IN THE HIGH COURT OF JUDICATURE OF BOMBAY
BENCH AT AURANGABAD

WRIT PETITION NO.2003 OF 2026

Meenabai Sharad Ghuge PETITIONER

VERSUS

Union of India and Others RESPONDENTS

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Mr. B. N. Patil, Advocate for the Petitioner
Mr. R. D. Sanap, Advocate for Respondents No.1 and 2
Mr. S. B. Pulkundwar, AGP for Respondent - State

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CORAM : SMT. VIBHA KANKANWADI &
HITEN S. VENEGAVKAR, J.J.

DATE : 24th FEBRUARY, 2026

ORDER (PER HITEN S. VENEGAVKAR, J.) :

1. Present Petition, under Article 226 of the Constitution of India, seeks direction to Respondent No.5 for issuance of no dues certificate to the Petitioner in pursuance of her application dated 30th December, 2024 and a reminder letter dated 11th February, 2025. The Petition further challenges the communication issued by Respondent No.5 – Liquidator, on 24th March, 2025. The Petitioner further seeks direction to Respondents No. 2 and 4 to hold inquiry in the matter against

the Liquidator of Respondent No. 5 Society.

2. We have heard learned Advocate for the Petitioner. The grievance of the Petitioner is that, the Petitioner had obtained loan from Respondent No. 5 Society, in the year 2013 of an amount of Rs.18 lakhs. The installments were regularly being paid by the Petitioner. However, as the Credit Society, from where the Petitioner had obtained loan, went into liquidation and Liquidator came to be appointed, Respondent No. 5 Society was not functioning. There have been criminal cases registered against the office bearers of the said Society and other concerned persons, for the fraud committed by them. The Petitioner received a notice from the Recovery Officer, on 6th October, 2016, demanding dues of her loan amount, which according to the Petitioner, contain exorbitant amount, more than what she was liable to pay. It is her case that, the officers of Respondent No. 5 society had obtained her signatures on blank printed form and rate of interest quoted therein is exorbitant, which was never agreed by the Petitioner. It is further alleged by the Petitioner that, Respondent No. 5 has taken undue advantage of the condition

of the Petitioner and has thus raised demand of amount, more than the actual liability. The Petitioner, therefore, submitted an application on 30th June, 2022 to the Liquidator of Respondent No. 5 Society and offered to settle the entire loan amount for Rs.26 lakhs. The Petitioner, thereafter deposited an amount of Rs.90,000/- in her account, on the same day. The Petitioner, thereafter deposited Rs.11,10,000/- on 5th December, 2022 and Rs.4 lakh on 16th January, 2023. The remaining amount was deposited by the Petitioner on 4th October, 2023. However, it is the grievance of the Petitioner that in spite of her depositing the entire Rs.26 lakhs, in pursuance of the One Tile Settlement (OTS) Scheme, floated by Respondent No.5, the Liquidator has not issued No Dues Certificate, for the extraneous considerations. The Petitioner has submitted an application on 30th December, 2024, demanding No Dues Certificate and subsequently also issued a reminder letter on 11th February, 2025.

3. Learned Advocate appearing for the Petitioner submits that, the OTS Scheme of 2002 was floated by Respondent No.5 asking the defaulters to participate in the said scheme

and repay the settlement amount. However, after the amount was deposited by the Petitioner, the Respondent No.5, without adhering to the OTS Scheme, by its communication dated 24th March, 2025, informed the Petitioner that, the OTS Scheme, which was floated in the year 2022, has been cancelled and the amount deposited by the Petitioner stands credited in her loan account towards the interest. Further, the Petitioner has been directed to deposit the remaining amount with interest, as per the prevailing rate of interest. Learned Advocate for the Petitioner further argued that the Liquidator is not abiding by the OTS Scheme and further more, oral promise which was given by Respondent No. 5 to the Petitioner. The Petitioner, therefore, has been mislead to deposit the entire amount, which was agreed in terms of the OTS Scheme and, therefore, urged that the reliefs prayed in the Petition should be granted and the Petition be allowed.

4. We have heard learned Advocate for the Petitioner and have also perused the documents placed on record. The contention of the Petitioner in the Petition that the loan amount, which was disbursed to her and subsequently which

remained unpaid, were based on some blank documents, upon which officers of Respondent No.5 had obtained her signatures. It is her further contention that the rate of interest applied for recovering the dues is not the rate of interest, which was agreed by the Petitioner and, therefore, the total amount shown against the name of the Petitioner as outstanding loan is an exorbitant amount. Secondly, the contention of the Petitioner that there was an OTS Scheme and the assurance was given by Respondent No. 5 to the Petitioner that if the total amount of Rs.26 lakhs towards OTS Scheme is paid, then her loan account will be closed and No Dues Certificate will be issued to her, are the averments, which are not supported by any document or communication by Respondent No.5. In any case, contentions that have been raised by the Petitioner in this Petition are purely the questions of fact, which need to be proved, by leading evidence before the appropriate authority. We have referred to section 84 of the Multi State Co-operate Societies Act, 2002, which falls in Chapter 9, under head Settlement of Disputes. Section 84 of the said Act, clearly lays down mechanism by which there is reference of any kind of dispute between the

Member of the Society, which can be considered by the Arbitrator under the provisions of the Arbitration and Conciliation Act, 1996. As the issue involved in the Petition needs to be proved by leading evidence, we do not think it appropriate to exercise our writ jurisdiction under Article 226 of the Constitution of India.

5. For the aforestated reasons, the Writ Petition stands dismissed with liberty to the Petitioner to adopt legal remedy as available in law.

(HITEN S. VENEGAVKAR)
JUDGE

(SMT. VIBHA KANKANWADI)
JUDGE

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