J.Krishnabai. Vs. the Branch Manager, State Bank of IndiA. and ors.

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SooperKanoon Citation : sooperkanoon.com/927277

Court : Chennai

Decided On : Apr-04-2012

Judge : Vinod K.Sharma, J.

Acts : Constitution Of India - Article 226

Appeal No. : W.P. No.3423 of 2012 and M.P.No.1 of 2012

Appellant : J.Krishnabai.

Respondent : The Branch Manager, State Bank of IndiA. and ors.

Advocate for Def. : Mr.Ramalingam, Adv.

Advocate for Pet/Ap. : Mr.V.Jaya Prakash Narayanan, Adv.

Judgement :

Writ petition is filed under Article 226 of Constitution of India for the issuance of a writ in the nature of Mandamus, directing the respondent to return the original document namely original sale deed bearing Document No.2526/1983 registered at the office of Sub-Registrar Office Chengam, pertaining to the property in the Survey No.42/3 Melravandhavadi Village, Chengam Taluk, Thiruvannamalai District and the relevant documents such as patta, chitta, adangal given as collateral security to the 1st respondent Bank in respect of agricultural tractor Loan No.ATL 11287176191 immediately.

VINOD K.SHARMA, J.

ORDER

1. The petitioner has approached this Court with prayer for issuance of a writ in the nature of Mandamus, directing the respondent Bank to release title deeds of immovable property deposited with the respondent, as security for the Tractor Loan.

2. The petitioner applied for a Tractor Loan in the year 2007 under the Agriculture Tractor Loan Scheme. The petitioner submitted necessary papers and by way of collateral security, deposited title deeds of property in S.No.42/3 of Melravanthavadi village, Chengam Taluk, Thiruvannamalai, measuring 6.35 acres of agricultural land.

3. The petitioner was sanctioned a loan of Rs.4,90,000/- (Rupees Four Lakhs and Ninety Thousand only). Though the petitioner initially paid instalments regularly, but later on default was committed, because of the death of her husband.

4. In view of default in repayment by petitioner, respondent Bank initiated recovery proceedings against petitioner. The proceedings were referred to Lok Adalat, where an amicable settlement was arrived at between the parties. The petitioner agreed to pay a sum of Rs.2,15,000/- (Rupees Two Lakhs and Fifteen Thousand only) towards full and final settlement of the outstanding loan, even though the outstanding amount as per Bank record, was Rs.3,27,141/- (Rupees Three Lakhs Twenty Seven Thousand One Hundred and Forty One only).

5. The case of petitioner is that the agreed amount was paid within stipulated date, and the respondent released the passbook of the Tractor, to release its hypothecation right over the Tractor.

6. However, the request of petitioner for returning the title deeds of immovable property stands declined, on the ground, that the petitioner had failed to clear the agreed amount as per the schedule agreed as per the award of Lok Adalat. The stand of the Bank is that a sum of Rs.74,000/- (Rupees Seventy Four Thousand

only) was paid belatedly, i.e. on 14.06.2011. The stand of the respondent is that as per the award, the delayed payment was to carry interest @ 6% for the delayed period.

7. Learned counsel for the respondent Bank therefore contends that the petitioner, before seeking return of title deeds of the property mortgaged, was required to pay the interest on the belated payment, which she has failed to pay.

8. The stand of respondents is challenged by learned counsel for the petitioner by contending, that the amount of Rs.74,000/- (Rupees Seventy Four Thousand only) was also deposited with the Bank, but in different account, which was transferred in the loan account belatedly by the Bank. There was in fact no delay, as sum of Rs.74,000/- (Rupees Seventy Four Thousand only) was also deposited with the Bank much before the date of payment.

9. On consideration, I find that this writ deserves to be allowed. Once it is not disputed that the petitioner deposited the amount with the Bank though in different account, the Bank had the lien on this amount with every right to adjust it against the outstanding loan amount. It is not shown why banker's lien was not invoked to adjust the amount against loan amount.

10. Otherwise also it will be too harsh on petitioner, if she is directed to pay interest on amount of Rs.74, 000/- (Rupees Seventy Four Thousand only) for one month, though she deposited the amount though in the wrong account. As already observed, it was for the respondent Bank to have guided her to deposit it in the loan account to satisfy the decree.

11.The action of the respondent Bank in not releasing title deeds, though no amount outstanding against petitioner, is nothing, but arbitrary, and amounts to colourable exercise of power, which cannot be sustained in law. The respondent Bank was also of the view, that decree stood satisfied as hypothecation on Tractor was released.

12. Consequently, this writ petition is allowed. The writ in the nature of Mandamus is issued, directing the respondent Bank to release title deeds deposited by the

petitioner, as collateral security for Tractor Loan.

13. No costs. Connected miscellaneous petition is closed.