



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 13.11.2017

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WEB COPY

THE HONOURABLE MR.JUSTICE R.MAHADEVAN

W.P. (MD) No.3706 of 2013 and
M.P (MD) No.1 of 2013

R.Shanmughanathan
No.4/1202, West Ambalakara Street,
Saliyamangalam, Papanasam Taluk,
Thanjavur District.

... Petitioner

Vs.

1. The Union of India,
Represented by Secretary to Government,
Ministry of Finance, Government of India,
New Delhi.
2. The Secretary to Government,
The Board of Revenue,
Government of Tamil Nadu,
Secretariat, Fort St.George,
Chennai.
3. The Chairman,
The Reserve Bank of India,
Southern Region, Beach Road,
Chennai.
4. The Registrar,
Registrar of Company Law Board,
Coimbatore.
5. The District Revenue Officer /
Additional District Magistrate,
Thiruvarur District.
6. The Deputy Thasildhar,
Taluk Office,
Needamangalam Taluk,
Thiruvarur District.
7. The District Collector,
Thanjavur District.
8. The Superintendent of Police,
Thiruvarur District.



9. The India Infoline Finance Limited/IIFL,
(Formerly called as India Infoline
Investment Services Limited),
Represented by its Managing Director,
IIFL Centre, Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.

10. The India Infoline Finance Limited/IIFL,
(Formerly called as India Infoline
Investment Services Limited),
Represented by its Branch Manager,
IIFL, Athikailas Complex,
Melarajaveethi, Needamangalam Taluk,
Thiruvarur District.

11. The India Infoline Finance Limited/IIFL,
(Formerly called as India Infoline
Investment Services Limited),
Represented by its Branch Manager,
Medical College Road,
Thanjavur District.

... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus directing the respondents 1 to 8 to take appropriate action on the petitioner's representation dated 12.02.2013 against the respondents 9 to 11 for cancellation of permission / Licence as they collect exorbitant interest which is highly illegal, arbitrary, unjust and against the Tamil Nadu Prohibition of collection of Exorbitant interest Act, 2003.

For Petitioner	: Mr.R.Suresh Kumar
For Respondents	: Ms.L.Victoria Gowri for R.1 Mr.T.S.Mohamed Mohideen, Additional Government Pleader for R.2, R.5 to R.8 No appearance for R.3 & R.4 Mr.Veerakathiravan, Senior Counsel for Mr.R.Meenakshi Sundaram for R.9 to R.11

ORDER

This writ petition has been filed, seeking a writ of mandamus directing the respondents 1 to 8 to take appropriate action against the respondents 9 to 11, by considering the petitioner's representation dated 12.02.2013.

2. The case of the petitioner is that by pledging his jewels, he has availed loan for certain amount from the contesting respondents, IIFL, for which, according to the petitioner, they are claiming exorbitant rate of interest. Aggrieved over the same, the petitioner has preferred a complaint before the official respondents



and because of their inaction, he is before this Court.

3. The learned Counsel for the petitioner submitted that the interest rate claimed by the respondents 9 to 11 is against the Tamil Nadu Prohibition of Collection of Exorbitant Interest Act, 2003 and when the petitioner questioned the same, they have started issuing notices stating that if the petitioner fails to pay the dues, as claimed by them, his pledged jewels will be put to auction.

4. On the other hand, the learned Senior Counsel appearing for the respondents 9 to 11, stoutly refuted the contentions of the learned Counsel for the petitioner and on instructions, submitted that IIFL, which is a Non Banking Financial Company registered with RBI, has demanded the petitioner to pay the admitted rate of interest alone, along with penalty on default and not otherwise.

5. Such a stand of the learned Senior Counsel is affirmed by the learned Additional Government Pleader by way of counter affidavit and it is further averred in their counter that the rate of interest in respect of Non Banking Financial Companies are being regulated as well as monitored by the Reserve Bank of India / third respondent herein. For better appreciation, the relevant portion in the counter, is extracted as under:

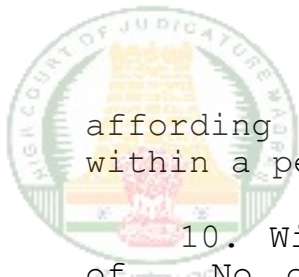
"...The Revenue Inspector, Needamangalam, has reported that the ceiling on the rate of interest is being regulated by the RBI. The writ petitioner failed to pay the interest and also to repay the gold loan within the stipulated time, hence the gold jewels pledged by him was proposed to be auctioned."

6. Heard both sides and perused the documents placed on record.

7. It is seen that the petitioner has availed loan from the contesting respondents and alleging that they are demanding exorbitant rate of interest, the petitioner had not repaid the same, on time, which forced the contesting respondents to take appropriate action, by proceeding for an auction and this Court, in the earlier round of litigation, has passed an order of interim injunction in respect of the proposed auction.

8. Now, after some arguments, it is agreed by both the parties that the third respondent / RBI may be directed to consider the representation of the petitioner, in the event of petitioner remitting the admitted rate of interest to the contesting respondents, for the loan availed by him.

9. Under such circumstances, the petitioner is hereby directed to send a copy of his representation dated 12.02.2013, to the third respondent, along with proof of payment for remitting the admitted rate of interest to the respondents 9 to 11, within a period of four weeks from the date of receipt of a copy of this order. On such filing, the third respondent is directed to consider the same, on merits and pass appropriate orders, in accordance with law, after



affording due opportunity of hearing to all the necessary parties, within a period of four weeks, thereafter.

10. With the above directions, this writ petition is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

Sd/-

Assistant Registrar (T&P)

/True Copy/

Sub Assistant Registrar

To

1. The Secretary to Government,
The Union of India, Ministry of Finance,
Government of India, New Delhi.
2. The Secretary to Government,
The Board of Revenue,
Government of Tamil Nadu,
Secretariat, Fort St.George,
Chennai.
3. The Chairman,
The Reserve Bank of India,
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Taluk Office, Needamangalam Taluk,
Thiruvarur District.
7. The District Collector,
Thanjavur District.
8. The Superintendent of Police,
Thiruvarur District.

- + 1 CC TO Mr.R.SURESH KUMAR, ADVOCATE IN SR No. 86704
- + 1 CC TO Mr.R.MEENAKSHI SUNDARAM, ADVOCATE IN SR No. 86697
- + 1 CC TO SPECIAL GOVERNMENT PLEADER IN SR No. 87289

GK

<https://hcservices.ecourts.gov.in/hcservices/>

TE/SKN-RSK/SAR-1 : 12/12/2017 : 4P/12C

W.P.(MD)No.3706 of 2013

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