



W.P.No.18721 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 31.07.2024

CORAM :

THE HON'BLE MR. JUSTICE S.S.SUNDAR
AND
THE HON'BLE MR.JUSTICE N.SENTHILKUMAR

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1. M/s Gratia Leathers Proprietary
Having office at New No.20 (Old No.45)
Thiruvengadam Street, Periamet
Chennai 600 003

2. Mr.S.Sundaram
3. Mr.S.Soundar Rajan
4. Mr.S.Prabhu Kumar
5. Mr.Arasu

.. Petitioners

v.

1. The Assistant General Manager
ARMB, Indian Overseas Bank
Anna Salai, Chennai

2. The Authorised Officer
Indian Overseas Bank
Valluvarkottam Branch
Vidyadaya Schools Society Complex
Thirumalai Road, T.Nagar
Chennai 600 017



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3. Alchemist Asset Reconstruction Company Limited

A-270, 1st and 2nd Floor, Defence Colony

New Delhi 110 0024

.. Respondents

Writ Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Mandamus, directing the 3rd respondent to accept the petitioners one time settlement proposal dated 08.03.2024 and to release the document of the petitioners residential house situated at Door No.8, Keela Mada Veethi, Little Kanchipuram, Kanchipuram Town, Kanchipuram District.

For Petitioners :: Mrs.Thenmozhi Shivaperumal

For Respondents :: Mr.F.B.Benjamin George

ORDER

(Order of the Court was made by S.S.SUNDAR,J.)

W.M.P.No.20538 of 2024 seeking to permit the petitioners to file a single writ petition stands allowed.

2. This writ petition is filed for issuance of a mandamus directing the third respondent to accept the petitioners' one time settlement proposal dated 08.03.2024 and to release the documents of the petitioners' residential property, which was the subject matter of mortgage created in favour of the financial institution.



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3. The third respondent in this writ petition is the Asset

Reconstruction Company, which had got assignment of the security interest.

It is now stated by the learned counsel appearing for the respondents that the proposal submitted by the petitioners earlier was rejected, as the amount quoted by the petitioners was not agreeable to the third respondent. The learned counsel appearing for the petitioners states that the petitioners are prepared to go with fresh offer.

4. This Court and the Hon'ble Supreme Court have time and again reiterated that the Courts cannot compel the financial institution/asset reconstruction company with regard to one time settlement. However, the petitioners like any other borrower have a right at least to the extent expecting a fair consideration of their offer. It is in that context, without expressing any opinion on the merits of the petitioners' contentions or the justifiability of the proposal for one time settlement, the petitioners are permitted to submit a fresh one time settlement proposal to the third respondent within a period of two weeks from the date of receipt of a copy of this order. On receipt of such representation from the petitioners, the



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third respondent is directed to consider the proposal and to pass an order on merits and communicate the decision thereof to the petitioners within a period of six weeks thereafter. Till such time one time settlement proposal is considered and the decision is communicated to the petitioners, the respondents shall not take any coercive action in respect of the subject property. The writ petition stands disposed of. No costs.

Index : yes/no

(S.S.S.R.,J.)

(N.S.,J.)

Neutral citation : yes/no

31.07.2024

SS

To

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S.S.SUNDAR,J.

AND

N.SENTHILKUMAR,J.

SS

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