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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

CNR No. DLHC010421622021

+ **W.P.(C) 615/2022 & CM APPL. 1768/2022**

BRAJENDRA KUMAR

.....Petitioner

Through: **Mr. Anshuman Ashok, Advocate.**

versus

CANARA BANK & ANR.

.....Respondents

Through: **Mr. Rajesh Kumar Gautam, Ms.
Likivi K. Jakhalu and Ms. Aezal
Aekram, Advocates for Bank.**

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

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19.08.2026

1. This petition concerns the withholding of the Petitioner's retiral dues following his superannuation from Canara Bank on 31st October, 2021. The Petitioner had availed employee loan facilities from the Bank, including housing and car loans which, according to him, were eligible for continuation beyond the date of his retirement. His requests for continuation of the outstanding loan liabilities were declined by the Bank prior to his superannuation. Thereafter, by the impugned communication dated 20th November, 2021, the Bank required the outstanding liabilities to be adjusted against his terminal benefits, with the balance amount to be released to him.
2. During the course of these proceedings, the controversy has considerably narrowed. On 24th February, 2026, counsel for the Bank, on



instructions, stated that the retiral dues were being withheld on account of the Petitioner's failure to furnish a co-borrower in respect of the housing loan. It was explained that, since the loan had been extended to the Petitioner as an employee at a concessional rate of interest and was to continue after his superannuation, the Bank required a co-borrower who would also stand as a co-obligant under the loan arrangement.

3. On 11th August, 2026, counsel for the Petitioner stated that the Petitioner was willing to furnish a co-borrower. Today, counsel states that the Petitioner's son, Mr. Vaibhav Vijender Kumar, is willing to join the housing loan as a co-borrower.

4. In these circumstances, the impediment identified by the Bank for continuation of the housing loan can now be addressed without requiring the Court, at this stage, to adjudicate the wider controversy concerning adjustment of the outstanding loan liability against the Petitioner's retiral dues.

5. The Petitioner shall, accordingly, approach the concerned Branch Manager along with Mr. Vaibhav Vijender Kumar and furnish such documents as may reasonably be required for considering him as a co-borrower. The Bank shall examine the eligibility and credentials of the proposed co-borrower in accordance with its applicable rules and loan norms and complete the exercise within two weeks from the date on which the requisite documents are furnished.

6. If the proposed co-borrower satisfies the applicable requirements and is accepted by the Bank, the necessary documentation shall be completed and the housing loan shall be permitted to continue in accordance with its applicable terms and conditions. The retiral dues of the Petitioner which are



presently withheld on account of the said housing-loan arrangement shall thereafter be released within fifteen days of completion of the requisite formalities.

7. If the proposed co-borrower is not found eligible, or if the Bank considers that any amount from the Petitioner's retiral dues is liable to be retained for any reason other than the housing-loan arrangement referred to above, the Bank shall communicate its decision to the Petitioner in writing, along with reasons, within the aforesaid period. The Petitioner's remedies in respect of any such decision shall remain open.

8. In view of the above arrangement, the Court has not expressed any opinion on the larger question concerning the Bank's entitlement to adjust or recover outstanding loan liabilities from the Petitioner's terminal benefits.

9. The writ petition is disposed of in the aforesaid terms. Pending application(s), if any, also stand disposed of.

SANJEEV NARULA, J

AUGUST 19, 2026/hc