

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.584 OF 2026

Sunil Dattatray Patil ... Petitioner
Vs.
State of Maharashtra and another ... Respondents

Mr. Kaustubh Somnath Pawar a/w. Mr. Rohit K. for Petitioner.
Mr. A. I. Patel, Addl. GP a/w. Ms. T. N. Bhatia, AGP for Respondent No.1-State.
Mr. Rajesh Kanojia a/w. Ms. Deepika Prabhala i/b. Res Juris for Respondent No.2 - Bank.

**CORAM : MANISH PITALE &
SHREERAM V. SHIRSAT, JJ.**
DATE : JANUARY 13, 2026

P.C. :

. Heard Mr. Pawar, learned counsel appearing for the petitioner and Mr. Patel, learned counsel appearing for the contesting respondent No.2 Bank.

2. By this petition, the petitioner, who is a defaulting borrower, has impugned the act of the contesting respondent No.2 Bank in rejecting a One Time Settlement (OTS) proposal dated 24.06.2024 moved by the petitioner and also the consequent possession notice dated 19.12.2025 issued by the respondent Bank. A further direction is sought in the form of a mandamus against the said respondent Bank for reconsidering the OTS proposal of the petitioner.

3. The OTS proposal was moved by the petitioner in the light of an order dated 10.07.2024 passed by the Debts Recovery Tribunal (DRT), Pune in a pending proceeding.

4. The DRT directed that upon 10% of amount of Rs.1,18,04,117.36/- being transferred to the bank, the subject OTS

proposal would be considered by the bank.

5. By an e-mail communication dated 17.09.2025, the respondent Bank rejected the OTS proposal of Rs.30 lakhs, in the light of the total outstanding accumulated dues in the loan account of the petitioner. It was stated that in the light of rejection of the OTS, the petitioner was required to pay an amount of Rs.1,77,79,145.40/-.

6. We find that the order dated 10.07.2024 was passed by the DRT, *inter alia*, observing that in the event of OTS proposal is rejected, the petitioner shall settle the loan account by making payment of entire outstanding dues within three months in default of which, he shall handover vacant possession of the subject property to the respondent-Bank, without further reference to the DRT. The entire material pertaining to the amount due from the petitioner as the borrower was placed before the DRT.

7. In such circumstances, the attempt sought to be made before this Court by referring to some certificate issued by the Chartered Accountant and tendering documents across the Bar, cannot be countenanced. We are in agreement with the contention raised on behalf of the respondent Bank that this is nothing but another attempt to somehow delay the inevitable. Apart from this, a more fundamental question arises for consideration in this petition, which goes to the very root of the matter and the jurisdiction to be exercised by the writ court in such circumstances.

8. The learned counsel appearing for respondent Bank is justified in relying upon judgement and order dated **15.12.2021** passed by the Supreme Court in **Civil Appeal No.7411 of 2021** (*The Bijnor Urban Co-operative Bank Limited Vs. Meenal Agarwal and others*), where specific questions pertaining to the OTS scheme were considered and decided.

9. The Supreme Court considered the question as to whether benefit of OTS scheme could be prayed as a matter of right and further as to whether the High Court exercising writ jurisdiction could issue a mandamus, directing the bank to consider an OTS scheme.

10. After detailed discussion, the Supreme Court found that no borrower can, as a matter of right, pray for grant of benefit of OTS scheme. It was further held that if the Writ Court starts entertaining such prayers, it would amount to giving premium to dishonest borrowers, who have failed to repay the amount in the first place. The Supreme Court has gone to the extent of holding that, no writ of mandamus can be issued by the High Court exercising jurisdiction under Article 226 of the Constitution of India, directing a financial institution or bank to positively consider OTS proposed by the borrower. The aforesaid position of law clarified by the Supreme Court goes to the very root of the matter and indicates that writ jurisdiction cannot be exercised in such circumstances, where a defaulting borrower insists upon the Writ Court to grant relief in respect of OTS proposals moved before the financial institution or the bank.

11. In the present case, we find that the petitioner took three loan facilities, defaulted on all three, and when the respondent Bank undertook precipitate steps, a statement was made that 10% of the amount would be paid and that the OTS proposal would be moved. Although 10% of the amount appears to have been paid by the petitioner, the OTS proposal has been rejected and therefore, we do not find any reason to consider this as a unique or peculiar case where jurisdiction can be exercised, in the light of the aforesaid position of law made abundantly clear by the Supreme Court in the judgement in the case of **The Bijnor Urban Co-operative Bank Limited Vs. Meenal Agarwal and others** (*supra*).

12. All attempts, being made at this stage, to claim that the actual amount due is far less, cannot be entertained, primarily because when the DRT passed the order dated 10.07.2024, there was not even a whisper on the part of the petitioner that there was some error in accounting for the amount that was repaid. The order was passed on a joint *purshis*, which indicated that even at that point in time, the outstanding dues were more than Rs.1 crore.

13. In view of the above, we do not find any reason to entertain the present petition. Accordingly, the petition is dismissed.

(SHREERAM V. SHIRSAT, J.)

(MANISH PITALE, J.)

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