IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH AT NAGPUR

WRIT PETITION NO. 2288 OF 2025

1. Shri Panju s/o Premchand Daswani,
Aged about 51 yrs, occ. Business,
R/o Plot No. 97, Near Pankaj Trading
Company, Jaripatka,
Nagpur 400 014

2. Smt. Roshini w/o Panju Daswani,
Aged about 51 yrs, Occ. Business,
R/o Plot No. 97, Near Pankaj
Trading Company, Jaripatka,
Nagpur 400 014 ……**PETITIONERS**

...V E R S U S...

1. Union Bank of India,
having its office at Khasra No. 91/1,
Hajaripahad, Seminary Hills,
Nagpur 440 006
through its authorized officer

2. Pankaj Kumar,
presently functioning as a
Presiding Officer, Debt Recovery
Tribunal Nagpur, C.G.I. Complex,
Second Floor, Seminary Hills,
Nagpur

3. Union of India,
through Ministry of Finance,
C/o Jeewan Deep Building,
Sansad Marg,
New Delhi 110 001

4. Smt. Vimal wd/o Yashwant Joge,
Aged about 64 yrs, Occ. Housewife,
R/o. Plot No.31, Dayalu Society,

Near Kapil Vastu Vihar, Jaripatka,
Nagpur 440 014

5. Smt. Ashiosh s/o Yashwant Joge,
Aged about 38 yrs, Occ. Housewife,
R/o. Plot No.31, Dayalu society,
Near Kapil Vastu Vihar, Jaripatka,
Nagpur 440 014. .....**RESPONDENTS**

Mr. V.V. Bhangde, Advocate for petitioners.
Mr. S.D. Ingole, Advocate for respondent no. 1.
Mr. Saurabh Choudhari, Advocate for respondent No. 3.
Mr. P.K. Bezalwar, Advocate for respondent Nos. 4 and 5.

CORAM:- ANIL S. KILOR, &
RAJNISH R. VYAS, JJ.

DATE 07-011-2025

JUDGMENT (**Rajnish R. Vyas**)

Heard.

2. Petition is taken for final hearing at the stage of admission with consent of the respective counsels.

3. Shorn of unnecessary details, the facts of the case are that the respondent bank extended loan facility to respondent Nos. 4 and 5. Respondent Nos. 4 and 5 defaulted in making repayment which resulted into invocation of provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred as "SARFAESI Act"). The property which is subject

matter of the security towards the repayment of loan amount, is a land admeasuring 2400 Sqft, situated at Indora Housing Accommodation Scheme, Jaripatka, Nagpur. The non payment of amount further resulted into escalation of action under the provisions of SARFAESI Act and consequently possession notice dated 10.2.2025 was issued against the property of respondent Nos. 4 and 5.

4. At this stage, the petitioners jumped into the controversy by contending that on 21.10.2024, regarding property situated above, respondent Nos. 4 and 5 have entered into an agreement to sell for valuable consideration with petitioners. The petitioners therefore, since were interested in purchasing the property and in order to protect their interest, filed proceeding before the Debts Recovery Tribunal, Nagpur along with an application for grant of interim relief in nature of injunction to the respondent bank from taking physical possession of the property. The proceedings filed by the petitioners before the Tribunal were opposed by the respondent bank by filing affidavit. At this juncture, it is necessary to quote relevant portion of paragraph 5 of affidavit dated 16.4.2025, filed by the respondent bank before the Tribunal (page 69).

> *"Thus, the total loan amount of Rs. 74,10,000/- is due and outstanding against respondent Nos. 2 and 3. It is*

> *submitted that the respondent No.1 has initiated the action for recovery of huge dues outstanding against respondent Nos. 2 and 3 and other borrowers in which present property is secured asset".*

In the present writ petition, the respondent bank has also filed affidavit dated 5.7.2025 (page 91) and relevant portion of which reads as under:

Paragraph No. 5.

> *"It is further submitted that said property is the secured asset of respondent No. 1 bank for the security of the credit facility availed by respondent Nos. 4 and 5 in the name of their firms and an amount of Rs. 74,10,000/- was due and outstanding against respondent nos. 4 and 5 as on 31.3.2025 along with further interest, costs charges etc."*

5. Learned counsel for petitioners, in the aforesaid background stated that the demand raised by the respondent bank is already satisfied, since in compliance with order dated 25.4.2025, passed by this Court, entire amount due and payable of Rs. 74,10,000/- is paid on 25.4.2025 by way of demand draft, which is duly encashed also. He therefore, submits that the public money is already recovered.

6. Learned counsel for respondent Bank has contended that the petitioners and respondent Nos. 4 and 5 are acting in hand in glove and criminal case is also pending against the owner of the property.

7. Be that as it may, so far as allegations of criminality is concerned, same can be looked into by the appropriate forum. Since the entire amount is already repaid, we find that no purpose would serve if proceedings initiated, so far as loan in question is concerned are allowed to go. This Court, vide order dated 29.4.2025, by way of interim order, has already stayed proposed auction of the property in question. As the public money is duly recovered which is also not disputed by the respondent bank by way of affidavit filed before the Tribunal and this Court, we are inclined to allow the instant petition. Needless to say that respondent bank will return the title documents of mortgaged property to the petitioners, if there is no other legal impediment.

Thus, petition is allowed. The entire action initiated by respondent No. 1 bank under the SARFAESI Act, for recovery of loan amount (loan account subject matter of present petition) involved in the controversy is set aside. Consequent steps be taken by the respondent bank, if there is no other legal impediment, towards closure of account and returning of title documents of the petitioners. No order as to costs.

(RAJNISH R. VYAS, J.) **(ANIL S. KILOR, J.)**