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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 28.08.2024

CORAM :

THE HONOURABLE MR.JUSTICE R.SUBRAMANIAN
and
THE HONOURABLE MRS.JUSTICE L.VICTORIA GOWRI

W.P(MD)No.19277 of 2023
and
WMP(MD)No.15973 of 2023

A.Jayalakshmi ... Petitioner

vs.

1. The Branch Manager,
India Bulls Housing Finance Ltd.,
16 & 17, Shop No.A2, 3rd Floor, KRV Arcade,
AR Plaza, Northveli Street, Madurai-625001.

2. Reliance General Insurance Company Limited,
Reliance Centre, 4th Floor,
South Wing, Near Prabhat Colony,
Off Western Express High Way, Santacruz(E),
Mumbai-400055, Maharashtra.

3. The Reserve Bank of India,
Fort Glacis, 16, Rajaji Road,
Fort St.George, Chennai,
Tamil Nadu-600 001.

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(R3 is *suo motu* impleaded vide Court order
dated 11.09.2023 in WP(MD)No.19277/23) ... Respondents

Prayer : Petition filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus, directing the 1st respondent to Reschedule the Repayment Schedule in respect of Housing Loan Account Number HHETRI00397267 according to the RBI Guidelines with regard to Rate of Interest and Tenure.

For Petitioner	: Mr.N.Mohan
For R1	: Mr.N.Dilip Kumar
For R2	: Mr.K.R.Laxman

ORDER

(Order of the Court was made by **R.SUBRAMANIAN, J.)**

It is the grievance of the petitioner that the 1st respondent which is a non banking financial institution, has altered the terms of the loan agreement without notice and has extended the period of loan apart from increasing the equated monthly instalments.

2. Mr.N.Dilip Kumar, learned counsel appearing for the 1st respondent financial institution would submit that the increase in the interest rate as well as the EMI is due to the fact that the petitioner has opted for

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floating rate of interest which changes according to the basic lending rate prescribed by the Reserve Bank of India. Once the interest rate increases, there is bound to be an increase in the EMI as well as an enlargement of the repayment time. The enlargement of the repayment time is essentially a consequence of the increase in the rate of interest. He would also submit that these are matters of contract and the same cannot very conveniently be adjudicated upon under Article 226 of the Constitution of India.

3. Mr.N.Mohan, learned counsel appearing for the petitioner would submit that even the guidelines prescribed have been violated.

4. As rightly pointed out by Mr.Dilip Kumar, we do not think we can enter upon the said controversy. Repayment of loan is essentially a matter of contract and once the petitioner agrees or opts for fluctuating rate of interest, as rightly pointed out by the learned counsel for the financial institution, the interest is bound to increase or decrease.

5. As we had already pointed out, these are questions which will be outside the realm of Article 226 of the Constitution. We are not pronouncing upon the merits of the matter. The Writ Petition is dismissed solely on the

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ground that the controversy is beyond the judicial review under Article 226 of the Constitution of India. We leave it open to the petitioner to approach the appropriate authority namely, the Reserve Bank of India or the concerned Debts Recovery Tribunal seeking redressal of his grievances. We make it clear that we have not dealt with the controversy on merits and whatever the facts we have stated herein, are only submissions of the counsels on either side. No costs. Consequently, connected miscellaneous petition is closed.

(R.S.M, J.) **(L.V.G, J.)**
28.08.2024

Index : Yes / No
Neutral Citation : Yes / No
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To

The Reserve Bank of India,
Fort Glacis, 16, Rajaji Road,
Fort St.George, Chennai,
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R.SUBRAMANIAN, J.
and
L.VICTORIA GOWRI, J.

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ORDER MADE IN
W.P(MD)No.19277 of 2023
DATED : 28.08.2024

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