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

\+ W.P.(C) 162/2026 & CM APPL. 826/2026

MOHD ASHRAF SIDDIQUI ....Petitioner

Through: Mr. Aditya Raj, Adv.

versus

RESERVE BANK OF INDIA & ANR. .....Respondents

Through: Mr. Amit Kumar Sinha, Mr. Aditya Prasad, Mr. S.K.Mehta, Mr. Sriram Kamal, Advs. for R2

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

O R D E R

% 07.01.2026

CM APPL. 827/2026

Exemption is granted subject to all just exceptions.

The application is disposed of.

W.P.(C) 162/2026

1. This is a writ petition filed under Article 226 of the Constitution of India seeking the following reliefs:

> *"a) Issue a writ of Mandamus or any other appropriate writ/order/direction inter alia directing the Respondent no. 1 to cancel the registration of the Respondent no. 2 under the RBI Act; and,*
>
> *b) Issue a writ of Mandamus or any other appropriate writ/direction/order inter alia directing the Respondent no. 2 to implement the mandatory guidelines issued by the Respondent no. 1 towards the loan account of the Petitioner; and,*
>
> *c) Issue a writ of Certiorari or any other appropriate writ/direction/order quashing/setting aside the auction notice dated*

19.12.2025 issued by the Respondent no. 2 being violative of the legal and statutory rights of the Petitioner"

2. Mr. Raj, learned counsel for the petitioner states that the petitioner through his sole proprietorship i.e., M/s Sunshine Tools Enterprises, availed loan facilities from the respondent No. 2 NBFC against the property namely "property being portion of the ground floor admeasuring 48 sq. yards and portion of the second floor admeasuring 32 sq. yds. of the property bearing no. 1208, admeasuring 80 sq. yards., ward no. XI, Gali Mazar Wali, situated at Kucha Faulad Khan, Kalan Mahal, Darya Ganj, Delhi – 110006" ("***mortgaged property***") *vide* Loan Agreement bearing Loan Account No. DJTFBS02230700133 for an amount of Rs. 30,00,000/-.

3. Since there were some defaults, the petitioner's account was declared as Non-Performing Asset ("***NPA***"), which according to the petitioner is in violation of the Reserve Bank of India guidelinesfor framework for revival and rehabilitation of MSMEs.

4. Subsequently, the respondent No. 2 initiated the process under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("***SARFAESI Act***") and filed an application under Section 14 of the SARFAESI Act before the learned CMM (Central), Tis Hazari Courts, New Delhi seeking possession of the mortgaged property, which was allowed and a Court Receiver was appointed to assist in taking possession of the mortgaged property. Pursuant to that, the petitioner received the Court Receiver's notice for taking over the physical possession of the mortgaged property.

5. The petitioner preferred a Securitization Application bearing SA no. 63 of 2025 before the learned DRT, challenging the actions taken by the respondent No. 2 under the SARFAESI Act, was disposed of as the petitioner agreed to

deposit Rs. 10 lakhs with the respondent No. 2 in 2 instalments of Rs. 5 Lakh each. It was agreed that the petitioner would deposit Rs. 5 Lakhs by 24.02.2025 and the remaining Rs. 5 Lakhs within 10 days thereafter on their assurance that the account of the petitioner would be regularized.

6. The petitioner made the first payment of Rs. 5 lakhs on 25.02.2025. However, the petitioner was unable to deposit the remaining Rs. 5 Lakhs within the prescribed time. Thereafter, the respondent No. 2 issued a possession notice and in furtherance of the said notice, took possession of the mortgaged property through the learned Court Receiver.

7. The officials of the respondent No. 2 informed the petitioner that if he deposits the remaining Rs. 4.80 lakhs on 28.04.2025, the respondent No. 2 would not take possession of the mortgaged property. Consequently, the petitioner deposited the amount of Rs. 4.80 lakhs with the respondent No. 2 on 28.04.2025.

8. It is submitted that the respondent No. 2 has issued a sale notice under SARFAESI Act read with the Security Interest (Enforcement) Rules, 2002, wherein it has been stated that the mortgaged property would be sold in an e-auction.

9. For the said reasons, issue notice to the respondents.

10. Mr. Sinha, learned counsel accepts notice on behalf of the respondent No. 2.

11. Mr. Raj, learned counsel for the petitioner states that the petitioner is ready and willing to regularize his account with respondent No. 2.

12. Mr. Sinha, learned counsel for the respondent No. 2, states that an amount of Rs. 6 lakhs is required to be paid to regularize the account of the petitioner.

13. Mr. Raj, learned counsel for the petitioner, states that the petitioner may be granted some time to make the said payment.

14. The mortgaged property is the only residential property of the petitioner and the petitioner is staying on the first floor. The ground and second floor of the property is mortgaged to respondent No. 2.

15. Further, by paying an amount of Rs. 6 lakhs to the respondent No. 2, to regularize the account, the mortgaged property of the petitioner can be saved from auction. Additionally, no bid has been received by respondent No. 2 for the mortgaged property till date and the auction is scheduled tomorrow.

16. For the said reasons, it is directed that the petitioner shall further deposit a sum of Rs. 6 lakhs with respondent No. 2 within a period of 10 weeks from today. On deposit of Rs. 6 lakhs, the account of the petitioner shall be regularized.

17. Additionally, the regular instalments shall also be paid after 10 weeks from today, as and when the same are due.

18. Once the amount of Rs. 6 lakhs is paid, the mortgaged property shall be released from SARFAESI proceedings and in case of default, the respondent No. 2 shall be entitled to take steps in accordance with law and SARFAESI Act.

19. In the meantime and for a period of 10 weeks from today, the respondent No. 2 shall not proceed with the auction.

20. With consent of the parties, the petition is disposed of.

JASMEET SINGH, J

JANUARY 7, 2026/AS