ITEM NO.2 COURT NO.6 SECTION II-C

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petitions for Special Leave to Appeal (Crl.) Nos.13625-13628/2026

[Arising out of impugned final judgment and order dated 13-05-2026 in CRMPM No. 103/2025, CRMPM No. 509/2025, CRMPM No. 579/2025 & CRMPM No. 611/2025 passed by the High Court of Himachal Pradesh at Shimla]

STATE OF HIMACHAL PRADESH Petitioner(s)

VERSUS

YUDH CHAND BAINS & ORS. Respondent(s)

(IA No. 217320/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)

Date : 24-08-2026 This matter was called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE K. VINOD CHANDRAN

For Petitioner(s) :
Mr. Naveen Pahwa, Sr. Adv.
Mr. Anup Rattan, Advocate General
Mr. Vaibhav Srivastava, A.A.G.
Ms. Sugandha Anand, AOR

For Respondent(s) :
Mr. Siddharth Aggarwal, Sr. Adv.
Mr. Siddharth Satija, Adv.
Ms. Sowjhanya Shankaran, Adv.
Ms. Vismita Diwan, Adv.
Mr. A. Karthik, AOR
Ms. Charu Sinha, Adv.
Ms. Anuka Bachawat, Adv.
Mr. Akash Sachan, Adv.
Mr. Aryan Panwar, Adv.

Mr. Karan Bhardwaj, Adv.
Mr. Kisalaya Shukla, AOR
Mr. Krishna Kant Shukla, Adv.
Ms. Shruti Mishra, Adv.
Mr. Ishaan, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Exemption Application is allowed.

2. We heard this matter for quite some time.

3. Mr. Naveen Pahwa, the learned Senior Counsel appeared on behalf of the State of Himachal Pradesh, Mr. Siddharth Aggarwal, the learned Senior Counsel appeared on behalf of the Respondent Nos.1 and 4 respectively and Mr. Karan Bhardwaj, the learned counsel appeared for the Respondent Nos.2 and 3 respectively.

3. We take notice of the fact that Respondent No.1 is the original borrower. Respondent No.4 happens to be the son of Respondent No. 1. Respondent Nos. 2 and 3 respectively are Bank Officers alleged to have been involved in the fraud highlighted by the State.

4. Having heard the learned Senior Counsel appearing for the parties and having gone through the materials on record, we are of the view that the presence of the Bank is necessary before us.

5. The learned Advocate-on-Record appearing for the State shall implead Kangra Central Co-operative Bank as party Respondent No.5.

6. The cause title be amended accordingly.

7. Let notice be issued to the Bank, returnable on 31-8-2026.

8. In the course of today's hearing, we put few questions to the learned Senior Counsel appearing for the State, more particularly, what is the amount due and payable by the original borrower to the Bank with interest as on date. We also enquired with the learned Senior Counsel about the security interest created at the time of disbursement of the loan amounts over a period of time.

9. The learned Senior Counsel appearing for the original borrower would submit that his client has created security interest over two parcels of land valued at more than Rs.150 Crore.

10. We would like to know from the Bank, by way of an affidavit, duly affirmed by a responsible Bank Officer, as regards the exact amount due and payable by the original borrower to the Bank with interest, and also details of the security interest said to have been created by the borrower over two plots of land as referred to

above.

11. The Bank should also place on record the 13(2) SARFAESI Notices, if issued, so that we can look into the same to ascertain what type of security interest has been created.

12. By the next date of hearing, the Bank shall also place on record before us the Valuation Certificate issued by two Government-approved valuers insofar as the two plots offered by the borrower by way of security is concerned.

13. We would like to know from the Bank what steps it took departmentally against the Respondent Nos.2 and 3 respectively. Why the Bank allowed Respondent No.2 to retire? Why Respondent No.3 as on date is still serving with the Bank despite the fact that serious allegations of fraud have been leveled against him?

14. We would also like to know from the Bank in what manner over a period of time, the Board of Directors looked into these transactions and how they were dealt with. We are conscious of the fact that the Board of Directors have also been arrayed as accused persons. However, as informed by the learned Senior Counsel appearing for the Bank, they were issued with Section 41A notice under the Code of Criminal Procedure, 1973. They appeared before the Investigating Officer in pursuance of such notice, and after interrogation, the Investigating Officer did not deem fit to effect any arrest.

15. The affidavit of the Bank should indicate how the Board of Directors sanctioned the loan over a period of time. The affidavit should be explicit insofar as the bye-laws of the Society are concerned and the sanctioning authority.

(VISHAL ANAND)
DEPUTY REGISTRAR

(POOJA SHARMA)
COURT MASTER (NSH)