



O.P.No.300 of 2004

WEB CO **P.VELMURUGAN, J.**

The petitioner is the State Industries Promotion Corporation of Tamilnadu Limited (Finance) and the first respondent is the Private Limited Company. The first respondent has borrowed money for construction of buildings and purchase of machinery from the petitioner Corporation and the second and third respondents are the guarantors. Since the first respondent Company has not repaid the money, the petitioner has sent a show cause notice dated 08.08.1991 and issued a foreclosure notice on 28.11.1991. Though the service of said notice, the first respondent has not repaid the loan amount together with interest. Therefore, the petitioner has taken possession of the Unit on 16.06.1992 exercising the powers conferred under section 29 of the State Financial Corporations Act and sold the same by public auction. Despite the same, still a sum of Rs.15,24,99,297.30 is due and payable by the respondents as on 29.02.2004. In order to recover the outstanding amount from the respondents, the petitioner Corporation has filed this Original Petition.

2. The respondents have been duly served and their names have also been printed in the cause list today. Since there is no representation on the side of the respondents, they are set exparte by this Court.

3. Before the learned Master, the Assistant Manager to the petitioner Corporation who is the authorised person was examined as PW1 and he has also filed his proof affidavit. In his chief examination, he has filed 18 documents which were marked as Ex.P1 to Ex.P19 and they are as follows:



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<i>Exhibits</i>	<i>Nature of Documents</i>
P1	Original Authorisation Letter dated 21.07.2014 issued by the petitioner
P2	Original Terms and Conditions of Sanction dated 02.07.1987 to the respondent.
P3	Original Deed of undertaking dated 07.12.1987
P4	Original Deed of Hypothecation dated 07.12.1987
P5	Original Registered Mortgage Deed dated 07.12.1987
P6	Series (2 nos.) are the Form No.8 for creation of Equitable Mortgage and Registered Mortgage for term loan
P7	Original Personal Guarantee for term loan dated 07.12.1987
P8	Office copy of the seed capital sanction letter dated 09.09.1987
P9	Original deed of agreement for seed capital
P10	Original seed capital term loan joint deed of guarantee individuals dated 21.03.1988
P11	Office copy of the Fore closure and recall order dated 28.11.1991
P12	Certified copy of the minutes of the meeting approving the offer made by the respondent dated 31.12.1997
P13	Photocopy of the sale of mortgage asset dated 30.09.1998
P14	Photocopy of the report of the project officer handing over mortgaged assets to the respondent
P15	Office copy of the letter dated 29.12.1998 sent by the petitioner to CMDA
P16	Office copy of the notice to revoke personal guarantee dated 19.07.2000 of two promoters
P17	Series (2 nos) are the returned covers
P18	Photocopy of the Gazette notification dated 28.05.1988
P19	Photocopy of statement of accounts of the respondent

4. A reading of the petition as well as the oral and documentary evidence reveals that the respondents are liable to pay the loan amount together with interest. Therefore, the petitioner Corporation has proved their claim.



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5. In the result, this Original Petition is allowed and the respondents 2 and 3 are jointly and severally liable to pay the outstanding amount i.e., Rs.15,24,99,297.30 together with interest at the rate of 15% per annum from the date of filing of this petition till the date of realisation to the petitioner within a period of three months from the date of receipt of a copy of this order, failing which, the petitioner is entitled to proceed for consequential relief as prayed for.

28.02.2022

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