

**IN THE HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT SRINAGAR**

WP(C) 259/2026 CM (657/2026)

Mohammad Maqbool Sheikh

...Petitioner(s)/Appellant(s).

Through: Mr. Sheikh Mushtaq, Advocate.

Vs.

**Jammu and Kashmir Bank
Limited and Others.**

...Respondent(s).

Through: Mr. Shafqat Nazir, Advocate.

CORAM:

HON'BLE MR. JUSTICE MOHD YOUSUF WANI, JUDGE

ORDER

16.02.2026

1. Heard learned counsel for both the parties in the matter.
2. The case of the petitioner is that he, besides being an agriculturist, is also doing his fruit business. That he, in order to give boost to his fruit business approached the respondent-Bank for availing a loan facility for which the Bank, from time to time, keeps apprising the agriculturists to come forward and take benefit of its various schemes sponsored by the State/UT and the Central Governments. That he was encouraged by the respondent/Bank to avail the loan facility to boost his fruit business and accordingly he was given CC Account bearing No. 481 for which he submitted various documents. That he availed the cash credit rehabilitation loan facility under the rehabilitation scheme for the year 2016-17 from the respondent/Bank against the security of fruit and the mortgage of 7 kanal and 6 marlas of land situated at Jindwal, Tehsil and District Pulwama. That during the aforesaid loan facility, he was also given the out drop facility by the respondent/Bank and same was extended to him only after assessing the performance of his loan account.

That he always tried to maintain the loan account satisfactorily but owing to the downfall in the fruit business in the valley because of the then prevailing circumstances of 2019, he was not able to earn anything during the said period. That he made several requests to the respondent/Bank to give him some time to maintain the aforesaid loan by restructuring of the payment pattern, however, the respondent/Bank did not accede to his request. That in view of the situation that was prevalent in the valley since August, 2019 and after the outbreak of Covid-

19, he was not able to earn anything from his business and therefore, in the year 2020, he requested the respondent/Bank to restructure his loan account but the respondent/Bank refused to do so and instead was adamant to seize the accounts of the guarantors.

That he accordingly filed a writ petition bearing no. WP(C) 1276/2020 wherein he had sought a direction upon the respondents to restructure his account so that he would be in a position to pay the instalments thereof properly. That The said writ petition was disposed of by this Court with the direction to the respondent Bank to consider his request and provide him some more time to maintain his loan account after restructuring of the same. The copy of the said order was served upon the respondents/Bank and after receiving the same, the respondent No. 3 was instructed by the Corporate Office to do the needful strictly in terms of the order passed by this Court and in terms of letter dated 19th September, 2025, the respondent No. 3 informed him to furnish the documents mentioned therein. That pursuant to the aforesaid communication, he submitted all the requisite documents for consideration in terms of the aforestated order, however, despite receiving the said documents the respondents No. 3 did not choose to consider his request which constrained him to file a contempt petition No. 349/2020.

That in the said contempt petition this Court was pleased to issue a notice against the respondents which is pending disposal. That in between, the respondents in the year 2023 launched a special OTS Scheme, 2023, and he accordingly applied for settling of his case in terms of the said OTS Scheme. That the competent authority after scrutinizing his case accorded sanction for OTS proposal in his favour under the special OTS Scheme. That pursuant to the sanction order, he deposited 10% of the OTS amount as per the scheme on 24th January, 2024, however, he could not deposit the rest of the amount in time due to losses caused to his fruit business in the year 2024.

That he made a representation before the respondent/Bank for extension of time to liquidate the amount in terms of Special OTS Scheme, 2023, however the request of the petitioner was not considered by the respondent/Bank, due to which, he was constrained to approach this Court through the medium of Writ Petition bearing No 1749/2024. That this Court was pleased to dispose of the said writ petition with a direction to the respondent/Bank to consider and decide his representation for liquidating the loan amount qua sanction of Special OTS Scheme, 2023, within a period of two weeks from the date certified copy the said

order is served upon them. That despite receiving the aforesaid order passed by the Court the respondent/Bank did not extend the time but rather started harassing him and his guarantors.

That despite harassment faced by him, he still submitted an application on 10th April, 2025, before the respondent/Bank submitting therein that his case may be considered under any other scheme so that he can clear the amount. That despite the aforesaid application, the respondent/Bank has not chosen to extend the time for depositing of the OTS amount. That his account was declared as NPA by the respondent/Bank without issuing any prior notice to him, which action of the Bank is arbitrary. That he is an agriculturist and is having no other source of income. That due to outbreak of Covid-19, the payment of installments towards the loan account became a big concern as nobody was in a position to earn anything from his business. That even the Hon'ble Supreme Court, on being approached by various individuals, was pleased to step in for restructuring of loans. That he being a bona fide citizen of the country approached this Court in terms of WP(C) No. 2016/2025, having succumbed to the harassment meted to him by the respondent/Bank, when the Bank was fully knowing of the relief granted by the Hon'ble Supreme Court.

That this Court vide order dated 20.08.2025 was pleased to direct the respondents to consider his grievance within a period of two weeks and till such time, no coercive measures be taken against him. That that respondent/Bank has not only failed to implement the directions of the Court but also subjected him to discrimination by not considering his claim for extension of benefit as has been extended to many other persons who had availed the loans from the respondent/Bank. That the respondent despite acknowledging the fact that he has deposited the initial 10% amount as per the scheme guidelines, did not extend the benefit under 'Karz Mukhti Scheme' but at the same time maintained that due to his failure to liquidate the amount within the time frame, the settlement offer has lapsed.

That the respondents have marked the lien on the accounts of the guarantors which though was initially removed post deposition of 10% of the amount under settlement. That the said action of the respondent/Bank is in contravention of the order of this Court whereby the respondents were directed to consider his grievance in accordance with the relevant rules and till such consideration is accorded, no coercive measures be taken. That he handed over a cheque of Rs. 500,000/- to the respondent/Bank indicating his bona fide to settle

the matter with the respondent/Bank, however, due to winter season and closure of the National Highway, and on account of snowfall he could not sell his fruit which is lying in the cold storage but the respondents despite having received the cheque amount, did not consider the order dated 20.08.2025

3. The petitioner has accordingly sought the issuance of writs/directions in the nature of mandamus for commanding upon the respondents to allow him to settle the CC Account bearing no. 481 by permitting him to pay the outstanding principal amount within a period of four months. The petitioner has also sought the issuance of a writ of mandamus for commanding upon the respondents to release his guarantors accounts and permit them to operate their accounts without being subjected to any harassment or in the alternative direct the respondent Bank to lift the lien from the account of the petitioner so that he is in a position to sell 1 kanal of his land and repay the loan amount availed from the concerned bank with the further direction to adjust the amount of Rs. 500,00/- in respect of which he already handed over a cheque to the respondent/Bank on 20th December, 2025.

4. The learned counsel for the respondents/Bank, however, submitted that the petitioner has failed to avail the OTS Scheme, 2023, offered to him. The learned counsel further submitted that proceedings under SARFAESI Act have already been initiated in the matter and are in the process. He submitted that the petitioner has approached this Court actually to stall the SARFAESI Proceedings.

5. In the facts and circumstances of the case, this Court is of the opinion that the matter can be disposed of at this threshold stage by passing of appropriate orders which are not likely to prejudice the interests of any side.

6. Accordingly, the instant petition is disposed of with the direction to the petitioner to approach the respondent No. 3 at his Branch Office with a copy of the instant petition which shall be treated by the respondent No. 3 as the written representation of the petitioner and shall initiate process thereon in accordance with the governing rules and regulations for consideration of the same by the competent authority.

7. The needful is directed to be done within a period of four weeks, till that time, the respondents are expected that they may not use any coercive measure against the petitioner.

8. Copies of this order shall be forwarded to the respondents for information and compliance.

9. Disposed of.

SRINAGAR
16.02.2026
Shahid Manzoor

(MOHD YOUSUF WANI)
JUDGE