IN THE HIGH COURT OF JUDICATURE AT PATNA

Civil Writ Jurisdiction Case No.16181 of 2015

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Rakesh Roshan Gupta, S/o Raghunath Prasad Gupta, resident of Flat No.305, C/o Satyam Apartment, Montessori School Lane, Boring Road, P.S.- S. K. Puri, District Patna.

.... Petitioner

Versus

1. Life Insurance Corporation of India through its Chairman-cum-Managing Director, 1st Floor, East Wing, Yogakshema Building, Jeevan Bima Marg, Churchgate, Mumbai.
2. The Zonal Manager, Life Insurance Corporation of India, Exhibition Road, Patna
3. The Divisional Manager, Life Insurance Corporation of India, Bhagalpur Division, Bhagalpur.
4. The Chief Manager, Life Insurance Corporation of India, Munger Office, Sita Kund Road, Nandlalpur, P.O.- Benigir, Via- Basudeopur, District - Munger.
5. The Administrative Officer, (Loan Department) Life Insurance Corporation of India, Munger Branch, Munger.
6. The Chief General Manager, State Bank of India, Local Head Office (L.H.O.), West Gandhi Maidan, Patna.
7. The General Manager, State Bank of India, Local Head Office, West Gandhi Maidan, Patna.
8. The Deputy General Manager, Zonal Office, State Bank of India, Bhagalpur.
9. The Chief Manager, State Bank of India, Munger Main Branch, Munger.

.... Respondents

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Appearance :

For the Petitioner : Mr. Sunil Kumar Verma, Advocate
For the LIC : Mr. Rajeev Ranjan Prasad, Advocate
For the SBI : Mr. Kaushlendra Kr. Sinha, Advocate

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CORAM: HONOURABLE MR. JUSTICE VIKASH JAIN

ORAL JUDGMENT

Date: 18-12-2015

The present writ petition has been filed for a direction to the respondent-authorities to revert/divert and credit the loan amount to the tune of Rs. 2,57,985/- in favour of the petitioner into the furnished savings account being No. 3453751993 with the Central Bank of India, Boring Road, Patna ("Central Bank" hereinafter) forthwith in terms of the loan application dated 14.06.2015 submitted by the petitioner against the 'New Jeevan Shree Policy' No. 524037565 issued by the Life Insurance Corporation of India in favour of the petitioner, as the amount in question was instead credited to the petitioner's Current Account No. 10788905146 maintained with the State Bank of India, Main Branch, Munger ("State Bank" hereinafter)

2. The short facts of the case are that the petitioner's New Jeevan Shree Policy No. 524037565 was issued by the Life Insurance Corporation of India, Munger in his favour in the year 2007. The petitioner had stated the details of his current account bearing no. 10788905146 with the State Bank at the time of issuance of the said policy, for receiving the maturity amount etc. therein. Subsequently, the petitioner approached the LIC with an application dated 14.06.2015 for grant of loan, requesting therein that the amount of the loan be credited to his Savings Account No. 3453751993 maintained with the Central Bank, Boring Road, Patna. In due course, the loan amount of Rs. 2,57,985/- was sanctioned by the LIC but, however, the amount was remitted to the petitioner's account with the State Bank rather than the Central Bank. Upon receipt of the amount, the State Bank has kept the same in the category of "hold".

3. Learned counsel for the petitioner submits that the respondent-LIC has diverted the amount negligently inasmuch as the amount of loan was specifically required to be credited to his account

with the Central Bank in terms of the loan application itself. The respondent-Bank has equally acted arbitrarily in putting the amount on hold rather than allowing the petitioner to withdraw the same or refunding the amount to the LIC.

4. The broad facts are not disputed in the counter affidavit filed on behalf of the respondent-LIC. It is however stated that the State Bank account which was registered at the instance of the petitioner against the policy at the time of its issuance itself was not deregistered by him at any point of time. If the petitioner had desired that any amount payable in relation to the policy, which thus also included the amount of loan, which is relatable to the policy itself, he ought to have taken steps to deregister the State Bank account and substitute the same with the Central Bank account. That was admittedly not done. In that sense, therefore, it is submitted that the petitioner himself has also contributed to the amount being credited to the State Bank account.

5. The counter affidavit filed on behalf of the respondent-State Bank brings several facts to light. Apart from affirming that the petitioner is a dismissed employee of the State Bank, it is stated that during his service period, the petitioner had taken several loans from the said Bank such as personal loan, flood loan, staff computer loan and vehicle loan etc. and such loans remained unpaid till the time of

his dismissal, despite reminders. It is further stated that the petitioner had executed several loan security documents in favour of the State Bank by which he had authorized the State Bank to set off and adjust the amounts received in his account against the outstanding dues relating to the aforesaid loans. Accordingly, the amount of Rs. 2,57,985/- received by the State Bank from the LIC into the petitioner's current account has been put on hold in view of the outstanding dues of the petitioner and for the purpose of realization of such amounts owing to the State Bank.

6. On a perusal of the petitioner's rejoinder filed in response to the counter affidavit of the State Bank, it is noticed that the petitioner has not made any categorical denial to the State Bank's assertion that several loans against the petitioner remained outstanding. The further statement that the petitioner had executed the necessary security documents containing authorization in favour of the State Bank has also not been disputed. Only a vague statement has been made that no letter or notice or correspondence was made by the State Bank with regard to the outstanding loans. The absence of the petitioner's denial of the outstanding loans is clearly suggestive of the lack of bona fide on his part and the conduct of the petitioner becomes highly suspicious. The petitioner appears to be evading payment of his outstanding liabilities owing to the State Bank and in the same breath,

he has sought to raise a fresh loan from the LIC to be channelized through his alternative Central Bank account, to be utilized for other purposes.

7. Having heard the parties and on careful consideration of the materials on record, this Court is not inclined to interfere in the matter. This Court is not satisfied of the petitioner’s bona fide and will not interfere in its extraordinary writ jurisdiction, which cannot be used as a tool by unconscionable persons to further their questionable ends, specially where dealings with financial institutions and public money are involved

8. In the result, the writ petition stands dismissed.

(Vikash Jain, J)

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