(2024) 03 KL CK 0243

In the High Court Of Kerala

Case No : Writ Petition (C) No. 12707 Of 2024

Hareendran.A APPELLANT

Vs

Kerala Gramin Bank RESPONDENT

Date of Decision : 27-03-2024

Acts Referred:

Citation : (2024) 03 KL CK 0243

Hon'ble Judges : N. Nagaresh, J

Bench : Single Bench

Advocate : Manas P Hameed, Ipsita Ojal, Rajesh Nambiar

Final Decision : Disposed Of

Judgement

N. Nagaresh, J

1. The petitioner has approached this Court aggrieved by the coercive proceedings for recovery of financial advance made by the Kerala Gramin Bank to the petitioner, invoking the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

2. The Bank paid ☐ 4.5 lakhs and ☐ 10 lakhs towards Housing Loans to the petitioner in the year 2008 and 2021 respectively. The petitioner states that though the petitioner made remittances promptly during the initial repayment period of the financial advance, he could not pay the repayment instalments promptly later due to financial stringency. The repayment of loan fell into arrears later. It happened due to reasons beyond the control of the petitioner.

3. Though the petitioner requested the Bank to permit the petitioner to repay the overdue amounts in easy monthly instalments, the Bank authorities were not yielding. The authorities, instead, started coercive proceedings, invoking the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002 and issued Exts.P1 and P2 notices.

4. The petitioner states that he is still in a position to clear the overdue amounts towards the loan, if sufficient time is given to clear the dues in easy monthly instalments. If the respondents are permitted to continue with the coercive proceedings and auction the secured assets provided by the petitioner, he will be put to untold hardship and loss.

5. Standing Counsel entered appearance on behalf of the Bank and denied all the statements made by the petitioner. On behalf of the respondents, it is submitted that the loans were given to the petitioner in the year 2008 and 2021 respectively. The petitioner committed default in repaying the loans.

6. The Bank repeatedly reminded the petitioner and required him to clear the dues. The petitioner deliberately omitted to do so. In the circumstances, the Bank had no other go than to proceed against the petitioner invoking the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The impugned Exts.P1 and P2 were issued in these circumstances. The petitioner has not advanced any legal reasons to thwart the coercive proceedings initiated by the Bank.

7. The Standing Counsel, however, submitted that if the petitioner is ready and willing to make a substantial payment soon and remit the balance outstanding amount immediately thereafter, a short breathing time can be granted to the petitioner to clear the dues. The Standing Counsel submitted that the outstanding amount due to the Bank from the petitioner in both the loan accounts is ☐ 15,50,805/-(☐ 9,71,023/- + ☐ 5,79,782/-).

8. I have heard the counsel for the petitioner and the Standing Counsel representing the Bank.

9. The specific case of the petitioner is that the petitioner has been making the repayment and maintaining the loan account initially. The default in repayment of the loan occurred lately due to reasons beyond the control of the petitioner. The petitioner has provided substantial security which will safeguard the interest of the Bank.

10. In the facts and circumstances of the case, I am inclined to dispose of the writ petition giving a short and reasonable time to the petitioner to clear off the liability.

11. The writ petition is therefore disposed of with the following directions:

(i) The petitioner shall remit ☐ 2 lakhs on or before 30.03.2024 and the balance outstanding amount in 10 consecutive and equal monthly instalments thereafter along with accruing interest and other Bank charges, if any.

(ii) If the petitioner commits single default in making payments as directed above, the respondents will be at liberty to continue with the coercive proceedings against the petitioner in accordance with law.

(iv) If the petitioner remits ☐ 2 lakhs on or before 30.03.2024, confirmation of sale shall stand deferred.

(v) It is made clear that this judgment shall not in any manner affect the Suit filed by the petitioner before the Civil Court.

