

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 17.03.2015

CORAM

THE HONOURABLE MR.JUSTICE T.S.SIVAGNANAM

W.P.No.22034 of 2014

And

M.P.Nos.1 and 2 of 2014

M/s.C.L.Tanning Company
Rep. by its partner Mr.C.L.Althaf Ahmed Petitioner

Vs.

The Tamilnadu Industrial
Investment Corporation Ltd
No.73/A, Katpadi Main Road
(Vasan E.N.T.Clinic- I Floor)
Gandhi Nagar, Vellore - 632 006
Rep. by its Branch Manager Respondent

Prayer:

Petition filed under section 226 of the Constitution of India to issue a Writ of certiorari calling for the records on the file of the respondent herein in respect of the notice in TIIC/VLR/LAO/NS/2014-15 dated 06.08.2014 issued in respect of taking possession of the collateral security offered by the petitioner in loan account No.81W0042 to the respondent and quash the same.

For Petitioner : M/s.G.Desingu
For Respondents : Mr.I.Sathish

सत्यमेव जयते
O R D E R

Heard the learned counsel appearing for the petitioner and the learned counsel appearing for the respondent.

2.Petitioner has challenged the order passed by the respondent Tamilnadu Industrial Investment Corporation Limited by which the respondent informed the petitioner that the petitioner has committed default in repayment of loan and as on the date of the impugned order the total over dues was Rs.34.28 Lakhs which includes interest and other charges calculated upto 31.07.2014.

3.At the time when the writ petition was entertained on 18.08.2014, this Court granted order of interim stay subject to the condition that the petitioner pays a sum of Rs.10 Lakhs within a

period of three weeks. It is stated that the petitioner has paid Rs.8 Lakhs within the time permitted and there is a delay in remitting the balance Rs.2 Lakhs. Nevertheless the same was remitted by the petitioner and received by the respondent. However, the respondent has taken possession of the unit and closed the unit.

4. Therefore, the learned counsel appearing for the petitioner submitted that the petitioner may be given one more opportunity so as to establish the bonafide and the respondent may re-schedule the loan.

5. The learned counsel appearing for the respondent submitted that inspite of several notices, since the petitioner committed default in repayment of the amount, action is initiated under the provisions of the State Financial Corporation Act.

6. After hearing the learned counsels appearing for the parties and perusing the materials placed on record, it is seen that the petitioner has complied the interim order passed by this Court, though partly since there is delay in remitting Rs.2 Lakhs out of the Rs.10 Lakhs, however, it appears that there is no dispute to the fact that Rs.10 Lakhs is already remitted. Unless and until the petitioner is permitted to continue operations, he will not be in a position to repay the loan. Therefore, the respondent Corporation should be directed to handover possession of the unit to the petitioner subject to conditions that may be imposed on the petitioner.

7. Accordingly, this writ petition is disposed of by directing the petitioner to remit a sum of Rs.3 Lakhs and as and when the amount is remitted, the respondent shall hand over possession of the unit to the petitioner thereafter. Along with the remittance of Rs.3 Lakhs, the petitioner shall submit a proposal requesting for re-scheduling the loan, clearly indicating the amount they will be remitting towards loan amount. The said representation shall also be considered by the respondent Corporation and fresh orders shall be passed on merits and in accordance with law within a period of eight weeks from the date on which the representation is made.

8. The writ petition is disposed of with the above observations. No costs. Consequently, the connected miscellaneous petitions are closed.

Sd/-

Assistant Registrar

//True Copy//

Sub Assistant Registrar

pri

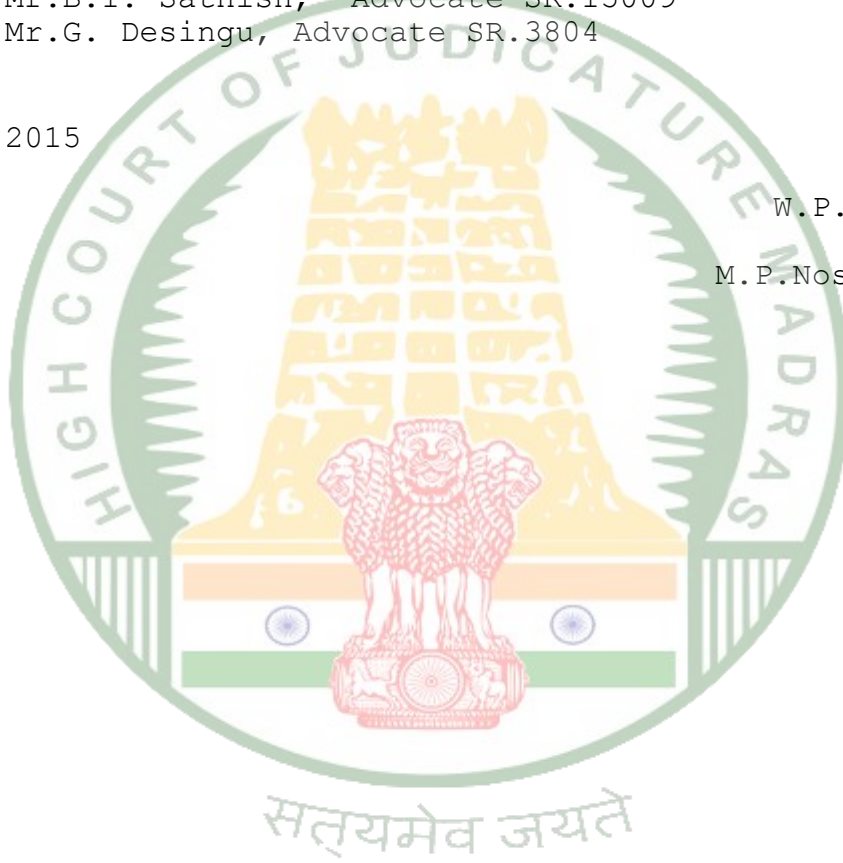
To

1.The Tamilnadu Industrial
Investment Corporation Ltd
No.73/A, Katpadi Main Road
(Vasan E.N.T.Clinic- I Floor)
Gandhi Nagar, Vellore - 632 006
Rep. by its Branch Manager

+ 1 cc to Mr.B.I. Sathish, Advocate SR.15009
+ 1 cc to Mr.G. Desingu, Advocate SR.3804

SK(CO)
EU 25.03.2015

W.P.No.22034 of 2014
And
M.P.Nos.1 and 2 of 2014



WEB COPY