



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED : 29.09.2016
CORAM

WEB COPY

THE HONOURABLE MR.JUSTICE V.BHARATHIDASAN

W.P. (MD) .No.14597 of 2014

Latha ... Petitioner

-vs-

1.The Regional Manager
Syndicate Bank
Regional Office
69, American Street
Leelavathi Building 1st Floor
Chennai-600 001

2.The Manager
Syndicate Bank
1366, Periyakulam Main Road
Theni-625 531

3.The Superintendent of Police
Theni ... Respondents
(R3 is *suo motu* impleaded vide
order, dated 26.02.2015)

Prayer : Writ Petition filed under Article 226 of the Constitution of India for the issuance of a Writ of mandamus directing the second respondent to return the petitioner's jewels after receiving the pending due loan amount with interest within a stipulated time, based on the petitioner's representation, dated 30.05.2014.

For Petitioner : Mr.R.Karunanidhi

For Respondents : Mr.Pala.Ramasamy for R1 & R2
Mr.R.Anandharaj,
Govt. Advocate for R3

O R D E R

The prayer in the writ petition is for issuance of a writ of mandamus to direct the second respondent to return the petitioner's jewels, after receiving the loan amount with interest within a stipulated time, by considering her representation, dated 30.05.2014.



2. According to the petitioner, she is working in a non-governmental organization, namely, Mahalir Matrum Nagarpura Mahalir Foundation and she has obtained jewel loans, totally a sum of Rs.4,73,000/-, from the second respondent Bank, vide Loan Account Nos.6510779504, 651083920981 and 651083919944, by pledging her jewels and subsequently she has paid Rs.14,000/-, Rs.16,000/- and Rs.20,000/- towards part of loan amount in respective loan accounts, however the second respondent did not return the jewels to her, despite directed her to pay the entire loan amount and therefore she lodged a complaint before the Theni Police on 12.05.2014, but the Police informed her that they will not interfere into the Bank transactions and thereafter, she sent a representation, dated 30.05.2014, to the second respondent expressing her willingness to settle the entire jewel loan amount with appropriate interest, despite receipt of the same, the second respondent Bank has not taken any action on her representation and hence she has filed this writ petition.

3. The second respondent Bank, in their counter affidavit, stated that the petitioner has availed eight jewel loans from the respondent Bank and in the security documents she has stated that as security for repayment of the outstanding balance of the loan, which the Bank may grant to her, she thereby pledged her gold jewellery as mentioned in the Schedule and the Bank is entitled to hold the above security as security for any other liability payable by her in respect of any advance / financial assistance granted / to be granted thereafter and owing / that may be owing hereafter to the Bank at any office of the bank on any account whatsoever, whether solely or jointly with others, and either as principal debtor or surety, therefore the respondent Bank is entitled to hold the pledged jewels as security for other liability payable by her, furthermore she stood as a guarantor for the car loan availed by her husband Thangaraj and the outstanding amount as on 31.01.2015 was Rs.5,93,190/-.

4. Further, it is submitted that apart from the above, the petitioner, who is working in a non-governmental organization, has introduced 27 self-help groups and they availed loan from the respondent Bank based on her recommendation. Subsequently, some of the groups lodged a complaint stating that the petitioner defrauded them in getting loan from the Bank and on verification, it was found that the number of persons found in each self-help group was not correct, and names of the fictitious persons varied from 2 to 8 members found in each group as mentioned in the annexure and it was also confirmed by the Vigilance Officer.



5. The third respondent, in his counter affidavit, stated that in the enquiry conducted by the Police officials, the petitioner admitted that she has borrowed loan for 12 self help groups and distributed Rs.10,000/- per head, but one Veeralakshmi submitted that the the petitioner distributed only Rs.8,000/- per head and except the self-help group of Veeralakshmi, the remaining self-help group repaid their amount as per norms and she has stated that she is responsible for Veeralakshmi self help group, if they failed to repay the amount.

6. This Court, vide order dated 12.03.2015, directed the Superintendent of Police, Theni / third respondent to file a status report with regard to the complaint given by the Syndicate Bank and also directed the Manager, Syndicate Bank, Theni / second respondent to file a detailed report with regard to the loan sanctioned, details of the applicants, documents received from them, their presence before the Bank for signing the documents, complaints given by them and the follow up action taken by the Bank on their complaints. However, the second respondent has not filed any report sofar.

7. The learned counsel for the petitioner submitted that except the jewel loan, the petitioner did not avail any loan from the respondent Bank and she stood as a guarantor only for the car loan availed by her husband and for which her husband is willing to settle the entire loan and apart from that there is no liability for the petitioner.

8. The leaned counsel appearing for the Bank submitted that the petitioner only introduced the self-help groups to the second respondent Bank and based on her recommendation, the Bank gave loan to them and now, they have failed to repay the same and hence the petitioner is liable to repay the loan.

9. This Court has carefully considered the rival submissions and perused the materials produced.

10. Admittedly, the petitioner has only availed jewel loan from the respondent Bank and now she is ready to repay the entire loan amount with appropriate interest and with regard to the car loan availed by her husband is concerned, her husband is ready to pay the entire loan amount with appropriate interest apart from that there is no liability for the petitioner. In such circumstances, if at all there is any breach of terms or cheating by the petitioner or the other self-help groups, it is for the authority concerned to take action in accordance with law, for which, the Bank cannot



withheld the jewels pledged by her. Therefore, the second respondent is directed to return the jewels, pledged by the petitioner, forthwith, after the entire jewel loan amount with interest is settled by her. Accordingly, the writ petition is disposed of. No costs.

Sd/-

Assistant Registrar(C.S.I)

/True Copy/

Sub Assistant Registrar

To:

The Superintendent of Police,
Theni.

+1 cc to Mr.R.Karunanidhi, Advocate in SR No.57080

+1 cc to Mr.Pala.Ramasamy, Advocate in SR No.57197

+1 cc to Spl.Government Pleader in SR No.57492

krk/anr/ck/19.10.2016/4p/5c

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