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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 06.04.2026

CORAM:

THE HONOURABLE MR.JUSTICE N.SATHISH KUMAR
and
THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN

W.A(MD)No.3292 of 2025
and
C.M.P(MD)No.20629 of 2025

Branch Manager/Chief Manager,
Bank of Baroda,
Chokkikulam Branch,
No.1/1, P.T Rajan Road,
Chokkikulam,
Near Bibikulam Bridge,
Madurai - 625 002. ... Appellant/Respondent

Vs.

S.A.Raja Mohammed ... Respondent/Writ Petitioner

PRAYER:- Writ Appeal filed under Clause 15 of Letters Patent Act, to set aside the order made in WP(MD)No.16065 of 2025 dated 23.09.2025 on the file of this Court.

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For Appellant : Mr.K.Muraleedharan

For Respondent : Mr.S.Suresh

JUDGMENT

[Judgment of the Court was made by N.SATHISH KUMAR, J.)

Challenging the order of the learned Single Judge in W.P(MD)No.16065 of 2025, dated 23.09.2025, whereby the respondent therein was directed to return all the gold jewels, the appellant, who was the respondent before the writ Court, has filed the present Writ Appeal.

2.The Writ Petition was filed by the respondent/writ petitioner seeking to quash the impugned order of the appellant Bank dated 06.06.2025 and for a consequential direction to return the pledged jewels to the respondent/writ petitioner.

3.According to the respondent/writ petitioner, he had availed two jewel loans from the appellant Bank for a sum of Rs.13,01,517/- and

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had discharged both the loans in full. However, the jewels have not been returned.

4.The learned Single Judge, mainly relying on the ground that the loan agreement did not provide for the appellant Bank retaining a lien over the jewels in respect of any other loan, allowed the Writ Petition and directed the appellant Bank to return the gold jewels.

5.The learned counsel appearing for the appellant Bank drew the attention of this Court to the conditions mentioned in the loan agreement. In Clause 8, it is stated that the security pledged with the Bank shall be a continuing security for all present or future indebtedness and liabilities, whether incurred solely or jointly with other persons, at any office of the Bank. The Bank shall be at liberty to retain the said security pledged for any other debt or dues outstanding in the name of the writ petitioner, whether individually or jointly with any other person, either as a borrower or guarantor, at any branch of the Bank.

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6.The learned counsel for the appellant Bank further submitted that, as per Section 171 of the Indian Contract Act, 1872, the Bank has a general lien. Hence, the direction of the learned Single Judge to return the jewels is not sustainable.

7.The learned counsel appearing for the respondent/writ petitioner submitted that the writ petitioner has already furnished sufficient security and that the value of the properties pledged with the Bank exceeds the outstanding amount. Therefore, the Bank is not entitled to exercise lien as a matter of right.

8.Heard the learned counsel appearing on either side and perused the materials available on record.

9.The valuation report and loan particulars submitted by the appellant Bank clearly show that the respondent/writ petitioner is due in a sum of Rs.1,40,50,000/-. According to the respondent/writ petitioner, he has

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also pledged additional properties, which, according to him, are sufficient for the Bank to recover the dues.

10.Admittedly, there is no dispute with regard to the existence of an agreement between the parties. The loan agreement itself clearly indicates that the Bank has a lien over the pledged securities. When there is a specific condition agreed upon between the parties regarding the Bank's right of lien, the learned Single Judge was not right in holding that there is no such condition in the agreement. Even otherwise, in the absence of a specific agreement, Section 171 of the Indian Contract Act, 1872 confers upon the Bank the right to exercise a general lien for the general balance of account. Hence, we are of the view that the direction of the learned Single Judge to return the jewels is liable to be interfered with. Accordingly, the order of the learned Single Judge is set aside and the Writ Petition is dismissed.

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11.In the result, the Writ Appeal is allowed. No costs. Consequently, connected Miscellaneous Petition is closed.

[N.S.K.,J.] [M.J.R.,J.]
06.04.2026

NCC : Yes / No
Index : Yes / No
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To

Branch Manager/Chief Manager,
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Madurai - 625 002.

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N.SATHISH KUMAR,J.
and
M.JOTHIRAMAN,J.

ps

ORDER MADE IN
W.A(MD)No.3292 of 2025

DATED : 06.04.2026

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