IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 07.03.2019

CORAM:

THE HONOURABLE MR.JUSTICE M.S.RAMESH

W.P.No.20587 of 2004

M/s.Balaji Oil Industries Private Limited,
Plot No.39, II Main Road,
SIPCOT Industrial Complex,
Ranipet - 632 403.
Rep. by its Director,
Mr.M.Murugavel ... Petitioner

Vs.

1. The General Manager,
The Tamil Nadu Industrial
Investment Corporation Ltd.,
No.692, Anna Salai, Nandanam,
Chennai - 600 035.

2. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
No.45, Katpadi Road,
T.K.M. Complex, II Floor,
Vellore 632 404. ... Respondents

Prayer: Writ petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus calling for the records of the 2nd respondent relating to the proceedings No.TIIC/VLR/LAO-TK/2003-04, Dated 23.01.2004 and quash the same and consequently direct the respondents to pay a sum of Rs.2,93,854/- as rebate of 0.75% to 1% on the interest paid during the financial years 1998-1999 to 2002-2003 except 2000-2001.

For Petitioner : Mr.R.Kannan
For Respondents : Mr.K.V.Sundararajan, for R1
Mr.T.Muruga Manickam, for R2

O R D E R

The petitioner, who is a Green Card Holder, has sought for rebate of 1% of the interest paid during the financial years 1998-1999 till 2000-2001 on the ground that he was proper in repaying the loan amount. Subsequently, the petitioner had sought for similar rebate for the financial year 2001-2002, the same came to be rejected through the impugned order, dated 23.01.2004 stating that since the petitioner herein had closed the loan account ahead of schedule, they are not entitled for interest rebate. The said order is under challenge in the present Writ Petition.

2. The learned counsel for the petitioner submitted that there are no regulations or understanding between the petitioner and the respondents herein that the rebate can be denied when the loan is pre-closed and as such, the petitioner is entitled for rebate of 1% for 2001-2002.

3. The learned Standing Counsel appearing for the respondents on the other hand opposed the said submission and by reiterating the justification given in the impugned order submitted that the petitioner was not entitled for the rebate, since he had pre-closed the loan. According to the learned Standing Counsel, the pre-closure premium has been collected as per the conditions of sanction since the petitioner has switched over to other institution 7 years ahead of schedule repayment.

4. I have given careful consideration to the submissions made by the respective counsels.

5. It is not in dispute that there is no regulation or any specific clause in the agreement between the petitioner and the respondents to the effect that when the petitioner pre-closes the loan, the respondent Corporation is entitled to deny interest rebate. While that being so, there is no justification on the part of the respondents herein to put an embargo denying the interest rebate to the petitioner on the ground that the loan has been closed ahead of the schedule. The respondents, being a Corporation, are required to enforce and make claims, as per the terms of the agreement or under any of their own regulations.

6. The counter affidavit filed by the respondents herein does not disclose that the regulations of the Corporation or the terms of the agreement entitles them deny the interest rebate to the petitioner on the ground of foreclosure. In the absence of any such power, the denial of the interest rebate to the petitioner cannot be proper.

7. Insofar as the entitlement of rebate is concerned, as rightly pointed out by the learned Standing Counsel for the respondents, such entitlement would be on the basis of the Green Card, which is renewable every year. In the instant case, the petitioner was denied of the interest rebate for the year 2001-2002 at which point of time, the loan was in subsistence and pre-closed during the same year. However, during the year 2002-2003, the petitioner could not have had his Green Card, since the loan account itself was closed on 26.02.2003. When the loan account itself had been closed even before 2002-2003, the renewal of Green Card will not arise and as such, the petitioner may not be eligible for the interest rebate for the year 2002-2003.

8. In the light of the foregoing reasons, the order passed by the second respondent in No.TIIC/VLR/LAO-TK/2003-04, Dated 23.01.2004, is quashed. Consequently, the second respondent is directed to pay the petitioner, the interest rebate for 2001-2002 at the rate of 1% of the interest paid during that financial year within a period of eight weeks from the date of receipt of a copy of this order. No costs.

Sd/-
Assistant Registrar(CS V)

//True Copy//

Sub Assistant Registrar

pvs

To

1. The General Manager,
The Tamil Nadu Industrial
Investment Corporation Ltd.,
No.692, Anna Salai, Nandanam,
Chennai - 600 035.

2. The Branch Manager,
The Tamil Nadu Industrial Investment Corporation Ltd.,
No.45, Katpadi Road,
T.K.M. Complex, II Floor,
Vellore 632 404.

+1cc to Mr.R.Kannan, Advocate sr.no.21735

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