Sr. No. 34

HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU

CJ Court

Case: WP(C) No. 1399/2025
CM No. 3294/2025
CM No. 4961/2025

Mohd. Farooq .....Appellant(s)/Petitioner(s)

Through :- Mr. Mehmood A Shaad, Advocate

v/s

The Citizen Cooperative Bank and Ors. .....Respondent(s)

Through :- Mr. Ajay Bakshi, Advocate

CORAM: HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE RAJNESH OSWAL, JUDGE

ORDER (ORAL)
05.11.2026

1. The counsel for the petitioner submitted that the dire circumstances in which, the petitioner is present, in person, before the Court is that the controversy involves his residential house and while the SARFAESI law is being invoked as his loan account was declared NPA in 2017, he is left with no other option but to seek equitable intervention of this Court

2. Upon such submissions on 02.11.2026, following order was drawn by this Court, which included the undertaking of the counsel that if he pays Rs. 7 lacs to show his bona fides, then only, the Court shall explore the equitable solution, otherwise he would be required, as per his undertaking, to abandon his litigation:

> *"1. At the threshold, learned counsel for the petitioner tried to persuade this Court for indulgence on merits. The SARFAESI law in the given factual matrix does not warrant any indulgence, particularly, when the NPA is of 2017 and almost no payment has been made.*
> *2. Since, no such law point was forwarded which could persuade this Court to go into the merits at this stage, learned counsel for the petitioner, on instructions of the petitioner, who is present in this Court, made an undertaking*

that since it is the residential house, the same may be protected as he is a bonafide person and shall return the whole amount within a period of one month from today.

3. Learned counsel for the petitioner undertakes that if the petitioner does not deposit the payment draft/any other mode, in which direct payment is made to the Bank, within a period of four days from today, then he shall not pursue the litigation anymore and shall let the SARFAESI law take its own course. On such specific undertaking given by learned counsel for the petitioner and only with a view to try and make equitable solution to the residential auction, this Court accepts the undertaking given by learned counsel for the petitioner.

4. Let ₹ 7.00 lacs payment be made within four days, on or before next date.

5. List the matter on 05.11.2026."

3. Today, the counsel for the petitioner has come up with two cheques to satisfy the complete liability of the Bank, in question.

4. The counsel for the Bank submits that the total liability of the outstanding loan amount is Rs. 24,08,923/- which shall discharge the whole liability completely. The counsel further submits that the highest bidder in the auction proceedings of the secured asset had submitted an amount of Rs. 32,55,000/-. The counsel for the Bank also fairly submits that the bidder withdrew Rs. 10 lacs out of Rs. 32,55,000/- about three months ago and, thus, that much of the bidding amount has been deducted and if the balance amount is to be returned to bidder, then it should be along with interest payable on FDR. The interest would be Rs. 4,20,292/-, which would be the 7% total interest accrued as on today.

5. The counsel for the petitioner, along with the petitioner, who is present in person, submits that he is prepared to discharge the complete liability, which includes the interest amount to the highest bidder at the FD rates, as well as the total outstanding which comes to Rs. 24,08,923/- plus Rs. 4,20,292/-. The counsel further submits that he is giving two cheques in the Court, itself, in the presence of the petitioner to the Bank, one of Rs. 24,08,922/- bearing cheque

No. 000030 and the other of Rs. 3,59,910/- bearing cheque No. 000031, both dated today. The only liberty which he seeks is that the cheques be put for encashment after 29th November, 2026.

6. It is made clear that such conciliatory/mediation oriented/equitable approach oriented order is being drawn by the Court only in the larger interest of protecting the residence of the petitioner.

7. While keeping into consideration that the highest bidder herself has withdrawn Rs. 10 lacs from her bidding amount three months back, which reflects that she may not be interested in the bid any more, in such peculiar circumstances, the writ petition is ***disposed of,*** with a direction that on encashment of such cheques after 29th November, 2026, the petitioner shall be discharged from all his liabilities as well as the loan, in question, and nothing else shall be chargeable from him and all his properties shall be returned to him.

8. It is made clear that since there was already an undertaking not to pursue the litigation and in light of the proceedings today, in case, the cheques do not get encashed after 29th November, 2026 and the liability in question is not discharged, the Bank shall be required to go ahead from the stage as it exists today, with the auction proceedings and recover all the necessary charges, which may include further calculation of penalties and interests as and when, such recovery is made.

9. The petition is disposed of.

(RAJNESH OSWAL)
JUDGE

(DR. PUSHPENDRA SINGH BHATI)
CHIEF JUSTICE

JAMMU
05.11.2026
Pawan Angotra

Pawan Angotra
2026.11.06 14:11
I attest to the accuracy and
integrity of this document