DEBTS RECOVERY TRIBUNAL-III, DELHI
4th Floor, Jeevan Tara Building,
Parliament Street, New Delhi

PRESIDING OFFICER:MR. SHIV KUMAR - I

(T.A. No. : 416/2022)

1. **Indian Overseas Bank**
   Asset Recovery Management Branch
   (Through its Authorized Representative)Rachna Building, 3rd Floor,2 Rajendra Place, Pusa Road,
   New Delhi – 110008

....Applicant Bank

Through Mr. Sanjay Kishore, Assistant General Manager, Asset Recovery Management Branch

Versus

1. **Mr. Charanjit Singh Sahni**
   S/o Late Sh. Manmohan Singh, 22/3, Lajpat Nagar, Chowk,
   Lucknow, Uttar Pradesh – 226003

2. **M/s Jyoti Buildtech Pvt. Ltd. (Under Insolvency)**
   (Through Resolution Professional)
   Regd. Office: 68/5339, Regarpura,
   Karol Bagh, New Delhi – 110005

3. **Sh. Harjeet Singh Sahni**
   S/o Late Sh. Manmohan Singh
   D-835, New Friends Colony,
   New Delhi

4. **Smt. Pummy Sahni**
   W/o Sh. Harjeet Singh Sahni
   D-835, New Friends Colony,
   New Delhi

5. **Smt. Jyoti Sahni**
   W/o Sh. Charanjit Singh Sahni
   22/3, Lajpat Nagar, Chowk,
   Lucknow, Uttar Pradesh – 226003

6. **Sh. Kanwarjeet Singh Sahni**
S/o Late Sh. Manmohan Singh
11/5, Lajpat Nagar, Chowk,
Lucknow, Uttar Pradesh

7. **Smt. Jagjeet Kaur**
W/o Sh. Rakshapal Singh
267/61, Jal Sansthan Compound,
Lucknow, Uttar Pradesh

8. **Sh. Ishpreet Singh**
S/o Sh. Charanjit Singh Sahni
22/3, Lajpat Nagar, Chowk,
Lucknow, Uttar Pradesh – 226003

9. **M/s Hindustan Infra Projects Pvt. Ltd.**
22/3, Lajpat Nagar, Chowk,
Lucknow, Uttar Pradesh – 226003

....Defendants

Date of Institution: 07.06.2021
Date of Pronouncement: 22.08.2025

Counsels : **Mr. Ronnie S Brara, for Applicant Bank.**
Ms. Kamlesh Gupta, for Defendant No. 3 & 4.

FINAL ORDER

1. This Original Application is filed on 07.06.2021 under Section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, by That the Applicant, Indian Overseas Bank, is a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980, having its Head Office at 763, Anna Salai, Chennai–2 and an Asset Recovery Management Branch at Rachna Building, 4th Floor, 2, Rajendra Place, Pusa Road, New Delhi–110008, which has filed the present Original Application through its duly constituted attorney Mr. Sanjay Kishore, Assistant General Manager, authorized under Power of Attorney dated 01.06.2001

to institute and prosecute these proceedings; the Applicant Bank seeks recovery of a sum of Rs. 126,23,33,420/- (Rupees One Hundred Twenty-Six Crores Twenty-Three Lakhs Thirty-Three Thousand Four Hundred Twenty only) along with pendente lite and future interest from the guarantors and mortgagors, Defendants No. 1 and 3 to 9, whose liability is joint, several, and co-extensive with that of the borrower company, no effective recovery having been made in the insolvency proceedings pending against the borrower.

2. It is pertinent here that this OA bearing no. 351/2021 was originally filed before Ld. DRT-I, Delhi, however, in pursuance to Gazette Notification No. 4718(E) dated 04.10.2022 issued by Government of India, Department of Financial Services, Ministry of Finance, this case file was transferred by Ld. DRT-II, Delhi to this Tribunal in 01.11.2022 and was numbered at TA-416/2022.

3. The brief facts of the case are that Defendant No. 2, M/s Jyoti Buildtech Pvt. Ltd., is a private limited company incorporated under the Companies Act, 1956, engaged in the business of building and construction, and is the principal borrower to whom the Applicant Bank had sanctioned various credit facilities; however, since insolvency proceedings against the said company have been admitted by the Ld. NCLT, no relief is sought against it in the present proceedings. Defendants No. 1, 3 to 9 are the personal guarantors and mortgagors who executed unconditional, joint and several guarantees and also created equitable mortgages over their respective immovable properties to secure the due repayment of the aforesaid facilities. Their liability is joint, several, and co-extensive with that of the borrower company, and they are therefore liable to repay the entire outstanding dues of the Applicant Bank.

4. So far as, all the Defendants No. 1 to 9 have remained ex parte since 01.07.2024, Despite due service of summons, the said Defendants failed to appear or file their response before this Tribunal, and accordingly, proceedings against them were initiated and continued ex parte.

5. It is pertinent that Defendant No. 2is concerned, Since Defendant No. 2 is under CIRP pursuant to the order of the Ld. NCLT, New Delhi dated 06.03.2019. The said proceedings were initiated by ICICI Bank Ltd. under the Insolvency and Bankruptcy Code, 2016, wherein a Resolution Professional has been appointed and the Applicant Bank has lodged its claim, no relief is granted against Defendant No. 2 in the present proceedings. However, any amount realized by the Applicant Bank in the said insolvency proceedings shall be duly adjusted in the recovery proceedings.

6. It is further stated that in 2012, the borrower company M/s Jyoti Buildtech Pvt. Ltd. approached the Applicant Bank seeking sanction of various financial facilities in the nature of Cash Credit and Letter of Guarantee. Relying on the representations of the company, the Bank vide sanction letter dated 02.08.2012 sanctioned a Cash Credit facility of Rs. 30 crores carrying interest at Base Rate + 4% (minimum 14.50% p.a.) and a Letter of Guarantee of Rs. 100 crores, with a sub-limit of Rs. 25 crores towards Letter of Credit, at 1% commission per annum. The said facilities were personally guaranteed by Defendant No. 1, 3 to 7. The credit facilities were secured by way of first pari-passu charge on the entire current assets of the company and further collaterally secured by equitable mortgage of various immovable properties, including properties situated at New Delhi, Ghaziabad, Lucknow, Kanpur, and other locations, as detailed in the record in para (5F) and the documents were executed as mentioned below:

i. Demand Promissory Note dated 13.08.2012 for Rs. 30 crores with Letter of Continuity (Annexure A-3)

ii. Demand Promissory Note dated 13.08.2012 for Rs. 100 crores with Letter of Continuity (Annexure A-4)

iii. Consent-cum-Authorization Letter dated 13.08.2012 (Annexure A-5)

iv. Letter of Hypothecation of Machinery/Vehicles/Goods/Book Debts dated 13.08.2012 (Annexure A-6)

v. Agreement/Letter of Hypothecation of Book Debts dated 13.08.2012 (Annexure A-7)

vi. Letter of Hypothecation (Bills) dated 13.08.2012 (Annexure A-8)

vii. Personal Guarantees dated 13.08.2012 executed by the guarantors (Annexure A-9).

7. That, in 2014, M/s Jyoti Buildtech Pvt. Ltd. once again approached the Applicant Bank for renewal and revision of the earlier sanctioned financial facilities. Acting on the representations of the company, the Applicant Bank, through its sanction letters dated 23.08.2014 and 25.08.2014 (Annexure A-10), sanctioned various credit facilities including Miscellaneous Cash Credit of Rs. 28.86 crores (reduced from Rs. 30 crores) with interest at Base Rate + 4% (14.25% p.a.), a Letter of Guarantee of Rs. 100 crores with 1% commission, a sub-limit Letter of Credit of Rs. 25 crores, and Cash Credit against hypothecation of book debts of Rs. 1 crore at Base Rate + 4% (14.25% p.a.). These facilities were personally guaranteed by Defendant No. 1, 3 to 8 (Annexure A-17), and were secured by way of a first pari-passu charge on the company's current assets as well as collateral security by equitable mortgage of multiple immovable properties as detailed in the record in para (5G) and the documents were executed as mentioned below:

i. Board Resolution dated 10.12.2014 authorizing execution (Annexure A-11)

ii. Demand Promissory Note for Rs. 25 crores with Letter of Continuity dated 12.12.2014 (Annexure A-12)

iii. Hypothecation Agreements dated 12.12.2014 covering open loan/advances, machinery, vehicles, goods, book debts, and bills (Annexures A-13 to A-16)

iv. Personal Guarantee Deeds dated 12.12.2014 executed by Defendant No. 1, 3 to 8 (Annexure A-17)

v. Indemnity Bonds dated 12.12.2014 executed by Defendant No. 3 and 4 (Annexure A-18)

vi. ROC Certificate of Registration of Charge issued on 16.01.2015 (Annexure A-19)

vii. Affidavits dated 20.06.2015 executed by Defendant No. 1, 3, 6, and 7 declaring themselves as legal heirs of Late Mr. Manmohan Singh in respect of mortgaged properties (Annexure A-20).

8. Subsequently, in the year 2016, M/s Jyoti Buildtech Pvt. Ltd. sought renewal of facilities, and the Bank vide sanction letter dated 13.05.2016 (Annexure A-21) renewed Misc. Cash Credit of Rs. 29 crores (sub-limit Rs. 0.50 crores), Letter of Guarantee of Rs. 100 crores, and Letter of Credit of Rs. 25 crores (sub-limit of LG), secured by personal guarantees of Defendant No. 1, 3 to 8, along with pari-passu charge on current assets and equitable mortgage of immovable properties. By confirmation letters dated 22.06.2016 (Annexure A-22), Defendant No. 3 and 4 deposited title deeds of properties at D-835, New Friends Colony, New Delhi. Thereafter, vide sanction letter dated 09.09.2016 (Annexure A-23), the Bank sanctioned a fresh Letter of Guarantee facility of Rs. 54 crores for mobilization advance of the Ranchi Project, properties as detailed in the

record in para (5J) and the documents were executed as mentioned below:

i. Demand Promissory Note dated 17.11.2016 (Annexure A-24)

ii. Letter of Hypothecation dated 17.11.2016 (Annexure A-25)

iii. Joint Personal Guarantee by Defendants dated 17.11.2016 (Annexure A-26)

iv. Corporate Guarantee dated 17.11.2016furnished by Defendant No. 9/M/s Hindustan Infra Project Pvt. Ltd.(Annexure A-27)

v. General Counter Guarantee executed by the borrower company dated 17.11.2016 (Annexure A-28)

vi. Confirmation Letters of Supplemental Mortgage dated 17.11.2016 (Annexure A-29)

vii. Indemnity Bondsexecuted by Defendant No. 3 & 4 in respect of property at D-835, New Friends Colony, New Delhi dated 17.11.2016 (Annexure A-30)

viii. Certificate of Registration of Charge dated 09.09.2016 (Annexure A-31)

ix. Revival Letterexecuted by the borrower company dated 19.10.2017 (Annexure A-32)

9. In the year 2017, M/s Jyoti Buildtech Pvt. Ltd. again approached the Applicant Bank for renewal of its existing credit facilities, and relying on the representations and assurances of the borrower, the Bank, vide Sanction Letter dated 23.11.2017 (Annexure A-33), renewed the facilities, comprising

(i) Misc. Cash Credit of Rs. 29.00 crores with a sub-limit of Rs. 0.50 crores at an interest rate of 13.95% p.a. (1-year MCLR 8.65% + 0.20% + 5.10%),

(ii) Letter of Guarantee of Rs. 100 crores, and

(iii) Letter of Credit of Rs. 25 crores (sub-limit of LG), in terms of prevailing CO circulars. These facilities were secured by the personal guarantees of Defendant No.1, 3 to8, and further secured by (a) first pari-passu charge on all current assets of the company with other working capital lenders, (b) exclusive charge on block assets not financed by financial institutions, (c) residual value of properties held as collateral for the MCC facility, and (d) equitable mortgage of immovable properties. Notably, four properties at Serial No. (xx) to (xxiii), though inadvertently released earlier, were reaffirmed under the Sanction Letter dated 23.11.2017 as continuing prime security for the MCC facility (Annexure A-34). The Defendants accordingly deposited the title deeds of these properties with the Applicant Bank, which remain in its possession, properties as detailed in the record in para (5L).

10. Despite timely sanction, disbursal, and compliance with all terms of the agreements by the Applicant Bank, M/s Jyoti Buildtech Pvt. Ltd. failed to maintain financial discipline and adhere to the terms and conditions of the various financial documents and agreements. Consequent upon the borrower's defaults in payment of principal and interest as agreed, the account was declared Non-Performing Asset (NPA) on 05.09.2018 in accordance with Reserve Bank of India guidelines.

11. Subsequently, the Applicant Bank issued a Demand Notice dated 05.10.2018 under Section 13(2) of the SARFAESI Act, 2002, demanding the entire outstanding amount of Rs. 113,36,47,188/- from the Defendants, which remained unpaid.

12. It is pertinent that the borrower had also availed financial facilities from ICICI Bank Limited, and upon defaults in repayment and non-compliance with agreed terms, ICICI Bank initiated insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 before the Ld. NCLT, Principal Bench, New Delhi, which, vide order dated 06.03.2019, admitted the application and appointed a Resolution Professional. Pursuant to the order, the RP formed a Committee of Creditors (CoC), with the Applicant Bank as a member, and the Bank filed its claim of Rs. 115,93,34,436/- before the RP. No amount has been received from these proceedings to date. Consequently, the Applicant Bank issued a Recall Notice dated 28.08.2020 to all Guarantors demanding Rs. 120,64,57,031/- as on 31.07.2020, which remains unpaid. As on 26.02.2021, the total amount due and payable by the Defendants is Rs. 126,23,33,420/- including accrued interest, as reflected in the Bank's Statement of Accounts (31.01.2013 to 26.02.2021) and Certificate under the Banker's Book Evidence Act.

13. Despite repeated notices, the Defendants have failed to pay, thereby causing loss to the Bank and necessitating the present Application. The Applicant Bank is entitled to pendent elite and future interest at contractual rates of 14% per annum plus penal interest of 2% on overdue amounts, applied as per executed loan documents and RBI guidelines, without capitalization of penal interest.

14. To substantiate its case, the Applicant Bank has filed the affidavit of Mr. Sanjay Kishore, Assistant General Manager at its Asset Recovery Management Branch, 3rd Floor, Rachna Building, 2, Rajendra Place, New Delhi-110008. Being well acquainted with the facts and circumstances of the matter, he is competent to depose on behalf of the Bank. His affidavit affirms that the present Original Application has been instituted, signed,

and verified by him in his capacity as the duly constituted attorney of the Applicant Bank, authorized to sign pleadings, affidavits, applications, replies, and to carry out all connected acts and proceedings relating to this case. The Power of Attorney dated 01.06.2001 executed in his favour has been placed on record and is exhibited as Exhibit AW-1/1.

i. Sanction Letter dated 02.08.2012, exhibited as EXH. AW-1/2.
ii. Demand Promissory Notes both dated 13.08.2012 along with Letters of Continuity, exhibited as EXH. AW-1/3 and EXH. AW-1/4.
iii. Consent-cum-Authorization Letter dated 13.08.2012, exhibited as EXH. AW-1/5.
iv. Letter of Hypothecation (machineries/vehicles/goods/book debts) dated 13.08.2012, exhibited as EXH. AW-1/6.
v. Agreement/Letter of Hypothecation of Book Debts dated 13.08.2012, exhibited as EXH. AW-1/7.
vi. Letter of Hypothecation (Bills) dated 13.08.2012, exhibited as EXH. AW-1/8.
vii. Personal Guarantees all dated 13.08.2012, exhibited as EXH. AW-1/9.
viii. Sanction Letters dated 23.08.2014 and 25.08.2014, exhibited as EXH. AW-1/10.
ix. Board Resolutions dated 10.12.2014, exhibited as EXH. AW-1/11.
x. Demand Promissory Note dated 12.12.2014 with Letter of Continuity, exhibited as EXH. AW-1/12.
xi. Letter of Hypothecation (open advances) dated 12.12.2014, exhibited as EXH. AW-1/13.

xii. Letter of Hypothecation (machineries/vehicles/goods/book debts) dated 12.12.2014, exhibited as EXH. AW-1/14.

xiii. Agreement/Letter of Hypothecation of Book Debts dated 12.12.2014, exhibited as EXH. AW-1/15.

xiv. Letter of Hypothecation (Bills) dated 12.12.2014, exhibited as EXH. AW-1/16.

xv. Joint Personal Guarantee dated 12.12.2014, exhibited as EXH. AW-1/17.

xvi. Indemnity Bonds both dated 12.12.2014, exhibited as EXH. AW-1/18.

xvii. ROC Certificate dated 16.01.2015, exhibited as EXH. AW-1/19.

xviii. Affidavits dated 20.06.2015, exhibited as EXH. AW-1/20.

xix. Sanction Letter dated 13.05.2016, exhibited as EXH. AW-1/21.

xx. Confirmation Letters both dated 22.06.2016, exhibited as EXH. AW-1/22.

xxi. Sanction Letters dated 09.09.2016, exhibited as EXH. AW-1/23.

xxii. Demand Promissory Note dated 17.11.2016 with Letter of Continuity, exhibited as EXH. AW-1/24 (Colly).

xxiii. Letter of Hypothecation (machineries/vehicles/goods/book debts) dated 17.11.2016, exhibited as EXH. AW-1/25.

xxiv. Joint Personal Guarantee dated 17.11.2016, exhibited as EXH. AW-1/26.

xxv. Corporate Guarantee dated 17.11.2016 furnished by Defendant No. 9, exhibited as EXH. AW-1/27.

xxvi. General Counter Guarantee dated 17.11.2016 furnished by the Borrower Company, exhibited as EXH. AW-1/28.

xxvii. Confirmation Letters of Supplemental Mortgage (F-379-A), all dated 17.11.2016, exhibited as EXH. AW-1/29.

xxviii. Indemnity Bonds both dated 17.11.2016 furnished by Defendant No. 3 & 4, exhibited as EXH. AW-1/30.

xxix. Certificate of Registration of Charge dated 09.09.2016 issued by ROC along with the application, exhibited as EXH. AW-1/31.

xxx. Revival Letter dated 19.10.2017 executed by the Borrower Company, exhibited as EXH. AW-1/32.

xxxi. Sanction Letter dated 23.11.2017 issued by the Applicant Bank, exhibited as EXH. AW-1/33.

xxxii. Copies of the title deeds of mortgaged properties, exhibited as EXH. AW-1/34.

xxxiii. Demand Notice dated 05.10.2018 issued under Section 13(2) of the SARFAESI Act, exhibited as EXH. AW-1/35.

xxxiv. Order dated 06.03.2019 passed by the Ld. NCLT, Delhi, exhibited as EXH. AW-1/36.

xxxv. Claim filed by the Applicant Bank before the Resolution Professional, exhibited as EXH. AW-1/37.

xxxvi. Recall Notice dated 28.08.2020 along with postal receipts, exhibited as EXH.AW-1/38.

xxxvii. (xiii) Statement of Accounts for the period 31.01.2013 to 26.02.2021 along with the certificate under the Banker's Books Evidence Act, exhibited as EXH. AW-1/39.

14. The witness of Applicant Bank has fully corroborated the averments made in the OA. Even otherwise the whole case of the Applicant Bank is based on the documents and the witness has duly proved all these documents. The evidence filed by the Applicant Bank gone unrebutted and there is no question of disbelieving the evidence lead by the Applicant Bank and Applicant Bank has proved its case beyond reasonable doubts.

Accordingly, the bank is entitled to recover the entire amount along with pendentelite interest and future costs as agreed between the parties. I hereby allow this OA as the Applicant Bank has proved its claim beyond any doubt.

15. In this TA, Applicant Bank has prayed to issue recovery certificate against Defendants No. 1, 3 to 9. In the present matter, the Defendant No. 2 is principal borrower to whom financial facilities were sanctioned in 2012, 2014, and 2016. Since insolvency proceedings under IBC are pending before NCLT, no relief is sought against this Defendant in the present OA and Defendants no. 1, 3 to 9 stood as guarantor/mortgagors.

16. Consequently, TA No. 416/2022 stands allowed in favour of Applicant Bank and against Defendants no. 1, 3 to 9, who are liable to pay the dues of the Applicant Bank along with costs and pendentelite & future interest @ 15% per annum, as claimed in the OA, from the date of filing of present OA, till the date of payment in full.

ORDER

TA No. 416/2022 stands allowed and the Defendants No. 1, 3 to 9 are directed to pay to the Applicant Bank, within 30 days, a sum of Rs. 126,23,33,420/- (Rupees One Hundred Twenty-Six Crores Twenty-Three Lakhs Thirty-Three Thousand Four Hundred Twenty only)less the amount received from the sale/ release of mortgaged properties along with cost and pendentelite and future interest, as claimed in OA i.e. @ 15% per annum rests from the date of filing of this OA till the date of realization failing which, the aforesaid amount shall be recovered from the sale of hypothecated/charged stocks/tangible movables and available mortgaged properties.

Further, in case of shortfall, the same shall be recovered from the sale of movable and immovable assets of the Defendants No. 1, 3 to 9.

So far as, Defendant No. 2 is concerned, since Defendant No. 2 is before Ld. NCLT, hence, no order qua Defendant No. 2 can be passed against said Defendant at this stage. However, it is directed that Applicant Bank shall be at liberty to revive the OA qua Defendant No. 2in case NCLT are quashed / withdrawn in future, in accordance with law. It is further directed that in case Applicant Bank receive any amount from the proceedings pending before Ld. NCLT, they shall give due adjustment of the same in the recovery proceedings.

It is also directed that the applicant shall adjust the amount(s), if any, received during the pendency of this case.

(i). The recovery certificate be issued forthwith and be sent to the Recovery Office-I, Debts Recovery Tribunal-III, Delhi.

(ii). Parties are directed to appear before the Recovery Officer-I, DRT-III, Delhi on 13.10.2025.

(iii). Copies of final order as well as Recovery Certificate be sent to all concerned free of cost.

File be closed and consigned to records.

[redacted] 22.08.2025

(Pronounced in open court)

Dated: 22.08.2025

(SHIV KUMAR - I)
PRESIDING OFFICER,
DRT-III, DELHI

K. Singh