
(2009) 06 KAR CK 0059
In the Karnataka High Court
Case No : Writ Petition No. 6828 of 2008

Muthoot Finance Pvt. Ltd.

APPELLANT

Vs

State of Karnataka

RESPONDENT

Date of Decision : 08-06-2009

Acts Referred:

Citation : (2009) 06 KAR CK 0059

Hon'ble Judges : N.K. Patil, J

Bench : Single Bench

Advocate : K. Shashi Kiran Shetty, for the Appellant; N.B. Vishwanath, AGA, for the Respondent

Judgement

N.K. Patil, J.—The petitioner has sought for a direction to declare that the respondents herein have no authority to insist upon the petitioner to obtain a license under the Karnataka Money Lenders Act, 1961 to carry on its business. The petitioner has further sought for a declaration that it is beyond the competence of the Sub-Registrar to impose restrictions on the petitioner to carry on its business by invoking the provisions of the Karnataka Money Lenders Act, 1961, since the petitioner herein is a private limited company registered under the Companies Act and governed by the Reserve Bank of India guidelines. The petitioner has also further sought for a direction to the respondents not to take action against the petitioner till consideration of the application dated 31.03.2008 submitted by the petitioner for exemption of the petitioner from the purview of the Karnataka Money Lenders Act, 1961. In view of not taking any decision on its representation within a reasonable time and due to the inaction on the part of the respondents the petitioner felt necessary to present the present writ petition seeking appropriate relief as stated above.

2. Heard learned Counsel for the petitioner and the learned Additional Government Advocate for the respondents. After perusal of the grounds urged in the writ petition and the stand taken by the respondents, what emerges is that the petitioner has submitted its detailed representation vide Annexure-A seeking

exemption from obtaining a license under the Karnataka Money Lenders Act, 1961, producing the Memorandum of Association and Articles of Association and also necessary documents and some of the similarly placed cases, wherein the Government has considered and granted exemptions. Thereafter, the petitioner has sent another application vide Annexure-A dated 31.03.2008. The same has been duly acknowledged by the office of the respondents and its request has not been considered within a reasonable time and the petitioner was constrained to send two other reminders vide Annexures-F and F1. The grievance of the petitioner not being redressed, it is constrained to approach this Court in the present writ petition.

3. After careful evaluation of the material available on record; it is clear that the petitioner has submitted a detailed representation/application produced at Annexure-A dated 31.03.2008. The same has been, duly acknowledged by the office of the 1st respondent on 31.03.2008. In the said application the petitioner has pointed out the provisions of the Reserve Bank of India Act stating that it has been exempted from obtaining license under the Karnataka Money Lenders Act, 1961. To substantiate what is stated in the representation, it has produced the order passed by the concerned authority dated 23.05.2007 in favour of Manapuram Finance Pvt. Ltd. (Tamil Nadu). The respondents have not applied their mind as to the material made available by the petitioner and the objects for which the petitioner has been established in terms of the Memorandum of Association and the Articles of Association. The respondent being a competent authority has taken a stand contrary to the material on record in their objection. They have stated that the representation was considered and it was rejected, which is not true. Keeping in view the facts and circumstances stated supra, without expressing any opinion on the merits of the case, it would suffice for this Court to direct the appropriate authority to consider the application/representation of the petitioner vide Annexure-A dated 31.03.2008 and decide the same after affording reasonable opportunity to the petitioner strictly in accordance with law and taking into consideration that similarly situated institution whose request has been considered, and dispose of the matter as expeditiously as possible at any rate within a period of three months from the date of receipt of a copy of this order.

4. Learned Additional Government Advocate is given four weeks time to file his memo of appearance.