



W.P.No.13009 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.06.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

WP No.13009 of 2025

and W.M.P.Nos.14517, 14520 and 14521 of 2025 and 11587 of 2026

1.K.Velusamy
S/o.Karuppannan,
No.221/1, Annapoorna Layout,
New Sidhapudur,
Avarampalayam,
Coimbatore-641 044

2.Geetha
W/o.K.Velusamy,
No.221/1, Annapoorna Layout,
New Sidhapudur,
Avarampalayam,
Coimbatore-641 044

Petitioners

Vs

LIC Housing Finance Ltd
Rep. by its Authorized Officer, P.Padmavathi,
Tristar Towers, 2nd Floor,
657 Avinashi Road, Coimbatore-641 037

Respondent



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PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorari to call for the records order made in Crl.MP.No.1131 of 2025 passed by the Chief Judicial Magistrate, Coimbatore dated 12.2.2025 and quash the same.

For Petitioners: Ms.Thenmozhi Shivaperumal

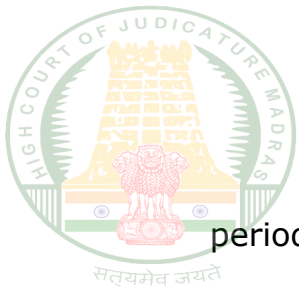
For Respondent: Mr.R.Imayavaramban
for M/s. Ramalingam and
Associates

ORDER

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

This writ petition under Article 226 of the Constitution of India has been filed by the petitioners challenging the order dated 12.2.2025 passed by the learned Chief Judicial Magistrate, Coimbatore, in Crl.M.P.No.1131 of 2025.

2. The case of the petitioners is that the petitioners availed a housing loan of Rs.2,33,50,000/- from the respondent on 10.5.2017 and, as security for the loan, they mortgaged their residential house, which consists of six portions, currently occupied by tenants. Due to business loss and Covid-19 pandemic, the petitioners were unable to repay the loan installments. While other banks are giving moratorium



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periods and loan restructuring, the respondent refused to give such facility. As a result, the petitioners' account was declared as Non-Performing Asset. Despite several representations made by the petitioners, the respondent initiated SARFAESI proceedings by issuing notice under Section 13(2) and possession notice under Section 13(4). The respondent has also filed petition under Section 14 of the Act in Crl.M.P.No.1131 of 2025 before the learned Chief Judicial Magistrate, Coimbatore, seeking appointment of advocate commissioner and the same was ordered on 12.2.2025, which is impugned in the present petition.

3. It is the further case of the petitioners that after repeated rounds of negotiation, the respondent came forward by offering One-Time Settlement of Rs.2,35,00,000/- to be payable on or before 19.3.2025. Since the property in question is their only residential property and also five tenants with school going children are living there, the eviction order will cause irreparable loss. Hence, the petitioners have filed the present petition.



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4. On 9.4.2025, when the writ petition came up for admission before a Co-ordinate Bench, while issuing notice, an order of status-quo was granted. The said order reads thus:

"This writ petition is filed challenging the order passed by the learned Chief Judicial Magistrate, Coimbatore in Crl.M.P.No.1131 of 2025 in the application filed under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

2. When this Court observed that the writ petition is not maintainable as against the order passed by the learned Chief Judicial Magistrate, learned counsel appearing for the petitioners states that the petitioners have already given proposal for One-Time Settlement, which has been favourably accepted by the respondent. It is further stated that the petitioners are seeking only time to make payment towards the One-Time Settlement. Statement is recorded.

3. Issue notice to the respondent, returnable on 15.04.2025. Private notice is also permitted. In the meanwhile, there shall be an order of status quo.

List on 15.04.2025."

[emphasis supplied]



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5. Today, when the matter is taken up for hearing, learned counsel for the petitioners submitted that, in furtherance of the OTS, the petitioners have taken a Demand Draft for Rs.20.00 lakhs on 18.3.2026 and the same has been handed over to the respondent on 1.6.2026 with due acknowledgment. He has also produced the copies of demand draft and the covering letter by way of additional typed-set. However, no document evidencing OTS has been placed on record.

6. Insofar as challenge to the impugned order of the learned Chief Judicial Magistrate is concerned, the petitioners has an alternative remedy under Section 17 of the SARFAESI Act. The Supreme Court has repeatedly and unequivocally laid down the law that High Court should not entertain writ petitions under Article 226 of the Constitution of India when an effective alternative remedy is available.

7. Insofar as prayer of the petitioners to direct the respondent to extend the time is concerned, we notice from the vacate stay application filed by the respondent that till date the petitioners have



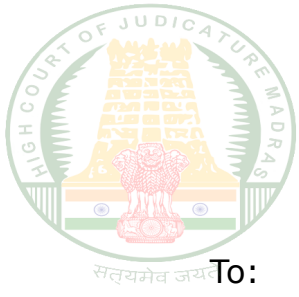
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not approached the respondent seeking one-time settlement, but on the other hand are enjoying the benefits of the interim order granted by this court. The law is well settled that no writ of mandamus can be issued by the High Court in exercise of powers under Article 226 of the Constitution of India directing a financial institution and/or bank to positively grant the benefit of OTS to a borrower. It is for the petitioners to approach the bank, we express no opinion.

In view of the above, the writ petition is not maintainable and the same is dismissed. There shall be no order as to costs. The interim order of status-quo granted is vacated and WMP No.11587 of 2026 is allowed. All other interim applications are closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)
15.06.2026

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



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To:

WEB COPY

The Authorised Officer,
LIC Housing Finance Ltd
Tristar Towers, 2nd Floor,
657 Avinashi Road, Coimbatore-641 037



WEB COPY



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

(bbr/sasi)

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