

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

WP(C) 2336/2026 CM(6359/2026)

MUZAFFAR AHMAD DAR AND ANOTHER ...Petitioner(s)/appellant(s)

Through: Mr. Aswad Attar, Advocate

Vs.

J AND K BANK LIMITED AND ANOTHER ...Respondent(s)

Through: Mr. Shafqat Nazir, Advocate

CORAM:

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE YASH PAUL BOURNEY, JUDGE

ORDER

22.09.2026

1. The petition has been filed praying therein for the following reliefs:-
 - i. *Writ of Certiorari quashing the impugned demand notice dated 07-07-2025 issued by the respondent bank under Section 13(2) of the SARFAESI ACT, together with the classification of the loan accounts of the petitioners as NPA (Non-Performing-Account) on 29-05-2025 and all proceedings consequent thereto;*
 - ii. *Writ of Certiorari quashing the impugned order dated 20-07-2026 passed by the learned Chief Judicial Magistrate Budgam under Section 14 of the SARFAESI ACT, together with all proceedings consequent thereto;*
 - iii. *Writ of Mandamus commanding the respondent bank to consider and decide, by a reasoned order, the reply and representations of the petitioners within such time as this Hon'ble Court may fix, and to refrain from taking any measure under Section 13 (4) of the SARFAESI ACT till then;*
 - iv. *Writ of Prohibition restraining the respondents, their agents and subordinates, from dispossessing the petitioners of the mortgaged properties, including their residential house at Chadoora, Budgam, in pursuance of the impugned demand notice or the impugned order or otherwise under the SARFAESI ACT;*
 - v. *Pass any other order or direction as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case, including any direction for preservation of the subject matter of the dispute.*

2. Ordinarily, this Court would be hesitant to grant any indulgence to the defaulters/NPAs under the SARFAESI Act but at the threshold itself the counsel for the petitioner submitted that he is willing to pay Rs. 20 lakhs within a period of 15 days from today out of the total outstanding amount. He also submits that thereafter he shall pay regular installments.
3. The counsel for the respondents submits that if the petitioner pays Rs. 20 lakhs, they shall upgrade his account and permit him to pay continue monthly installments. However, he has raised apprehension that in case there is a default on the part of the petitioner, then it would reverse the process of recovery which would not be in the interest of the Bank.
4. On such limited submission having been made, this Court deems it appropriate to dispose of the petition by directing that the petitioner shall pay an amount of Rs. 20 lakhs within a period of 15 days from today and thereafter the respondents shall upgrade his account and he shall be permitted to pay his regular installments on monthly basis.
5. Since this Court has not entered in the merits and has gone only to the consent of the parties, therefore it is further directed that in case there is any default on part of the petitioner in the payment of Rs.20 lakhs or the monthly installments in future, the respondents shall be free to initiate the recovery proceedings from the stage which is existing there today. It is needless to say that any default will disentitle the petitioner from any benefit arising out of this order.

(YASH PAUL BOURNEY)
JUDGE

(DR. PUSHPENDRA SINGH BHATI)
CHIEF JUSTICE

SRINAGAR

22.09.2026

Amir