

(2026) 03 SHI CK 0731

In the High Court Of Himachal Pradesh

Case No : Civil Writ Petition No. 19946 Of 2025

Atul Sharma

APPELLANT

Vs

Kangra Central Cooperative Bank Ltd. And Others

RESPONDENT

Date of Decision : 19-03-2026

Acts Referred:

Citation : (2026) 03 SHI CK 0731

Hon'ble Judges : Jyotsna Rewal Dua, J

Bench : Single Bench

Advocate : Sunil Mohan Goel, Raman Jamalta, Sohan Singh Rathore

Final Decision : Disposed Of

Judgement

Jyotsna Rewal Dua, J

1. Following order was passed in this matter on 31.12.2025, which took cognizance of the grievance of the petitioner while granting him interim relief:-

"Heard for the purpose of grant of interim relief at this stage.

2. The case set up by the petitioner is that:-

2(i) Petitioner purchased land in Mohal and Phatti-Palchan, Tehsil Manali, District Kullu, H.P in the year 2011 in accordance with law. After obtaining the requisite permission, the petitioner constructed a Hotel by the name of Whispering Rock. The total cost of the project was 2018.83 lakhs out of ☐ 2018.83 lakhs out of which, 1043.83 lakhs was Promoter share. Petitioner was ☐ 2018.83 lakhs out of sanctioned term loan on 22.10.2018 amounting to 975.00 ☐ 2018.83 lakhs out of lakhs by the respondent-Kangra Central Co-operative Bank Ltd. (KCCB). The loan amount was to be repaid in 10 years.

2(ii) Petitioner started repaying the loan as per schedule. Petitioner did not default in repayment even during Covid-19 Pandemic. Looking into Covid-19 Pandemic as also the devastation caused in entire State during the year, 2023,

petitioner's loan was restructured by the respondent bank on 03.01.2024. Repayment period was enhanced by 36 months and the rescheduled amount became 1285.00 lakhs. □ 2018.83 lakhs out of According to the petitioner, this rescheduling was in terms of policy decision of the Govt. of India as also the directions issued by Reserve Bank of India (RBI) to all the banks in view of Covid-19 Pandemic and devastation caused especially in District Kullu in the year 2023.

2(iii) The State of Himachal Pradesh was again struck with natural disasters in June/July, 2025 and District Kullu faced heavy brunt of it. The roads were disrupted especially towards Manali affecting the tourists inflow. This in turn affected the business of the petitioner. The petitioner committed first default in repayment of loan in August, 2025. He could not make the entire payment as per restructured schedule, though according to the petitioner, he did make some repayments every month. Admittedly payments made thereafter were also not in terms of restructured rescheduled loan account.

Petitioner's present grievance is that respondents now intend to declare his loan account as 'Non Performing Asset' (NPA) in view of petitioner's having not been able to repay the loan amount as per approved restructure.

3. Learned Senior Counsel for the petitioner has drawn attention to order passed on 01.09.2025 by the Govt. of H.P., Department of Revenue Disaster Management Cell (Annexure P-3) in order to support his submissions in view of that disaster had actually struck the State this year, the Disaster Management Act, 2025 was set out for implementation and District Kullu also figures in the aforesaid order.

Attention was also invited to Master Circular/Guidelines issued by Reserve Bank of India (RBI) on 01.07.2013 regarding relief measures to be taken by banks in areas affected by natural calamities in particular to para-2, 2(e) and 19 thereof. Para-19 of Master Circular is on restructuring of existing loans affected by natural calamities and reads as under:-

"19. As the repaying capacity of the people affected by natural calamities gets severely impaired due to the damage to the economic pursuits and loss of economic assets, relief in repayment of loans becomes necessary in areas affected by natural calamity and hence, restructuring of the existing loans will be required. The principal amount of the short-term loan as well as interest due for repayment in the year of occurrence of natural calamity may be converted into term loan. In case of term loans the installment of principal and interest due in the year of occurrence of natural calamity may also be converted into term loan."

Learned Senior Counsel has placed reliance upon (2024) 10 SCC 292, Pro Knits versus Board of Directors of Canara Bank and others alongwith other connected matters to strengthen his argument that Circular/ Guidelines/Directions issued by RBI are binding upon respondent bank as well. Certain documents were also referred to point out that in view of borrowers being affected by the natural

calamity in the respondent State, some other banks have already approved rehabilitation plans. It was further submitted that despite all this, petitioner's representation made to the respondent bank on 06.09.2025 followed by further representations dated 10.10.2025, 23.10.2025, 28.11.2025 and 04.12.2025 for deferment of loan installments and interest waiver have not been considered. Learned counsel for the respondent bank placed on record letter dated 24.12.2025 informing the petitioner that respondent bank had not adopted or approved any policy for extending the relief measures and the natural calamities of monsoon season 2025, therefore, petitioner's request for deferment of loan installment and interest waiver cannot be considered. Learned counsel for the respondent has also placed on record another letter dated 29.12.2025 which gives the impression that petitioner's request letter for deferment of loan installments and interest waiver due to flood disaster in the year 2025, has been referred to the Head Office of the respondent bank for further consideration.

4. Taking stock of the facts presented by the petitioner, the case as set out by him that he had been repaying the loan amount without any default till July, 2025, taking note of the documents placed on record, the RBI circular, order issued by the State Govt. and the documents placed on record from some other banks, it would be in the interest of justice to direct that till the next date of hearing petitioner's loan account be not declared as 'Non-Performing Asset'. Ordered accordingly. It shall be open for the respondent bank to convene meeting with the petitioner for discussing his proposals for repaying the loan amount and taking any further action as deemed just in the given facts and circumstances in accordance with law. List after four weeks. Reply, be filed, in the meanwhile."

2. Learned Senior Counsel for the petitioner has placed on record copy of an e-mail, statedly received by the petitioner from the respondents on 27.02.2026 on the subject 'Relief measures on account of natural calamity during the monsoon season 2025 in the State of Himachal Pradesh' and conveying that "Worthy Administrator of the Bank has approved to allow Relief measures on account of Natural Calamity during the Monsoon Season 2025 in the State of Himachal Pradesh, as announced by SLBC-H.P. vide letter No.SLBC-HP/2025-26/57 dated 15.10.2025, to M/s Whispering Rock Hotel, Manali (H.P.) Prop. Sh. Atul Sharma for his TL account No.50068828966 dated 23.10.2018 with B.O. A.B. Kullu. The main terms & conditions in addition to those already conveyed while sanctioning the term loan, are as under "

3. Learned counsel for respondents No.1 to 4 acknowledged the above position and placed on record copy of an e-mail dated 12.03.2026, conveying that "the bank has considered the case of Mr. Atul Sharma Prop. Whispering Rock & Hotel, VPO Palchan, Tehsil Manali, Distt. Kullu and rescheduled the loan account for 12 months on 27/02/2026 w.e.f. 01/08/2025 to 31/07/2026 as per applicable banking guidelines."

4. Learned Senior Counsel for the petitioner states that the decision taken by the

respondents, as conveyed to the petitioner through e-mail, has redressed petitioner's grievance raised in this writ petition.

In view of above, the present writ petition to stand disposed of. Pending miscellaneous application(s), if any, also stand disposed of.