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SHRINIDHI, C-240, Sector-44,
Noida (U.P.)

Dated: 22nd June, 2020

TO ALL BANKS/ FINANCIAL INSTITUTIONS/ EMPLOYERS ESTABLISHMENTS
CONCERNING RELEASE OF HOME LOANS TO AMRAPALI HOME BUYERS

Dear Madam/Sir,

Sub: **W.P (C) No. 940 of 2017- Bikram Chatterji & Ors vs. Union of India & Ors**
Reg.: Disbursement of home loan –existing as well as fresh loan

In continuation of my earlier letter dated 25th May, 2020, I herein cite paras 28 to 30 (at page 26 to 28) of Order dated 10.06.2020 passed by the Hon'ble Supreme Court in the captioned matter:-

In Re: Financing of Home buyers by Banks

28. *Learned Receiver submitted that the RBI may be directed to advise all banks and financial institutions such as insurance companies, and employers of the establishments which have sanctioned home loans to home buyers to disburse all balance loan amounts to the home buyers whose accounts are regular and they will abide by instructions issued by Receiver in this regard. It is further pointed out that banks have certain reservations regarding the funding of NPA accounts. In view of current social and economic conditions, the Court may direct the RBI to keep its circulars/guidelines relating to NPA in abeyance and permit all banking and financial institutions, etc. to disburse loans to home buyers notwithstanding the status of accounts as NPA. Banks and financial institutions be directed to work out a long-term restructuring of all home buyers' loans about Amrapali Projects as well as any charges on the Amrapali project held by banks and financial institutions.*

29. *On the previous date of hearing i.e. 27.05.2020, we requested Mr. Vikramjit Banerjee, learned ASG to obtain instructions from the RBI concerning the release of loans by banks and other financial institutions to the home buyers. It was clearly stated that RBI instructions do not come in the way of releasing home buyers' loans whose accounts are NPAs. It would be for the banks and other financial institutions to release the loan. In the facts and circumstances, appropriate directions can be issued by this Court, and the RBI guidelines would not come in the way in the facts of the case. Learned counsel appearing for the banks pointed out that they are ready to release the loan to the home buyers. However, it would be in a phased manner and as per stage of construction, they would be releasing the loan to the particular home buyer.*

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30. *Considering the aforesaid and in the facts and circumstances of the case, as projects have been stalled for the last several years, the home buyers have obtained loans but cannot enjoy the fruits of their investment. At the same time, if projects are not completed and home buyers are not sure of handing over of flats, it would be difficult for them to pay bank dues till eternity and it is in the interest of home buyers as well as banks and financial institutions as they can recover money when projects are completed in an effective manner. We direct the banks and financial institutions to release loans to home buyers, whose loans have been sanctioned, notwithstanding the fact that their accounts are declared as NPAs. Let there be restructuring of the loan amount. It may be released under the current norms of the RBI for releasing loans and the rates fixed by the RBI therefore. The disbursement of further loans may be based on the present rate of interest fixed by the RBI; this we order in the peculiar facts of the case. It may be released stage-wise and long-term restructuring of the loans may be done so that construction is completed and buyers are able to repay the loan. Ordered accordingly.*

In terms of the Order of the Court, I request all Banks and Financial Institutions/Establishments to immediately start clearing all applications of Home Buyers of Amrapali projects, who are constantly approaching for release of home loans, and also of applications for release of any fresh or additional loans by any home buyers, approach now. This instruction may please be considered as demand for release of home loans both existing, and fresh loans to the Home Buyers. The applications be sanctioned as expeditiously as possible. Complete details of all applications received, loan amount sanctioned, already disbursed and the balance disbursable amount etc. be furnished **before 10.07.2020**, the next date of hearing of the case. The payment of loans by the banks can correspond to the fund flow chart prepared by NBCC corresponding to construction schedule of all works. This is being shared separately.

Since the court has also directed banks to restructure the loans and both pending and future EMI liabilities, you are requested to provide reasonable terms in this regard and share them with me expeditiously.

All Home Buyers having interest in availing existing home loans or any fresh or additional home loans have been advised approach their respective Banks or Banks of their choice by making application as per format already shared.

Thanking You,



R. VENKATARAMANI
(COURT RECEIVER)