



W.P.No.16446 of 2017

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26.10.2022

CORAM:

THE HONOURABLE MR.JUSTICE N. SATHISH KUMAR

W.P.No.16446 of 2017

&

W.M.P.Nos.3451 and 6010 of 2021,

12806 of 2019, 24379 of 2020

17788 and 38060 of 2017

B.Satheesh

... Petitioner

Vs.

1.The Regional Director
Reserve Bank of India
Rajaji Salai
Chennai

2.The Chairman
Corporation Bank
Head Office
Managala Devi Temple Road
P.B.No.88
Mangalore-575 001

3.The Manager
Corporation Bank
Whites Road
Chennai-600 014

... Respondents



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PRAYER: Writ petition filed under Article 226 of the Constitution of India

praying to issue a Writ of Mandamus directing the respondents to forthwith shift the petitioner's Home Loan Account No.CHOMX/01/080001 from fixed rate of interest to floating rate of interest with effect from May 2009 and to consequentially recalculate the EMI's by applying floating rate of interest from May 2009 and appropriate the payments made by the petitioner towards the loan account accordingly and give such directions and orders as necessary.

For Petitioner : Mr.T.Sai Krishnan

For Respondents : Mr.S.Sethuraman for R2 and 3

R1-No Appearance

ORDER

This Writ Petition has been filed directing the respondents to forthwith shift the petitioner's Home Loan Account No.CHOMX/01/080001 from fixed rate of interest to floating rate of interest with effect from May 2009 and to consequentially recalculate the EMI's by applying floating rate of interest from May 2009 and appropriate the payments made by the petitioner towards the loan account accordingly and give such directions and orders as necessary.



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2. It is the contention of the writ petitioner that he has availed home loan under the Corp Flexi Scheme for a sum of Rs.42,00,000/-. The said loan was offered under a step-up scheme. According to the scheme the borrower will pay 70% of the normal EMI calculated for a first period of first 5 years and 100% of normal EMI calculated for the next five years and the balance will be spread over the loan period for the outstanding principle on the expiry of the 2nd tenure. The borrower could apply for loan either under floating or under the fixed rate of interest.

3. However, the bank manager did not act on the application for more than a month and on enquiry kept intimating that the loan application was under process. The crux of the allegation is that the interest rate is not calculated as per the scheme despite the orders of this Court. Therefore, the Writ Petition has been filed.

4. Learned counsel appearing for the petitioner mainly contended that in an earlier occasion this Court has directed the parties to settle the matter. However, the bank has not provided any calculation now they are inclined to provide the calculation and the matter will be settled and submit that this



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Writ Petition is maintainable.

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5. Learned counsel for the respondent bank has submitted that dispute is with regard to the contractual rate of interest which can be agitated before the DRT. The same cannot be agitated in the Writ Petition. If at all anything to be agitated the same could be agitated before the DRT and not in the Writ Petition.

6. I have perused the entire materials.

7. The main crux of the allegation is with regard to the applying of the interest rate as per the loan availed by the petitioner. In such view of the matter as the earlier orders has already passed to settle the matter by both sides as final chance, the Writ Petition itself is disposed of with a direction that both sides can arrive at a settlement mutually within a period of one week. In the event the settlement is not arrived within one week, liberty is given to the respondent/bank to proceed as per law.



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8. With the above direction, the Writ Petition is disposed of. No costs.

Consequently, connected Writ Miscellaneous Petitions are closed.

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Internet:Yes

Speaking/Non speaking order

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Reserve Bank of India
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Chennai

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N. SATHISH KUMAR, J.

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