CNR : KLHC010509992026

2026:KER:54043

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE M.A.ABDUL HAKHIM

MONDAY, THE 20TH DAY OF JULY 2026 / 29TH ASHADHA, 1948

WP(C) NO. 23577 OF 2026

PETITIONER(S):

BAJIN A.B
AGED 36 YEARS
S/O BHASKARAN AMARAVALAPPIL HOUSE KUMARAPPANAD
VARAVOOR, THRISSUR, PIN - 680585

BY ADVS.
SMT.AAMINA RAFEEK
SMT.SARA ELIZABETH MATHEW

RESPONDENT(S):

1 KOTAK MAHINDRA PRIME LTD
15TH FLOOR, NIPPON Q1 MALL, NH 66 BYPASS
PALARIVATTOM, ERNAKULAM REPRESENTED BY ITS
AUTHORIZED SIGNATORY MANAGER-LEGAL, PRATHYUSH
THOMAS, PIN - 682025

2 RESERVE BANK OF INDIA
BANERJI ROAD, ERNAKULAM NORTH, KALOOR, ERNAKULAM,
PIN - 682018

BY ADVS.
SRI.B.S.SURESH KUMAR
SRI.ASHLEY JOHN
SMT.RANJANA V.
SMT.ANUSREE C.S.

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 20.07.2026, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

JUDGMENT

1. The Petitioner has filed this Writ Petition seeking the following reliefs:

   i) Issue a Writ of Mandamus or any other Writ or order directing the 2nd respondent to strictly implement clause 24 Reserve Bank of India in Reserve Bank of India (Non-Banking Financial Companies - Income Recognition, Asset Classification and Provisioning) Directions, 2025 issued on 28.11.2025 against the 1st respondent;

   ii) To declare that the petitioner is entitled to regularise the loan account in view of clause ***"24. Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower"*** Reserve Bank of India in

Reserve Bank India (Non-Banking Financial Companies - Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated 28.11.2025 so as to enable the petitioner to obtain the possession of Maruti Swift VXI model vehicle with registration number KL 59Z8012 chassis MBHCZCB3SPGC87016.

iii) Issue a Writ of Mandamus or any other Writ or order directing the respondents to consider Ext.P4 within a specific timeframe in due compliance of clause ***"24. Loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower"*** Reserve Bank of India in Reserve Bank of India (Non- Banking Financial

Companies - Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated 28.11.2025.

iv) Pass an order dispensing with the filing of the translation of vernacular documents marked as Exhibits.

2. The Petitioner availed a vehicle loan from the Respondent No.1/NBFC. On account of the default in repayment of the loan, the vehicle was repossessed by the Respondent No.1 as per an order obtained under Section 9 of the Arbitration and Conciliation Act, 1996.

3. The contention of the Counsel for the Petitioner is that the Respondent No.1 is refusing to follow Ext.P5 RBI Directions and does not permit regularisation of the loan. Learned Counsel specifically invited my attention to Clause 24 and contended that the loan accounts classified as NPAs are to be upgraded as standard assets, if the entire arrears of interest and principal are

paid by the borrower. On payment of the overdue principal and interest, the Petitioner is entitled to get his loan account treated as a standard asset. The tenure of the loan will expire only in November 2030. Petitioner is ready to pay the overdue amount immediately. Learned Counsel further submitted that the Respondent No.1 obtained an Order under Section 9 of the Arbitration and Conciliation Act, 1996, before the commencement of arbitration proceedings. Learned Counsel prayed for allowing the Writ Petition directing the Respondent Bank to release the vehicle repossessed by the Respondent No.1, accepting the overdue principal and interest from the Petitioner.

4. On the other hand, the learned Counsel for the Respondent No.1 contended that the Writ Petition itself is not maintainable as the principal borrower has not approached this Court by filing a Writ Petition. The present Writ Petition is filed by a co-obligant. It is not clear whether the Petitioner has the

consent of the principal borrower. The Writ Petition will not lie against the Respondent No.1, which is a limited company providing non-banking financial services. The Petitioner has adequate remedy under the provisions of the Arbitration and Conciliation Act, 1996, for challenging the Order passed by the District Court under Section 9 of the Arbitration and Conciliation Act, 1996. Learned Counsel prayed for dismissal of the Writ Petition.

5. I have considered the rival contentions.

6. The Petitioner is admittedly the husband of the principal borrower and is a co-obligant. The Petitioner has filed this Petition offering to pay the overdue principal amount and interest. If the Petitioner pays this amount and if this Court orders to give possession of the vehicle, the Order will be in favour of the principal borrower. Since there is no conflict of interest between the Petitioner and the principal borrower, I find that the Petition filed by the co-borrower is maintainable, but as

rightly contended by the learned Counsel for the Respondent No.1, the Respondent No.1 is an NBFC, and hence the Writ Petition is not maintainable against it. There is no public duty involved in the matter on the part of the Respondent No.1 to maintain the Writ Petition.

7. Even though the learned Counsel for the Petitioner relied on Ext.P5 RBI Directions, I am of the view that the Clause relied on by the Petitioner is not applicable to the case on hand. Clause 22, which comes under the head ‘Asset Classification', provides that the class of assets referred to in Clause 21 shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for upgradation as laid down in the Reserve Bank of India (Non-Banking Financial Companies - Resolution of Stressed Assets) Directions, 2025. Clause 24 further provides that the loan accounts classified as NPAs may be upgraded as ‘standard’ assets only if the entire arrears of interest and principal are paid by the borrower. It is an additional

condition that the loan classified as NPAs can be upgraded as standard only if the entire arrears of interest and principal are paid by the borrower. It does not provide that on payment of the arrears of interest and principal, the account has to be treated as standard.

8. The vehicle was repossessed by the Respondent No.1 after obtaining an Order under Section 9 of the Arbitration and Conciliation Act, 1996. The legality or otherwise of the said Order is a matter to be agitated by the Petitioner in a properly filed appeal against the said Order. Accordingly, the Writ Petition fails, and the same is dismissed.

Sd/-
M.A.ABDUL HAKHIM
JUDGE

HKH

APPENDIX OF WP(C) NO. 23577 OF 2026

PETITIONER EXHIBITS

EXHIBIT P1	THE TRUE COPY OF THE STATEMENT OF ACCOUNT ISSUED BY THE RESPONDENT NBFC DATED 11.06.2026
EXHIBIT P2	THE TRUE COPY OF THE M.A(ARB) NO. 468 OF 2026 DATED 11/2/2026 FILED BY THE RESPONDENT BEFORE THE DISTRICT COURT, ERNAKULAM.
EXHIBIT P3	THE TRUE COPY OF THE NOTICE DATED 06.06.2026 IN MA(ARB) 468 OF 2026 ON THE FILE OF DISTRICT COURT, ERNAKULAM ADC-V
EXHIBIT P4	THE TRUE COPY OF THE REPRESENTATION DATED 18.06.2026 SENT BY THE PETITIONER TO THE RESPONDENT NBFC
EXHIBIT P5	THE TRUE COPY OF THE RELEVANT EXTRACT OF THE CLAUSE 24 THE RESERVE BANK OF INDIA IN RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING) DIRECTIONS, 2025 ISSUED ON 28.11.2025