BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED: 27.06.2022
CORAM
**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN**
W.P.(MD)No.8857 of 2019

N.Vidyasankar ... Petitioner

Vs.

1.The Branch Manager,
Central Bank of India,
Pensioner Street,
Palani Road,
Dindigul-624001.

2.The Regional Manager,
Central Bank of India,
Rajah Muthaiah Mandram, 1st Floor,
Dr.Ambedhkar Road,
Madurai-625020.

3.The Chief General Manager,
Tamil Nadu Regional Office,
NABARD,
48, Mahatma Gandhi Road,
Nungambakkam,
Chennai-600034. ... Respondents

**Prayer:** Writ petition is filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus, to direct the respondents to refund the petitioner with interest collected as against the Interest Free Loan Portion of Rs.10 Lakh in respect of revolving fund for Diary / Poultry Sector under the Interest Free Loan Scheme Over petitioner's closure of loan A/c No:3052935103 availed for EMU Hatcheries and Breeder Farm and for a further direction to pay such amount along with accrued interest till the date of its disbursal.

For Petitioner : Mr.M.Thirunavukkarasu
For R1 & R2 : Mr.N.Dilip Kumar
For R3 : no appearance

**O R D E R**

Heard the learned counsel appearing for the petitioner and the learned standing counsel appearing for the Central Bank of India. Though the third respondent has been served and his name is printed in the cause list, there is no appearance on behalf of NABARD.

2. After hearing the learned counsel for the petitioner and the Bank and after going through the materials on record, the following undisputed facts emerge:-

NABARD floated an Interest Free Loan Scheme for certain categories, as per which, 50% of the loan sanctioned by the bank will be interest free. The petitioner applied to the Central Bank of India for granting Rs.20,00,000/- as loan for EMU Hatcheries and Breeder Farm. The loan was sanctioned on 07.09.2009. The petitioner could not successfully run the business. Therefore, he wanted to close the loan account. In fact, he paid the entire loan amount along with interest on 23.12.2014. Since the petitioner's account came within the purview of IFL Scheme floated by NABARD, the petitioner wanted refund of 50% of the interest amount. Since the said request was not considered, he filed W.P.(MD)No.21187 of 2017. The said writ petition was disposed of on 17.11.2017 in the following terms:-

> "6.Considering the limited scope of the relief sought in this petition, this Court without going into the merits of the case, directs the respondents to consider the representation dated 21.11.2016 and pass appropriate orders, on merits and in accordance with law, after affording due opportunity of hearing to the petitioner as well as the interested parties, if any, within a period of six weeks from the date of receipt of a copy of this order."

Pursuant to the said direction, a tripartite meeting was held on 24.01.2018. The minutes of the meeting have been enclosed at page No.24 of the typed set of papers. The stand of NABARD is seen from the following extract:-

> "(3) GM, NABARD explained the Interest Free Loan Scheme, saying that the said scheme under Venture Capital Fund provided for 50% of the loan sanctioned by the bank as Interest Free Loan (IFL) which is made available by Government of India through NABARD. The repayment of the IFL has to be made along with the normal loan as per the repayment schedule. In r/o. the instance case, he said that a loan of Rs.20,00,000/- was sanctioned by Central Bank of India on 07.09.2009 and claim was forwarded to NABARD vide letter dated 08.11.2010 for sanction and release of IFL. The Tamil Nadu Regional Office of NABARD scrutinized the claim and forwarded the same to its H.O on 28.02.2011. NABARD, H.O. Had advised the R.O. that the claim had been submitted by the bank after a lapse of more than a year of sanction and that the disbursement status of the proposal had also not been given by the bank. Accordingly, the Regional Office of NABARD, vide their letter dated 06.04.2011 advised the bank to furnish the disbursement status of the sanctioned loan. As no response was received from the bank, a reminder was also issued to the bank in this regard. However, no reply was received. Subsequently, Government of India had closed the IFL scheme as on 30.03.2011."

3. It is not in dispute that when the petitioner availed loan, the scheme was very much in operation and the petitioner's case fell

within its purview. The creditor bank namely Central Bank of India had also intimated NABARD about the availing of the loan by the petitioner on 15.10.2010. Merely because the scheme was wound up on 30.03.2011, that would not mean that the loan availed earlier will not be entitled to the benefit of the scheme. The approach of the third respondent is patently un-sustainable. Since the petitioner fulfils all the requirements of IFL Scheme, the third respondent is directed to reimburse a sum of Rs.7,35,238/- to the first respondent within a period of eight weeks from the date of receipt of a copy of this order. After such reimbursement, the first respondent will in turn pass on the said benefit by depositing the entire amount in the account of the petitioner without any delay.

4. The writ petition is allowed. No costs.

Sd/-

Assistant Registrar(AD-II)

// True Copy //

/07/2022

Sub Assistant Registrar(CS)

rmi

Copy To:

The Chief General Manager,
Tamil Nadu Regional Office,
NABARD,
48, Mahatma Gandhi Road,
Nungambakkam,
Chennai-600034.

+1 CC to M/s.M. THIRUNAVUKKARASU, Advocate ( SR-28169[F] dated 27/06/2022 )

+1 CC to M/s.N. DILIP KUMAR, Advocate ( SR-28638[F] dated 28/06/2022

W.P.(MD)No.8857 of 2019
27.06.2022

SVN(CO)
KB(05.07.2022) 3P 4C