems proper in the facts and circumstances of the case in favour of the Applicant banks and against the defendants.

12. Mortgage of immovable properties belonging to Defendant No.1

for all the 14 banks have been described in Schedule 1 (para 13.1

and 3.2 [Page 110 of the paper book]). So far as mortgage of immovable properties exclusively charged in favour of the Applicant No.1 belonging to Defendant Nos.5, 6 and 7 are enumerated (page 111 of the paper book).

13. Hypothecated properties for all the 14 Applicant Banks are enumerated in Schedule II (Pages 112 and 113 of paper book). Shares pledged by Defendant No.8 are enumerated in Schedule III (Page 114 of paper book). Affidavits in support of suit claims are already filed separately for all the Applicant Banks.
14. In the order passed by this Tribunal on 11.03.2019, it is noted that the Bank has filed written submissions and copy supplied to the other side. On behalf of the defendants, they asked for time for filing written submission.
15. In the hearing on 25.04.2019, it is noted that the Bank has filed amendment application for joining legal heirs of defendant No.2 vide I.A. No.908/2018. By order dated 30.04.2019, the said IA was allowed for impleadment of legal heirs and notice was issued to newly impleaded defendants.
16. In hearing on 17.07.2019, the matter was adjourned at the request of Defendant to 25.07.2019. By order dated 25.07.2019, it was directed that since no one appears on behalf of the Defendants and the matter was called out several times, the Defendants are proceeded ex parte. So far notice to legal heir of defendant No.2, fresh notice was issued subject to payment of costs. However, on the said date,

after passing of this order, learned advocate of the Defendants appeared and they were permitted to join proceeding. The Defendants filed purshish to place on record the address of the Defendant No.2.

17. On 26.08.2019, the order is passed to accept the memo of appearance for legal heir of the defendant no.2 and at their request, time is granted to file reply on or before 21.12.2019.
18. In the hearing on 09.09.2019, this Tribunal awarded cost of Rs.10 Lakhs on the Defendants and thereafter, on the request of Defendants the cost was reduced to Rs.5 Lakhs and the matter is adjourned to 16.09.2019. The Defendants sought again adjournment on 16.09.2019. The Defendants submitted that written statement earlier filed by Defendant No.2 during his lifetime is being adopted by legal heirs. Again, the Defendants sought for adjournment, the matter is kept on 18.09.2019.
19. In the hearing on 18.09.2019, the Defendants sought adjournment and undertook to argue on the next date of hearing. Even though the Defendants have not paid amount of cost, one more opportunity was granted to pay the cost. Then the matter was kept on 27.09.2019.
20. In the hearing on 27.09.2019, the Defendants still have not paid the cost and asked for adjournment. At the request of Defendants, the matter was adjourned to 15.10.2019 with clear stipulation that the

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Defendants will face consequences of none payment of costs in view of the judgment of the Hon'ble Supreme Court.

21. In the hearing on 15.10.2019 as well as on 11.11.2019, the Defendants again sought adjournment. In the hearing on 14.11.2019, the Defendants sought time for permission for filing written submissions.
22. In the hearing on 14.11.2019, the order is passed that as the cost of Rs.5 Lakhs is not paid, the defense is struck off in OA. The Defendants then sought permission to file written submissions and the matter was adjourned to 20.11.2019.
23. In the hearing on 18.11.2019, arguments took place with regard to application of the Defendants Exhibit R/50 to direct the Applicants to furnish certain documents and information as prayed therein. On this application, the Defendants submitted written submission in September, 2019 as the bank submitted its written submissions on 23.09.2019. This Tribunal passed a detailed order rejecting the application Exhibit R/50 with costs of Rs.25,000/- and matter was adjourned on 07.12.2019 for final hearing.
24. In the hearing on 20.11.2019, the Defendants did not appear and the matter was adjourned to 22.11.2019. The Defendants then sought adjournment on 23.11.2019. In the hearing on 23.11.2019, the Defendants sought adjournment again, the matter is adjourned with the order of cost of Rs. 1 Lakh and the matter was adjourned to 3.12.2019. In the hearing on 03.12.2019, the Defendants paid cost

- Rs.1 Lakh and sought time of 45 days to file written submission, however, the matter was adjourned to 07.12.2019.
25. In the hearing on 20.11.2019, the Defendants did not appear and the matter was adjourned to 22.11.2019. The Defendants then sought adjournment on 23.11.2019. In the hearing on 23.11.2019, the Defendants sought adjournment again, the matter is adjourned with the order of cost of Rs. 1 Lakh and the matter was adjourned to 3.12.2019. In the hearing on 03.12.2019, the Defendants paid cost Rs.1 Lakh and sought time of 45 days to file written submission, however, the matter was adjourned to 07.12.2019.
26. In the hearing on 11.12.2019, the Defendants sought adjournment of the matter for hearing after 07.01.2020. On 16.12.2019, this Tribunal passed an order considering earlier orders and particularly 07.12.2019 and 11.12.2019 accepting the request of the Defendants to adjourn the case with clear stipulation that in case the Defendants failed to argue on next date of hearing <sup>i.e.</sup> ~~ie~~ 08.01.2020, the Tribunal will pass appropriate order.
27. In hearing of 08.01.2020, learned counsel for the Defendants filed adjournment purshish, however, the Tribunal in a detailed order on the said date, after noting the adjournments sought by Defendants since March, 2019 onwards, held that the Defendants are deliberately seeking adjournments, passed an order for imposing costs of Rs.10 Lakhs upon the Defendants for delaying the matter to be deposited before the National Defense Funds and

gave reasons in the said order for imposing the costs of Rs.10 Lakhs and the matter is adjourned on 13.01.2020 for payment of cost and final hearing

28. In the hearing on 13.01.2020, the Tribunal passed detailed order noting the fact about Hon'ble NCLT proceedings and appointment of Resolution Professional, however, also noted that the costs imposed by the Tribunal in earlier order, is not paid and the order is not complied and also noted the contentions of the Defendants that they are unable to pay the costs. It is further submitted that the Defendants have failed to make payment of costs imposed by this Tribunal vide order dated 08.01.2020 and in the hearing on 13.01.2020, this Tribunal in detailed order indicated that the Defendants would be liable to face consequences of non-payment of costs in view of the judgment of Hon'ble Supreme Court in case of Manohar Singh Vs. D.S. Sharma and further observed that in normal circumstances, opportunity to be granted to pay cost but since they have shown inability to pay cost, there is no occasion to grant further opportunity and Defendants are delaying the matter on one pretext or other and consequently the defense taken by the Defendants stands stuck off. This Tribunal passed an order that defense taken by the Defendants stands struck off and the matter is kept on 20.01.2020.
29. The documentary evidence further establishes that after financial stress was experienced by Defendant No.1, a restructuring package

under the Corporate Debt Restructuring (CDR) mechanism came to be approved. Pursuant thereto, fresh documents, security confirmations, undertakings and restructuring documents were executed by the borrower and guarantors in favour of the consortium lenders.

30. The Applicants have produced extensive documentary evidence comprising sanction letters, restructuring approvals, loan agreements, deeds of guarantee, mortgage documents, declarations, undertakings, pledge agreements, powers of attorney and other security documents. The execution of these documents stands established from the record.
31. The evidence further demonstrates that Defendant Nos.2, 3 and 4 executed personal guarantees in favour of the Applicant Banks and undertook to discharge the liabilities of Defendant No.1 in the event of default.
32. The law regarding liability of guarantors is well settled. Under Section 128 of the Indian Contract Act, the liability of the guarantor is co-extensive with that of the principal debtor unless otherwise provided by contract.
33. In **State Bank of India v. Indexport Registered**, (1992) 3 SCC 159, the Hon'ble Supreme Court held that a creditor is entitled to proceed against the guarantor without first exhausting remedies against the principal borrower.

34. Similarly, in **Ram Kishun v. State of U.P., (2012) 11 SCC 511**, it was reiterated that proceedings against borrower and guarantor may be pursued simultaneously.
35. Accordingly, Defendant Nos.2 to 4 are jointly and severally liable along with Defendant No.1 in accordance with the guarantee deeds executed by them.
36. The record further reveals that Defendant Nos.5, 6 and 7 executed corporate guarantees and created mortgage security in favour of Applicant No.1. Board resolutions authorizing creation of such security and execution of guarantee documents have been produced on record. The title deeds were deposited with intention to create equitable mortgage and the corresponding memoranda and declarations are available in evidence.
37. Likewise, Defendant No.8 executed pledge arrangements in respect of shares for securing repayment obligations of Defendant No.1.
38. The Applicants have therefore established creation of valid security interest through mortgage, hypothecation, pledge and guarantee arrangements.
39. The Tribunal further finds that Defendant No.1 failed to comply with critical obligations of the restructuring package. The defaults continued despite restructuring support extended by the consortium lenders. Consequently, the consortium exited the CDR mechanism and initiated recovery proceedings.

40. The next question is whether the debt claimed by the Applicant Banks stands proved.
41. The Applicant Banks have produced certified statements of account duly supported by affidavits of their authorized officers. The statements disclose the outstanding dues payable to each of the Applicant Banks.
42. The statements are admissible under the provisions of the Bankers' Books Evidence Act and constitute reliable evidence regarding the outstanding liability.
43. The Supreme Court has consistently recognized certified banking records as admissible evidence when duly proved in accordance with law.
44. No material has been placed on record to demonstrate that the statements of account are incorrect, manipulated or inconsistent with the loan records.

The evidence on record therefore conclusively establishes:

- (i) sanction and disbursement of credit facilities;
- (ii) execution of loan documents;
- (iii) execution of guarantee documents;
- (iv) creation of mortgage and security interest;
- (v) default in repayment; and
- (vi) outstanding debt due and payable to the Applicant Banks.

### **EFFECT OF CONDUCT OF DEFENDANTS**

45. The proceedings further reveal a prolonged pattern of non-cooperation by the defendants.
46. Repeated opportunities were granted for filing replies, written submissions and addressing arguments. Numerous adjournments were sought. Costs were imposed on multiple occasions. The orders passed during the course of proceedings disclose that despite indulgence shown by the Tribunal, compliance was not forthcoming.
47. The record further reflects that the defendants failed to comply with cost orders imposed by the Tribunal. Consequently, the defence was struck off.
48. Although striking off defence does not automatically entitle the Applicants to a decree, it is nevertheless relevant that no substantive evidence was ultimately adduced by the defendants to rebut the claim established through documentary evidence.
49. The Tribunal has independently scrutinized the evidence placed by the Applicant Banks and is satisfied that the claim stands proved on merits.

### **ENTITLEMENT OF APPLICANT BANKS**

The amounts claimed by the respective Applicant Banks are supported by certified Statements of Account and Affidavits in Support Of Suit Claim.

The Tribunal is therefore satisfied that the following amounts are due and payable:

<b>Applicant Bank</b>	<b>Amount Due</b>
Applicant No.1	Rs.174,98,35,714.45
Applicant No.2	Rs.93,18,08,540.14
Applicant No.3	Rs.51,88,00,783.75
Applicant No.4	Rs.80,33,90,639.21
Applicant No.5	Rs.90,69,25,920.99
Applicant No.6	Rs.28,13,90,085.00
Applicant No.7	Rs.27,05,26,677.67
Applicant No.8	Rs.24,55,46,228.00
Applicant No.9	Rs.98,27,46,981.52
Applicant No.10	Rs.111,06,62,445.00
Applicant No.11	Rs.63,53,24,130.08
Applicant No.12	Rs.63,63,94,205.32
Applicant No.13	Rs.110,55,47,081.36
Applicant No.14	Rs.28,15,28,470.00
<b>Aggregate Liability</b>	<b>Rs.1046,04,27,902.10</b>

The aggregate liability comes to Rs.1046,04,27,902.10.

### **RATE OF INTEREST**

The Applicants have claimed contractual interest.

50. Section 19(20) of the Recovery of Debts and Bankruptcy Act, 1993 empowers the Tribunal to award pendente lite and future interest.
51. The provision confers discretion analogous to Section 34 of the Code of Civil Procedure.
52. Considering the magnitude of the claim, the commercial nature of the transaction, the conduct of the parties and the overall facts of the case, this Tribunal is of the view that award of simple interest at the rate of 12% per annum from the date of filing of the Original Application till realization would meet the ends of justice.

**ORDER**

- The Original Application No.150 of 2016 is hereby allowed.
- It is declared that the Applicant Banks have successfully proved the debt and liability of the defendants.
- The defendants are jointly and severally liable in accordance with the loan documents, guarantee deeds, mortgage documents and security documents executed by them.
- Recovery Certificates under Section 19(22) of the Recovery of Debts and Bankruptcy Act, 1993 shall be issued in favour of the respective Applicant Banks for the amounts specified hereinbelow:

<b>Applicant Bank</b>	<b>Amount Due</b>
Applicant No.1	Rs.174,98,35,714.45
Applicant No.2	Rs.93,18,08,540.14
Applicant No.3	Rs.51,88,00,783.75
Applicant No.4	Rs.80,33,90,639.21
Applicant No.5	Rs.90,69,25,920.99
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Applicant No.14	Rs.28,15,28,470.00
<b>Aggregate Liability</b>	<b>Rs.1046,04,27,902.10</b>

- The aforesaid amounts shall carry simple interest at the rate of 12% per annum from the date of filing of the Original Application until realization.

- The Defendants are directed to pay the amount to the Applicant Banks, as specified above, within 30 days from today.
- In case of failure to pay aforesaid adjudicated amount within 30 days, the same shall be recovered from the sale of hypothecated movables and mortgaged immovable property of the Certificate Debtors/ Defendants as described in First, Second and Third Schedule of the Original Application.
- If there is any shortfall, the same shall be recovered from the sale of other personal movable and immovable properties of the Defendants.
- The Recovery Officer shall proceed to recover the decretal dues by adopting all modes permissible under law including:
  - (a) Attachment and sale of movable properties;
  - (b) Attachment and sale of immovable properties;
  - (c) Enforcement of mortgage securities;
  - (d) Realization of hypothecated assets;
  - (e) Invocation and realization of pledged securities;
  - (f) Garnishee proceedings;
  - (g) Arrest and detention wherever permissible under law; and
  - (h) All other recovery measures available under the Recovery of Debts and Bankruptcy Act, 1993.

- The secured assets described in the schedules annexed to the Original Application shall remain available for satisfaction of the Recovery Certificates.
- The Applicants shall also be entitled to costs of the proceedings.

Recovery Certificates be drawn accordingly.

Pronounced in Open Court on this 29<sup>th</sup> June, 2026 at Ahmedabad.

**(PANKAJ KUMAR UPADHYAY)**  
**PRESIDING OFFICER**  
**DRT-II, AHMEDABAD**

Shailja