IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.12.2025

CORAM

THE HONOURABLE MR. JUSTICE N. SATHISH KUMAR

WP.No.35419 of 2024

D.Sumathi .. Petitioner

Versus

1. The Deputy General Manager and Zonal Head
UCO Bank, Zonal Office
Vijay Towers, 1st Floor,
22, Father Randy Street
R.S.Puram, Coimbatore – 641 002

2.The Branch Manager
UCO Bank
Neela South Street
Nagapattinam – 611 001 .. Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records pertaining to the impugned letter Ref-UCO/BR/NAGAPA/07/2023-24 dated 13.05.2024 issued by the 1st respondent and quash the same and further direct the respondents to release the petitioner house documents.

For Petitioner	:	Mr.I.Periaswamy
For Respondents	:	Mr.O.Padma Prakash

ORDER

Challenging the letter of the first respondent bank rejecting the petitioner's application for OTS proposal on the ground that due to availibility of Non Agricultural Property of security value of Rs.42 lakhs, the OTS proposal to the petitioner is contrary to their scheme dated 29.09.2023, the present petition has been filed.

2. It is the case of the petitioner that the petitioner has availed crop loan/cash credit vehicle loan etc., from the respondent bank, and on 22.07.2010, a sum of Rs.5,50,000/- under Indirect Agirculture Term Loan Account No.01370610007006 was sanctioned to the petitioner. Despite the petitioner maintaining the loan account properly, this account have become NPA on many occasions. The petitioner requested the second respondent bank to consider his account as special case in order to close the loan account. Under such circumstances, on 29.09.2023, the second respndent bank issued a letter to the petitioner stating that the bank has come forward with Onetime Settlement Scheme named "NDND 2023-24- Rin Samadhan", as per the scheme, the petitioner was advised to deposit a sum of Rs.1 lakh as full and final settlement for the loan account No.01370610007006 which was declared as NPA by the second respondent. Pursuant to the said letter, on 03.10.2023, the petitioner has deposited a sum of Rs.30,000/- within 7 days from the said offer letter and on 21.10.2023, remaining sum of Rs.70,000/- was paid by the petitioner on 21.10.2023. It is the grievance of the petitioner that having received the amounts, the respondents are not closing the loan account and releasing the document. Therefore, the petitioner visited the bank on many occasions and issued a letter dated 02.05.2025 requesting to issue loan closure

letter and to release of documents. At this stage, the impugned letter dated 13.05.2024 has been issued by the first respondent stating that the petitioner's application for OTS proposal was rejected due to availibility of Non Agricultural Property of security value of Rs.42 lakhs and the OTS proposal to the petitioner is contrary to the scheme dated 29.09.2023 given by the second respondent. Challenging the rejection letter, the present writ petition has been filed.

3. Counter has been filed by the respondents bank admitting that the petitioner availed an agricultural credit facility of Rs.5,50,000/- during the year 2010 from the second respondent bank under loan account No.01370610007006. The petitioner approached the second respondent seeking a one-time settlement by payment of Rs.2,00,000/-vide letter dated 29.06.2023. This was rejected by the first responden by a letter dated 11.07.2023, however, later the second respondent informed the petitioner that the petitioner was eligible for a one-time settlement under a scheme named as NPD-2023-2024- Rin Samadhan as per letter dated 29.09.2023. As per the letter, the petitioner had to pay an amount of Rs.1 lakh in full and final settlement of the dues by depositing a sum of Rs.10,000/- within 7 days from the date of the letter and the balance within 30 days, whereas, the petitioner deposited a sum of Rs.30,000/- in the loan account on 03.10.2023, however, failed to deposit the balance sum in the loan account within 30 days. The petitioner deposited the remaining Rs.70,000/- in her saving account bearing No.01370100009220.

4. Further, as per Circular No.CHO/RCR/05/2023-24 of the Head Office of the respondents bank dated 16.09.2023 regarding the scheme named NDND-2023-24-RIN SAMADHAN, the scheme does not cover accounts where market value of primary/collateral securities of borrower and guarantor as well, is more than 125% of the outstanding. The petitioner and her husband had offered their house property as security for the credit facility as stated above. The value of the property was Rs.46,15,000/- as per the valuation report dated 02.09.2019 and the present value of the property is around Rs.59,00,000/-. The total outstanding under this loan account as on 31.12.2024 is Rs.7,30,630/- and the value of the security is more than 125% of the outstanding. Therefore, though the offer letter was sent from the branch level, it was later rejected by the competent authority of the respondents, due to availability of property with value more than 125% of the outstanding.

5. The learned counsel for the petitioner submitted that the second respondent has sent a letter dated 29.09.2023 stating that the petitioner was eligible for one-time settlement under NDND 2023-24/RIN SAMADHAN and directed her to pay a sum of Rs.1 lakh in full and final settlement of the due by depositing a sum of Rs.10,000/- within 7 days from the date of letter and the balance within 30 days. In pursuant to the said letter, on 03.10.2023, the petitioner has deposited a sum of Rs.30,000/- within 7 days from the said offer letter and on 21.10.2023, remaining

sum of Rs.70,000/- was paid by the petitioner on 21.10.2023. According to him, the petitioner has paid the amount within thirty days as per the scheme, despite, the receipt of amount, the loan has not been closed and the documents are not released, whereas, now, the impugned order is passed stating that the petitioner is not entitled to the OTS scheme under the Circular No.CHO/RCR/05/2023-24 of the Head Office of the respondents bank dated 16.09.2023. Hence, seeks for allowing this writ petition.

6. Whereas, the learned counsel for the respondents submitted that though the branch level has sent the letter for OTS, however, as per the scheme, the petitioner is not entitled for the one-time settlement. Clause 6 of the circular dated 16.09.2023 in this regard makes it clear that scheme shall not cover the accounts where the market value of primary/collateral securities of borrower and guarantor as well, is more than 125%. Even assuming that the letter of the branch office is binding on the bank, still the petitioner has not availed the benefit by depositing Rs.1 lakh within 30 days as stipulated in the notice. Hence, seeks for dismissal of the petition.

7. Heard both sides and perused the materials placed on record.

8. Normally, One time settlement offered by the bank are strictly in accordance with the scheme framed by the bank from time to time. Thus, when a scheme is framed by the bank and to extend any concession, such concession should

be only in accordance with the scheme and there cannot be any deviation in the scheme. In the instant case, the petitioner seeks to avail the benefit of One time settlement scheme under the scheme named NDND 2023-24-Rin Samadhan. The fact that the petitioner claimed the OTS scheme under the specific scheme referred above is not disputed. The Circular No.CHO/RCR/05/2023-24 of the Head Office of the respondents bank dated 16.09.2023 makes it very clear that the scheme shall not cover the accounts where the market value of primary/collateral securities of borrower and guarantor as well, is more than 125%, therefore, the petitioner is not entitled to avail the benefit under the scheme named NDND 2023-24-Rin Samadhan. When the scheme clearly says that when the security value is more than 125% than the outstanding, such person is not entitled to avail any benefit under the scheme, therefore, as a matter of right, the petitioner cannot seek OTS under the scheme.

9. Be that as it may, now, the second respondent admittedly had sent a letter dated 29.09.2023 indicating the nature of the scheme and required the petitioner to pay a sum of Rs.1 lakh as one-time settlement for full and final settlement of the due by depositing a sum of Rs.10,000/- within 7 days from the date of letter and the balance within 30 days. Though the petitioner has paid a sum of Rs.30,000/- 03.10.2023 into the loan account, it is the contention of the petitioner in the affidavit that the petitioner has paid the remaining amount of Rs.70,000 on 21.10.2023, but to

evidence such payment, no materials whatsoever is placed. Whereas, for the first time during the hearing of the writ petition, a stand has been taken by the petitioner as if the remaining Rs.70,000/- was deposited in her saving bank account which is admittedly a different account maintained by the petitioner. If really, the petitioner is interested in availing the benefit, though it is not valid as per the circular of the bank, whereas, when the relief was extended by the bank official, the petitioner ought to have deposited the remaining amount of Rs.70,000/- towards the loan account, however, such exercise has not been done by the petitioner, instead, the petitioner has deposited in her own savings account. Now, the contention is raised as if that only at the instructions of the bank manager, the amount has been deposited in the petitioner's own savings account, such contention is raised only during the submissions, whereas, in the affidavit, it is the specific stand of the petitioner that he paid the amount to the bank towards the loan account. Therefore, the contention that only at the instructions of the bank she has deposited the amount in her own savings account is an afterthought and this Court cannot go into such disputed facts.

10. Such view of the matter, once the petitioner has failed to pay the amount towards the loan account, as a matter of right, the petitioner cannot insist that scheme should be extended to the petitioner. Hence, I do not find any merits in this petition. However, taking note of the fact that the bank has also sent a letter dated 29.09.2023 requiring the closure of loan for a sum of Rs.1,00,000/-. Though that

scheme did not extend to the petitioner, considering the fact that the letter of the second respondent which had given some hope and the petitioner has also paid the some amount later, let the bank consider the petitioner's case under any other scheme available for closure of loan and the same may be extended to the petitioner.

N.SATHISH KUMAR, J.

11. In view of the above, this petition stands dismissed. No costs.

10.12.2025

dhk
Index :Yes/No
Internet :Yes/No
Neutral Citation : Yes

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