IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No.13313 of 2015

Date of decision: 17.7.2015

Shri Dharam Chand Vasudev and others ….Petitioners

VERSUS

Canara Bank and others .....Respondents

CORAM: HON'BLE MR. JUSTICE HEMANT GUPTA

HON'BLE MR. JUSTICE GURMIT RAM

Present: Mr. Anand Chhibber, Senior Advocate with
Mr. Vaibhav Sahni, Advocate
for the petitioners.

Mr. R.S. Bhatia, Advocate
for respondents.
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HEMANT GUPTA, J.(Oral)

Petitioners No.1 and 2 are owners of a residential house at Karnal mortgaged with respondent-Bank as a security for loan granted to respondent No.3-Company of which their son was a promoter.

The request of the petitioners is that the owners wish to redeem the property, their sole residential house, on paying the amount as per the valuation of the Bank.

Mr. Bhatia, learned counsel representing the Bank, points out that as per the valuation carried out by the Bank in the year 2011, the value of the house was Rs.1,10,00,000/- whereas as per valuation carried out in the year 2015, the value of the house was

Rs.1,05,00,000/-. He states that if the petitioners pay the amount of Rs.1,10,00,000/-, the Bank will release the property from mortgage as one of the security given on behalf of the borrower to secure the loan advanced by the Bank but the petitioners shall continue to be personally liable in terms of the loan documents such as the guarantee deed executed by the company and by petitioners No.1 and 2.

Mr. Chhibber, learned Senior Counsel for the petitioners, accepted the proposal and to show their bona fide tendered a sum of Rs.20,00,000/- bearing demand drafts No.080826 and 080831. Such demand drafts have been handed over to Mr. Bhatia. The petitioners further undertake to pay the balance sum of Rs.90,00,000/- on or before 31.08.2015.

If the amount is paid on or before the said date, the Bank shall hand over the title deeds of the residential house to the petitioners and the property shall stand released from mortgage. However, the release of the property from mortgage will not absolve the petitioners of their personal liability as a guarantor. For clarification it may be mentioned that after release of the property from mortgage, the sole residential house stands exempted in terms of Section 60 (1) (ccc) of the Code of Civil Procedure.

In the event, the petitioners fail to make the payment, the Bank shall be entitled to take possession with the aid of Section 14 of the Securitization and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002, and the petitioners will be liable for contempt proceedings for violating the undertaking given in the Court.

The present writ petition is disposed of accordingly in above terms.

(HEMANT GUPTA)
JUDGE

JULY 17, 2015 **(GURMIT RAM)**
'D. Gulati' **JUDGE**