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W.P.No.17033 of 2024

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.17033 of 2024
and W.M.P.No.18776 of 2024

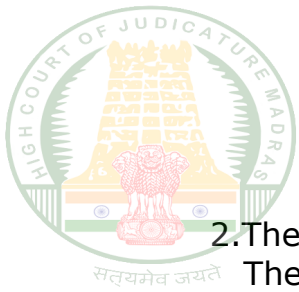
1.Leaf Garments
Rep. by its Proprietor Mr.E.Sellammal,
Having Office at
No.360-9,Membala Nagar,
Thiruvagoundanur East,
Salem-5

2.P.Elencheran
S/o.N.Periyasamy,
No.360-9,member Nagar,
Thiruvagoundanur-East,
Salem-5

Petitioners

Vs

1.The Authorised Officer
The Punjab National Bank,
Sastra Center,
Circle Office Trichy, PNB House,
Trichy-Thanjore Road,
Kailasapuram,
Trichy-620 124



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2. The Branch Manager
The Punjab National Bank,
Meyyanur Road Branch,
Three Roads, Salem 636004

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Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of mandamus directing the 1st and 2nd respondents to provide the extension One Time Settlement (OTS) originally accepted vide OTS letter dated 25.2.2022 and to consider the petitioners representation dated 8.6.2022 within stipulated time fixed by this Honourable Court.

For Petitioners: Mr.P.Roshankumar
for Mr.M.Dinesh

For Respondents: No Appearance

ORDER

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

This writ petition under Article 226 of the Constitution of India seeks direction to the respondents to provide the extension of One-Time Settlement (OTS) originally accepted vide OTS letter dated 25.02.2022 and to consider the petitioners' representation dated 8.6.2022 within the time stipulated by this Court.



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2. The respondents filed counter-affidavit stating that the petitioners have failed to honour their commitments under the OTS proposal dated 25.2.2022 and that the bank, after careful consideration, decided not to extend the OTS offer as the petitioners were unable to comply with the stipulated terms.

3. 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. In ***Bijnor Urban Cooperative Bank Limited, Bijnor and another v. Meenal Agarwal and others***¹, the Supreme Court 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 the bank/financial institution is of the opinion that the loanee has the capacity to make the payment and/or that*

¹(2023) 2 SCC 805



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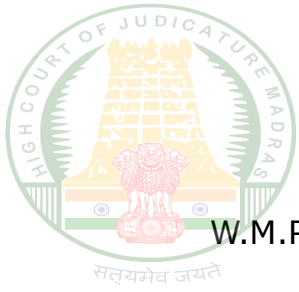
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the bank/financial institution is able to recover the entire loan amount even by auctioning the mortgaged property/secured property, either from the loanee and/or guarantor, the bank would be justified in refusing to grant the benefit under the OTS 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)

In light of the above, the writ petition is not maintainable and the same is dismissed. There shall be no order as to costs.



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W.M.P.No.18776 of 2024 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
bbr

To:

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AND
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