



WRIT PETITION NO: 16780 of 2025

Shri Bathina S S Malleswar Rao and Others

...Petitioner(s)

Vs.

IDBI Bank Limited and Others

...Respondent(s)

Advocate for Petitioner : Mr. N. Subba Rao, Senior Counsel
along with Ms. Jyothi Ratna Anumolu
(AoR)

Advocate for Respondents : --

**CORAM : THE CHIEF JUSTICE DHIRAJ SINGH THAKUR
SRI JUSTICE R RAGHUNANDAN RAO**

DATE : 10th July, 2025

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The petitioners challenge the communication, dated 24.04.2025, issued by the respondent Bank whereby the one time settlement offer was revoked.

It is stated that pursuant to Sugam Rinn Bhugtan Yojana [SUGAM] Scheme of the Bank regarding one time settlement, the petitioners approached the Bank for one time settlement in regard to five loan accounts.

According to the communication, dated 25.09.2024, issued by the Bank in terms of the aforesaid Scheme, the petitioners were required to make an offer for settlement along with a payment representing at least 10% of the tentative settlement amount on or before 31.12.2024 to confirm the willingness of the petitioners.

The tentative settlement amount was fixed at Rs.99,99,952/- in regard to loan account bearing No.031655100000392. The petitioner claims that in regard to this loan account, the petitioner paid an amount of Rs.20,00,000/-

before the prescribed date i.e., 31.12.2024 and also offered his willingness to settle the account before the cut-off date which was fixed as 31.12.2024.

It is stated that without assigning any reasons, by virtue of the impugned communication, dated 24.04.2025, the O.T.S proposal has been rejected.

It is also stated that proceedings have been initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, to dispossess the petitioners from the secured asset which is also a secured asset in regard to the remaining four loan accounts in respect of which the application for settling the cases under the O.T.S scheme is still pending.

What is urged by learned Senior Counsel, Mr. N. Subba Rao, is that the Bank having followed the mandate of the SUGAM Scheme could not have arbitrarily rejected the offer of one time settlement when all the requisite conditions which were otherwise required to be fulfilled as per the Scheme had been complied with.

Notice returnable in four weeks.

Service of personal notice is permitted.

List on 07.08.2025.

In the meantime, *status quo* be maintained with regard to the possession of the petitioners in regard to the secured asset.

DHIRAJ SINGH THAKUR, CJ

R RAGHUNANDAN RAO, J

Vjl