

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S) . _____ OF 2026
(ARISING OUT OF SLP (CIVIL) NO(S) . 29289-29290 OF 2024)

SUMAIYA PARVEEN

APPELLANT(S)

VERSUS

THE BRANCH MANAGER
CENTRAL BANK OF INDIA & ANR.

RESPONDENT(S)

O R D E R

1. Leave granted.

2. The appellant is aggrieved by the orders dated 10.09.2024 and 28.10.2024 passed by the Division Bench of the Madras High Court rejecting the appellant's offer for repayment of the loan amount as per the expired one time settlement (for short, "OTS") offer and consequently, to release the title deeds of the property owned by her deceased husband.

3. The unusual and unfortunate circumstances of this case have prompted us to pass this order purely on equitable considerations and by invoking our powers under Article 142 of the Constitution. We explain those circumstances as follows:

4. The appellant's husband was the proprietor of a concern known as FILSA Leathers and availed credit facilities to the tune of Rs.50 lakhs from the respondent-Bank. A residential house bearing Door No.199, MBT 1st Cross Street, Old SF No.700/12, Vannivedu Village, Walajah Taluk, District Vellore, measuring 3240 sq. ft., was mortgaged as security.

5. The appellant's husband, unfortunately, passed away on 25.05.2021 in the second wave of the COVID-19 pandemic. Till then, he was paying the due installments and the account was regular.

6. The death of the appellant's husband brought further miseries as the subject account was classified as NPA and proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, "the Act") were initiated. The Bank, however, offered OTS for a total sum of Rs.34,69,000/- against the outstanding dues of Rs.71,00,000/- as on January 2024.

7. The appellant sincerely attempted to avail the OTS benefit and deposited the upfront amount of 10% i.e., Rs.3,46,900/-. The balance amount was to be paid within six months. However, the appellant was unable to do so. Meanwhile, there are some factual issues, which need not be referred to, the same being largely disputed. What is undisputed is that the appellant again applied to the Bank to grant the benefit of the first OTS offer, but the respondent-Bank is stated to have demanded an additional amount of Rs.9 lakhs. As the appellant could not pay that amount, a possession notice under Section 13(4) of the Act was issued. This prompted the appellant to approach the High Court, and as noted at the outset, her writ petition has been dismissed by the High Court.

8. When the matter came up for preliminary hearing on 13.12.2024, the following order was passed:

"1. Heard learned counsel for the petitioner.

2. It is, inter alia, contended that the communication regarding payment of One Time Settlement (OTS) amount, pursuant to the first OTS, was communicated to the petitioner through a whatsapp message on 15.07.2024 only, and because of the delay on the part of the bank authorities, the petitioner could not honour the first OTS before the expiry date.

3. Issue notice, returnable on 27.01.2025.
 4. Dasti, in addition, is permitted.
 5. Meanwhile, status quo re: dispossession of the petitioner from the residential house shall be maintained."
9. The respondent-Bank entered appearance and, upon consideration of the rival submissions, the following order was passed on 21.11.2025:
- "1. The arguing counsel for the respondent-bank is not present.
 2. In the interest of justice, post the matter on 16.01.2026.
 3. Meanwhile, the petitioner is permitted to submit a fresh OTS offer as per the old scheme.
 4. The respondent-bank is directed to consider the same, keeping in view the OTS Scheme, which was prevalent in January 2024, when the petitioner had originally submitted the OTS.
 5. A compliance affidavit be filed before the next date of hearing."
10. In purported compliance thereto, the respondent-Bank has now sent a letter dated 11.12.2025 asking the appellant to pay a compromise amount of Rs.46,34,000/-, which includes the upfront amount of Rs.3,46,900/-. In this manner, the appellant has been asked to deposit approximately Rs.42,87,100/-.
11. On the other hand, the appellant pleads lack of resources and submits that she was deprived of the benefit of the first OTS for no fault on her part and, therefore, her liability should not exceed more than Rs.31,22,000/-.

12. We have considered the submissions. Though the demand raised by the Bank is legally sustainable, we find that compliance thereof would lead to extreme hardship for the appellant. While keeping in view the fact that the balance amount of Rs.31,22,000/- as per the first OTS was to be paid by the appellant by 30.06.2024, it seems to us that the ends of justice would be adequately met with if the appellant deposits a sum of Rs.33,00,000/-, over and above the upfront amount of Rs.3,46,900/- already deposited by her. The appellant is granted eight weeks' time to deposit the amount of Rs.33,00,000/- upon which further interest shall remain frozen. In case the appellant deposits the amount of Rs.33,00,000/- within eight weeks from today, the Bank is directed to issue a no-dues certificate and release the original title deeds in favour of the appellant. However, if despite enough time granted hereinabove, the appellant fails to do so, the law will take its own course.

13. As stated at the outset, this order has been passed in the peculiar facts and circumstances of this case, and it shall not be construed as a precedent to be relied upon against the respondent-Bank.

14. The appeals stand disposed of, in the above terms.

.....CJI
(SURYA KANT)

.....J.
(JOYMALYA BAGCHI)

NEW DELHI;
JANUARY 16, 2026.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petitions for Special Leave to Appeal (C) No(s). 29289-29290/2024

[Arising out of impugned judgment and order dated 28-10-2024 in RAW No. 191/2024 10-09-2024 in WP No. 24024/2024 passed by the High Court of Judicature at Madras]

SUMAIYA PARVEEN

Petitioner(s)

VERSUS

THE BRANCH MANAGER CENTRAL BANK OF INDIA & ANR. Respondent(s)

(IA No.283151/2024-EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT, IA No. 283151/2024 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT)

Date : 16-01-2026 This matter was called on for hearing today.

CORAM : HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE JOYMALYA BAGCHI

For Petitioner(s) : Ms. Aswathi M.k., AOR
Mr. S. Sethuraman, Adv.

For Respondent(s) : Mr. Krishan Kumar, AOR
Mr. Seemant Kr Garg, Adv.
Mr. Nitin Pal, Adv.

UPON hearing the counsel the Court made the following

O R D E R

Leave granted.

The appeals stand disposed of in terms of the signed order.

Pending application(s), if any, shall stand closed.

(NITIN TALREJA)
ASTT. REGISTRAR-cum-PS

(PREETHI T.C.)
ASSISTANT REGISTRAR

(Signed order is placed on the file)