IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH

THE HONOURABLE SRI JUSTICE V. RAMASUBRAMANIAN
AND
THE HONOURABLE SRI JUSTICE P. KESHAVA RAO

<u>WRIT PETITION No.47098 OF 2018</u>

Date:27.12.2018

Between:

Mr. Suresh Tara Chandra Doshi S/o. Mr. Tarachandra Doshi,
Patigadda Road, Begumpet, Scunderabad and another.

… Petitioners

v.

The State Bank of India,
Adilabad Branch, NH 7 Road,
Adilabad District.

.. Respondent

For Petitioners : Mr. B. Chandrasen Reddy

For Respondent : Mr. Ambadipudi Satyanarayana

Gist :

Head Note :

Cases Referred : Nil

C/15

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AND

THE HONOURABLE SRI JUSTICE P. KESHAVA RAO

<u>WRIT PETITION No.47098 of 2018</u>

<u>ORDER</u>: ***(Per V. Ramasubramanian, J)***

Aggrieved by the proposed action of the Bank in appropriating the proceeds of the Special Term Deposits that the petitioners have with the Bank, towards their dues, the petitioners have come up with the above writ petition.

2. Heard Mr. B. Chandrasen Reddy, learned counsel for the petitioners. Mr. Ambadipudi Satyanarayana, learned Standing Counsel takes notice for the respondents.

3. Petitioners 1 and 2 are the parents of the 3rd petitioner. The petitioners 1 and 2 took an educational loan way back in the year 2003 for educating the 3rd petitioner. The result of the education was two fold, namely, (1) that the 3rd petitioner got well educated and secured employment in U.K. and (2) that he now determined not to repay the loan.

4. The Bank has already obtained a recovery certificate by filing O.A No.11 of 2009. It appears that as against the recovery certificate, an appeal was filed by the petitioners 1 and 2 in appeal No.176 of 2018 on the file of the DRAT.

5. In the meantime, the Bank issued a communication dated 10.12.2018 giving a list of '9' Special Term Deposit receipts held by

the petitioner to the total tune of Rs.56,56,000/- and calling upon the petitioners to close the loan account before 25.12.2018 and threatening to take further action against the special term deposits. It is against the said proposed action that the petitioners have come up with the above writ petition.

5. The main contention of the learned counsel for the petitioners is that the petitioners have already offered an immovable property as security and that they have been repeatedly asking the Bank to sell the properties and appropriate the sale proceeds as against the amount due to the Bank. But, the Bank, after having obtained an order for the sale of the property, has chosen to proceed against the fixed deposit receipts. This according to the learned counsel for the petitioner, is wrong.

6. But, we do not accept the said contention. It is true that the respondents have the option of bringing the security interest to sale, in exercise of the powers conferred by the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. But, it does not mean that the Bank cannot exercise their power of general lien, in terms of Section 172 of the Indian Contract Act. The law is well settled in this regard by the judgment of the Supreme Court in **Syndicate Bank v. Vijay Kumar**[1].

7. Therefore, we do not think that the writ petition merits its acceptance. Hence, the same is dismissed.

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[1] **1992 (2) SCC 330**

As a sequel thereto, miscellaneous petitions, if any pending, shall stand dismissed. No order as to costs.

V. RAMASUBRAMANIAN, J

P. KESHAVA RAO, J

December 27, 2018
KTL