

DEBT RECOVERY APPELLATE TRIBUNAL-MUMBAI
(SITTING AT -CHENNAI)

Dated 11th of February, 2026

PRESENT: Hon'ble Mr. Justice G. Chandrasekharan
CHAIRPERSON

Regular Appeal No.23/2016

And

Regular Appeal No.71/2015

(OA 92-A/2001 before DRT-Aurangabad)

Regular Appeal No.23/2016

Between

The Official Liquidator of
M/s. G.G.T. Kaypee Limited.
Bank of India Building, 5th Floor,
Mahatma Gandhi Road, Mumbai

Appellant

And

1. Invent Assets Securitization & Reconstruction Pvt. Ltd
a company incorporated under the Companies Act, 1956
and registered as a Securitization and Assets Reconstruction Company,
Pursuant to Section 3 of the SARFAESI ACT, 2002 having its registered office

at 107, 10th Floor Jolly Maker Chambers No. 2, 225 Nariman Point Mumbai

2. Mr. M. P. Bhasin,
Ex-Director of M/s GGT Kaypee Limited,
Age major Occupation Business,
R/o 201 RajgirMilap,
2nd Floor Juhu Dhara Complex Juhu
Versova Link Road, D. N. Nager, Andheri (West)
Mumbai - 400 053.

3. Mr. R. L. Bhasin
Ex-Director of M/s GGT Kaypee Limited,
Age Major, Occupation : Business,
R/o A-2 Mumbai Alpa Apartment
Next to Hotel Hiltop Pochkhanwala
Road, Worli Mumbai - 400030.

4. Mr. B. L. Bhasin
Ex-Director of M/s GGT Kaypee Limited
Age Major, Occupation : Business,
R/o Park Plaza Flat No. 114, B-wing
Off Yari Road, Versova, Andheri (w)
Mumbai - 400061.

5. Smt Suwarnakanta
W/o J. K. Bhasin
Age Major, Occupation : Business,
R/o 605, Karan Building, C-wing
Off Yari Road, Versova, Andheri (w)
Mumbai - 400061.

6. Mr. Vinodkumar s/o J. K. Bhasin
Ex-Director of M/s GGT Kaypee Limited
Age Major, Occupation : Business,
R/o A-604, Bianca apartment,
Yari Road, Varsova, Andheri (w)
Mumbai - 400061.

7. Mr. Anilkumar s/o J. K. Bhasin
Age Major, Occupation : Business,
R/o 605, Karan Building, C-wing
Off Yari Road, Versova, Andheri (w)
Mumbai - 400061.

... Respondents

Regular Appeal No.71/2015

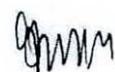
Between

Invent Assets Securitization & Reconstruction Pvt. Ltd
a company incorporated under the Companies Act, 1956
and registered as a Securitization and Assets Reconstruction Company,
Pursuant to Section 3 of the SARFAESI ACT, 2002 having its registered office

at 107, 10th Floor Jolly Maker Chambers No. 2, 225 Nariman Point Mumbai-
400 021.

...Appellant

And



1. M/s. G.G.T. Kaypee Limited
E-13, M.I.D.C. Industrial Area,
Chikalhana, Aurangabad, a company
Registered under the Companies Act, 1956
Now being in liquidation represented by
Official Liquidator, High Court Bombay
Bank of India Building, 5th Floor,
Mahatma Gandhi Road, Mumbai- 400 001.
2. MR. M. P. BHASIN,
Director of Respondent No.1,
Age : Major, Occupation : Business,
R/o. Bhasin Villa, Padampura,
Aurangabad and also at C/o. Bombay Forging,
CST Road, Kalani, Santacruz (East),
Mumbai and also at
R/o. 201 Rajgir Milap, 2nd Floor,
Juhu Dhara Complex, Juhu Versova Link
Road, D.N.Nagar, Andheri (West),
Mumbai - 400 053
3. MR. R. L. BHASIN,
Director of Respondent No.1,
Age : Major, Occupation : Business,
R/o. A-2 Alpa Apartment, Next to Hotel Hilltop, Pochkhanwala Road,
Worli, Mumbai - 400 030
4. MR. B. L. BHASIN,
Director of Respondent No.1,
Age : Major, Occupation : Business,
R/o. Park Plaza, Flat No.114, B Wing,
Off Yari Road, Versova, Andheri (West)
Mumbai - 400 061
5. SMT. SUWARNAKANTA
w/o. J. K. BHASIN,
Age : Major, Occupation : Business,
R/o. : 605, Karan Building, C Wing,
Yari Road, Versova, Andheri West,
Mumbai -400 061
6. MR. VINODKUMAR s/o. J. K. BHASIN
Age : Major, Occupation : Business,
R/o. A-604, Bianca Apartment,
Yari Road, Pancham Marg, Versova,
Andheri West, Mumbai - 400.

7. MR. ANILKUMAR s/o. J. K. BHASIN
Age : Major, Occupation : Business,
R/o. 605, Karan building, C wing,
Yari Road, Versova, Andheri West,
Mumbai – 400 061.

....Respondents

Counsel for IASR : M/s. T.N. Tripathi & Co.,
Counsel for Official Liquidator : M/s. S. Gopalakrishnan

ORDER

1. These Appeals are filed against the orders passed in OA
–92-A/2001 by DRT, Aurangabad.

1.1 For the sake of easy understanding, the Appellant in RA
23/2016 i.e. the Official Liquidator of M/s. GGT Kaypee Ltd.
is referred as M/s. GGT Kaypee Ltd. and Appellant in RA
71/2015, Invent Assets Securitisation and Reconstruction
Pvt. Ltd. is referred as IASR.

2. The OA–92-A/2001 was filed by Appellant/Applicant,
IASR against the Respondents/Defendants. The OA–92-
A/2001 was allowed against the 1st Defendant for



Rs.10,12,68,365/- together with interest @ 12% p.a. (simple). The IASR, filed the Appeal in RA 71/2015 on the ground that the interest is reduced from the contractual rate of interest to 12% p.a. (simple). The Official Liquidator of M/s. GGT Kaypee Limited filed RA 23/2016 against the order entitling the Appellant IASR for attaching and sale of the mortgaged/ charge of the following property :

- (a) Bhasin Villa. CTS No. 20192/5,
Padampura, Aurangabad.

Thus, the Appeals by both Appellants have been filed only on limited grounds i.e. by IASR to award interest at the contractual rate of interest and by the Official Liquidator for omitting the Bhasin Villa property. No other grounds are raised in both the Appeals.

2.1 It is the submission of Learned Counsel for IASR that the first Defendant availed loan facilities agreeing to repay the principal amount with interest at 17% plus 2% interest

Tax with quarterly rests on bills purchased and bills discounted facility, at 17.50% plus 2% interest tax on Term Loan facility at 18% plus 2 % interest tax on Working Capital Term Loan and Working Capital Facility from the date of filing Suit with 3% penal interest with quarterly rests.

2.2 It is settled proposition of law that in commercial transactions, the grant of contractual interest as *pendente lite* interest is the rule and departure is an exception. There is no pleading and the evidence from first Defendant that it is an exceptional case warranting reduction of *pendente lite* interest. So, he pressed for contractual interest. In support of his submissions, he pressed into service of the following decisions

- i) **Union Bank of India Vs. Narendra Plastic** reported in *AIR 1991 Guj 67*,
- ii) **State Bank of India Vs. Yasangi Venkateswara Rao**, reported in *(1992) 2 SCC 375*, and
- iii) **Indian Bank Vs. Blue Jagers Estates Limited** reported in *(2010) 8 SCC 129*.



3. In reply, Learned Counsel for first Defendant submitted that first Defendant was wound up by an order of Hon'ble High Court of Mumbai on 12.09.1996 and the Official Liquidator was appointed. The Official Liquidator is not in possession of accounts statement and the Bank has not produced the accounts statement. Appellant is an assignee from Punjab and Sind Bank and an assignee cannot get a better relief than the assignor. Punjab and Sind Bank received a sum of Rs.4.65 Crores from the first Defendant. That amount has been set off from the claim. The contractual rate of interest has to be paid only till wound up of the company and not after that. There is no Appeal against the exoneration of ex- directors. Interest is payable only till wound up, i.e. upto 12.09.1996. The claim Affidavit filed by the assignor and assignee are contradictory in nature. The assignee sold the mortgaged property (1) under SARFAESI proceedings and received a sum of Rs.20 Crores. Workers claim has to be paid. IASR cannot claim



contractual rate of interest. The Tribunal is rightly reduced the rate of interest.

4. It is further submitted by Learned Counsel for Defendant that without proof of mortgage/charge in respect of Bhasin Villa property, IASR is empowered to attach and sell it for realizing the loan amount. In fact, Learned Presiding Officer has given a finding in para 18 of the order that, "IASR has not produced the documents showing the creation of charge over Bhasin Villa. The charge certificate in respect Bhasin Villa Padampura not acceptable." After recording such a finding, the Tribunal has given contradictory relief, against this finding, empowering IASR to proceed against Bhasin villa property also. Thus, it is submitted that the relief granted for attaching and sale of Bhasin Villa property has to be set aside and there is no need to reconsider the interest ordered.

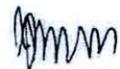
5. In reply to this submission, Learned Counsel for IASR submitted that the IASR proved by production of evidence to

show that charge under Companies Act, was created in respect of Bhasin Villa property. The Tribunal recorded a wrong finding that no document had been produced to show creation of charge in respect of the Bhasin Villa property. However, the relief was rightly granted empowering IASR to attach and sell the Bhasin Villa property.

6. Considered the rival submissions and perused the records.

7. From the facts of the case, documents produced, and the submissions of Learned Counsel for the parties, the following points arose for consideration of this Tribunal:-

- i) Whether there was no mortgage/charge created in respect of Bhasin Villa property as contended by the Official Liquidator of M/s. GGT Kaypae Limited ?



- ii) Whether the reduction of *pendente lite* interest from contractual rate to 12% p.a. (simple) is justified?

- iii) What is the relief, the parties are entitled in these Appeals?

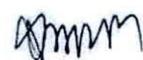
Point Nos.1 and 2:-

8. It is the submission of Learned Counsel for Liquidator that there was no mortgage/charge created on Bhasin Villa property. The charge, if any, created, subsequent to the liquidation of M/s. GGT Kaypee Limited and appointment of Official Liquidator, is illegal. Therefore, there can be no execution against the Bhasin Villa property. The Liquidator of M/s. GGT Kaypee Limited has to pay the dues of others, including the dues of workmen.

9. Learned Counsel for IASR brought to my notice, Form No.8 of Companies Act, 1956 with regard to charge created



on the properties by Mr. B. L. Bhassin, Executive Director of M/s. GGT Keypee Ltd. In Column 3, the details of the property on which the charge was created is mentioned as available in Annexure I. The date of this document is 12.08.1989. In Annexure -I, the description of fixed assets for creation of charge pursuant to Section 125/127 of the Companies Act, is detailed. With regard to Bhasin Villa property, it is referred as (Plot measuring 2800 sq.ft. situated at Risala Road, Padampura, Aurangabad with RCC built up area of 1500 sq.ft. known as "Mhann Villa". The order passed in RCC No. 793/1995 by Learned judge, XIth CJJD, Aurangabad on 11.07.1996 is produced to show that M/s GGT Kaypee Limited created legal mortgage in respect of land, factory building, residential bungalow, plant and machinery, electrical installation, etc. It is referred in this order that the Bank applied to Registrar of Companies for creating charge in favour of plaintiff Bank. Pursuant thereto, a certificate was issued accordingly. The certificate of registration for modification of mortgage etc., under Section 192 read with Section 135 of Companies Act, 1956



dated 23.08.2011 shows that the mortgage dated 11.12.1993 was modified on 21.07.2011. Both the properties including Bhasin Villa property was shown as properties in which charge/mortgage was created. Modification was required because of assignment of loan of Punjab and Sind Bank in favour of IASR. From these documents, it is established beyond doubt that charge was created under Companies Act, 1956 in respect of Bhasin Villa property prior to liquidation of M/s. GGT Kaypee Limited and appointment of receiver.

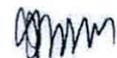
10. Even in the pleadings of the Official Liquidator of M/s. GGT Kaypee Limited, it is not denied that there was no charge/mortgage on Bhasin Villa property and it was stated that IASR has proved the charge/mortgage. From the consideration of the material produced, it is proved that charge was created for Bhasin Villa for securing the loan. A wrong observation was made by Learned Presiding Officer stating that the charge is not valid and that is not correct, and is liable to be set aside, and accordingly set aside. IASR



is entitled to proceed against the both the properties including Bhasin Villa property.

11. With regard to reduction of interest from contractual rate to 12% p.a. (simple), the Hon'ble Supreme Court in **Central Bank of India Vs. Ravidnra and Ors.**, reported in 2002(1) SCC 367, held as follows:-

*"The principal sum adjudged would be the sum actually loaned plus the amount of interest on periodical rests which according to the contract between the parties or the established banking practice has stood capitalized. Interest pendente lite and future interest (i.e. interest post-decree not exceeding 6 per cent per annum) shall be awarded on such principal sum i.e. the principal sum adjudged on the date of the suit. It is well settled **that the use of the word 'may' in Section 34 confers a discretion on the court to award or not to award interest or to award interest at such rate as it deems fit.** Such interest, so far as future interest is concerned may commence from the date of the decree and may be made to stop running either with payment or with such earlier date as the court thinks fit."*



It is the discretion of the Tribunal/Court to award *pendente lite* interest, not necessarily on the basis of contractual rate. In a fitting case contractual rate of interest can be reduced subject to reasons recorded.

12. Admittedly, in this case, M/s. GGT Kaypee Limited was not able to pay the loan dues. Therefore, the company was liquidated and Official Liquidator was appointed and it is claimed by Learned Counsel for Official Liquidator that the claim including workmen's claim has to be still cleared. It is the contention of Learned Counsel for IASR that the claim of the workmen has been settled by the Bank. Even if there is a settlement, still there are dues payable to other claimants. If IASR is permitted to realize the amount determined with contractual rate of interest, the interest *pendete lite* would run into crores. In that event, it may not be possible for the Official Liquidator to settle the claims of the others. To meet the ends of justice, this Tribunal is of the view that award of *pendente lite* at 12% p.a. (simple), is just and proper. Thus,

this Tribunal confirms the order of Learned Presiding Officer, in respect of the *pendente lite* interest rate ordered at 12% p.a.(simple) from the date of filing of OA till the date of realization, with a direction to proceed against the both the properties detailed in the order, in case of non-payment.

13. In this view of the matter, this Tribunal finds that there are no merits in both the Appeals. The Appeals in RA 23/2016 and RA 71/2015 are dismissed. Both the parties shall bear their own costs. All pending IAs, if any, stand closed.

[Dictated to Athistamani, PS, transcribed by her, corrected and signed by me this 11th of February, 2026]


[Justice G. Chandrasekharan]
CHAIRPERSON

