



W.P.No.8240 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 22.06.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,  
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

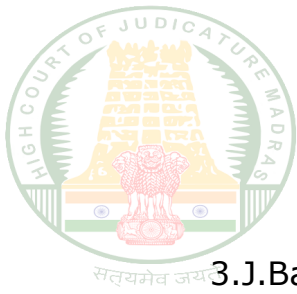
W.P.No.8240 of 2026

and W.M.P.Nos.8930 and 9020 of 2026

1.Nirmala Samuel  
W/o. J.K. Samuel,  
D.No.4/534, S.P. Nagar, Pariyur,  
Vellalapalayam,  
Gobichettipalayam Taluk,  
Erode 638 452.

Presently Having Office at  
Nirmala Cottage Lodge,  
No.30. Erode Main Road,  
Gobichettipalayam Taluk,  
Erode - 638 452.

2.Rathi Leela Samuel  
D/o.J.K. Samuel,  
D.No.4/534 S.P. Nagar, Periyur,  
Vellalapalayam,  
Gobichettipalayam Taluk,  
Erode - 638 452.



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3.J.Babu

S/o. Jayabal,  
D.No.4/534 S.P. Nagar, Periyur,  
Vellalapalayam,  
Gobichettipalayam Taluk,  
Erode – 638 452.

Petitioners

Vs

Shiram Finance Limited  
(Formerly Known as  
Shriram City Union Finance Ltd.),  
Rep. by its Authorised Officer,  
Branch Office at  
No.5M, Ramachandrapuram,  
Tennur, Trichy – 620 017.

Respondent

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of mandamus directing the respondent to consider the petitioner representation dated 22.09.2025 requesting the respondent to confirm the petitioner's proposal for One Time Settlement and dispose of the same within a time period fixed by this Hon'ble Court and stay all further proceedings in S.A.No.464 of 2025 pending on the file of Debts Recovery Tribunal at Coimbatore.

For Petitioners: Mr.M.Aravind Subramaniam  
Senior Counsel  
for Mr.S.Manoj

For Respondent: Mr.A.Swaminathan



ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

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Heard on admission.

2. This writ petition under Article 226 of the Constitution of India has been filed with the following prayer:

*"For the reasons stated in the accompanying affidavit, it prayed that this Hon'ble Court may be pleased to issue a Writ of Mandamus or any other appropriate Writ, order or direction directing the Respondent to consider the petitioner representation dated 22.09.2025 requesting the Respondent to confirm the Petitioner's proposal for One Time Settlement and dispose of the same within a time period fixed by this Hon'ble Court and stay all further proceedings in S.A.No.464 of 2025, pending on the file of Debts Recovery Tribunal at Coimbatore, pass such further or other orders as this Hon'ble Court may deem fit and proper under the circumstances of the case and thus render justice."*

3. Learned Senior Counsel for the petitioners submitted that, after initiation of SARFAESI proceedings on the secured asset, the petitioners have made a request to the respondent for One-Time Settlement through a representation dated 22.09.2025. Despite receipt of the said representation, no action was taken by the



respondent till date. Hence, the petitioner has filed the present writ petition to direct the respondent to consider the petitioners' proposal for One-Time Settlement (OTS).

4. At the outset, it has to be mentioned that prayer on the part of the defaulting person to compel or direct the financial institution/bank to enter into a OTS has been considered by the Apex Court in the case of ***Bijnor Urban Cooperative Bank Limited, Bijnor and another v. Meenal Agarwal and others***<sup>1</sup>. In the said decision, the Apex Court in clear terms observed that no writ of mandamus can be issued by the High Court in exercise of powers under Article 226 of the Constitution of India directing a financial institution/bank to positively grant the benefit of OTS to a borrower. In paragraphs 14 and 15, it has been held thus:

*"14. The sum and substance of the aforesaid discussion would be that **no writ of mandamus can be issued by the High Court in exercise of powers under Article 226 of the Constitution of India, directing a financial institution/bank to positively grant the benefit of OTS to a borrower.** The grant of benefit under the OTS is always subject to the eligibility criteria mentioned under the OTS scheme and the guidelines issued from time-to- time. If*

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<sup>1</sup>(2023) 2 SCC 805



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*the bank/financial institution is of the opinion that the loanee has the capacity to make the payment and/or that the bank/financial institution is able to recover the entire loan amount even by auctioning the mortgaged property/secured property, either from the loanee and/or guarantor, the bank would be justified in refusing to grant the benefit under the OTS scheme. Ultimately, such a decision should be left to the commercial wisdom of the bank whose amount is involved and it is always to be presumed that the financial institution/bank shall take a prudent decision whether to grant the benefit or not under the OTS scheme, having regard to the public interest involved and having regard to the factors which are narrated hereinabove.*

*15. In view of the aforesaid discussion and for the reasons stated above, **we are of the firm opinion that the High Court, in the present case, has materially erred and has exceeded in its jurisdiction in issuing a writ of mandamus in exercise of its powers under Article 226 of the Constitution of India by directing the appellant Bank to positively consider/grant the benefit of OTS to the original writ petitioner.** The impugned judgment and order, Meenal Agarwal v. State of U.P., 2021 SCC OnLine All 989, passed by the High Court is hence unsustainable and deserves to be quashed and set aside and is accordingly quashed and set aside."*

*(emphasis supplied)*



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5. In light of the above, the writ petition is not maintainable and the same is dismissed. There shall be no order as to costs. Consequently, W.M.P.No.9020 of 2026 is closed. W.M.P.No.8930 of 2026 to permit the petitioners to file a single writ petition is ordered, subject to payment of separate court-fee within two weeks from today.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)  
22.06.2026

Index : Yes/No  
Neutral Citation : Yes/No  
sasi/bbr



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Case Citation: (2026) ibclaw.in 3462 HC



W.P.No.8240 of 2026

THE HON'BLE CHIEF JUSTICE  
AND  
G.ARUL MURUGAN,J.

(sasi/bbr)

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