BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED :24.03.2023

CORAM

THE HONOURABLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.(MD)No.17206 of 2016
and
W.M.P (MD) Nos.12488 to 12490 of 2016

Jeyaa Granites,
Rep. by its Partner,
Tmt.J.Anushua ... Petitioner

Vs.

Tamilnadu Industrial Investment
Corporation Limited,
Rep. by Branch Manager,
Mena Complex, 1st Floor,
D.No.2430/31, West Main Street,
Pdukottai – 622 001. ... Respondent

PRAYER : Petition filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorarified Mandamus, to call for the records pertaining the impugned proceedings in PDK/LAO-RP/2015-16 dated 09.02.2016 and PDK/LAO-RP/2015-16 dated 26.02.2016 passed by the respondent and quash the same as illegal and unconstitutional and consequently directing the respondent to provide sufficient time for repayment of the loans amount of the petitioner in Loan Nos.52W0029, 52W0041, 52W0060, 52T0905, 52W0019 and 52T1077.

For Petitioner :Mr.S.A.Ajmalkhan
For Respondent :Mr.R.Saravanan

O R D E R

The petitioner assails two communications dated 09.02.2016 and 26.02.2016, respectively, from the Tamil Nadu Industrial Investment Corporation Limited (TIIC). By communication dated 09.02.2016, the petitioner was called upon to pay the aggregate sum of Rs.24,51,165/- on or before 24.02.2016, failing which the respondent would take action under the State Financial Corporations Act, 1951 (the SFC Act). By the subsequent communication dated 26.02.2016, the petitioner was informed that the loan was not repaid in terms of the demand notice dated 09.02.2016 and that, therefore, the respondent had taken possession of the primary and collateral security described in the said impugned communication.

2. From the documents on record, it is evident that the petitioner availed of credit facilities from the respondent, which is a State Financial Corporation in terms of the SFC Act. Under the SFC Act, a State Financial Corporation is entitled to enforce its security in the event of failure by the borrower to discharge liability in accordance with the terms of the relevant loan. On perusal of the impugned order dated 09.02.2016, it is evident that the petitioner was put on notice about the default and provided time until 24.02.2016 to discharge the liability. In the event of default, the petitioner was further put on notice that action in terms of Section 29 of the SFC Act would be taken. By the subsequent communication, the petitioner was informed that the respondent was taking possession of the primary and collateral security. These actions are clearly in accordance with the SFC Act and the terms and conditions under which loan facilities were extended to the petitioner. Consequently, there is no infirmity in either of the impugned orders.

3. For reasons aforesaid, W.P. (MD) No.17206 of 2016 is dismissed without any order as to costs. Consequently, connected miscellaneous petitions are closed. This order will not, however, stand in the way of the petitioner initiating appropriate proceedings in relation to further action taken by the respondent to enforce the security.

24.03.2023

NCC :No
Internet :Yes
Index :No
PKN

To

Tamilnadu Industrial Investment
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Rep. by Branch Manager,
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SENTHILKUMAR RAMAMOORTHY, J.

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W.P.(MD)No.17206 of 2016

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