IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No.17358 of 2026
Date of Decision: 03.11.2026

Chaman Lal .....Petitioner

Versus

The Baghat Urban Cooperative Bank & Anr. … Respondents

Coram:
Hon'ble Mr. Justice Sandeep Sharma, Judge.
Whether approved for reporting? [1]

For the Petitioner: Mr. Surender Verma & Mr. Hitesh Bali, Advocates.

For the Respondents: Mr. Narender Sharma, Advocate.

Sandeep Sharma, Judge(oral):

Learned counsel representing the petitioner states that the house loan of Rs. 25,00,000/- against Account No. 8250093601000007 has been paid, which fact has been fairly admitted by learned counsel representing the respondent-bank.

2. The precise grievance of the petitioner is that despite clearance of the aforesaid loan, property mortgaged against the aforesaid loan is not being released, as a result thereof, petitioner is suffering endlessly.

3. Though Mr. Narender Sharma, learned counsel representing the respondent-bank, attempted to argue that since petitioner has not repaid another loan taken by him, property

[1] *Whether the reporters of the local papers may be allowed to see the judgment?*

mortgaged against the first loan has not been released, but this Court is not impressed with the aforesaid submission of Mr. Sharma for the reason that property mortgaged against one loan account cannot be retained after clearance of that loan and on account of non-clearance of another loan, rather in that situation, bank would be at liberty to proceed in accordance with law for attachment, auction and sale of the property, if any, attached in respect of that particular loan account.

4. Consequently, in view of the above, this Court deems it fit to direct respondent-bank to ensure that property of the petitioner mortgaged against loan account No. 82500936010000007 is released forthwith. Ordered accordingly. As far as the second prayer of the petitioner, seeking direction to the respondent-bank to consider his case for repayment of the loan under the OTS Scheme, is concerned, Mr. Narender Sharma, learned counsel representing the respondent-bank, has made available communication dated 02.11.2026, issued under the signature of the Managing Director of the bank, to state that bank had floated an OTS Scheme in 2025, which was further renewed in 2026, but the same expired on 30.06.2026 and as such, there is no occasion to consider the case of the petitioner under the One Time Settlement Scheme. He further states that otherwise also, there is no General Body of the respondent-bank, rather affairs of the bank are being managed by the Administrator.

5. In view of the above, this Court sees no reason to entertain the second prayer of the petitioner with regard to grant of relief, if any, under the One Time Settlement Scheme.

6. However, instant order shall, in no manner, be bar for the petitioner and respondent-bank to settle the loan claim of the petitioner, if any, in terms of judgment dated 05.08.2026 passed by the Coordinate Bench of this Court in CWP No. 13257 of 2026, titled *M/s Jai Kaushal Medical Store & Anr. versus State of H.P. and others* and in that situation, petitioner shall, at first instance, with a view to demonstrate his bona fides, deposit a sum of Rs. 5 lakh within a period of three weeks.

The writ petition stands disposed of in the aforesaid terms, along with any pending application(s).

(Sandeep Sharma),
Judge

November 03,2026
(sunil)