



W.P.No.9435 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 20.03.2024

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THE HONOURABLE MRS.JUSTICE J.NISHA BANU

W.P.No.9435 of 2021

K.G.Kannan

... Petitioner

vs.

1.The Manager,
Indian Bank,
High Court Complex Branch,
Chennai 600 104.

2.The Manager,
Indian Bank,
Thiruninravur Branch,
Thiruninravur, Tiruvallur District.

...Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India to issue a Writ of Mandamus directing the 2nd Respondent to reimburse the amount of Rs.37,874/- to the petitioners S.B.Account bearing No.6049807957 maintained by the petitioner with the 1st Respondent.

For Petitioners : Mr.M.Prabakaran

For RR1 : Mrs.S.R.Sumathy

ORDER

This Writ Petition has been filed to direct the 2nd respondent to reimburse the amount of Rs.37,874, to the petitioner's Saving Bank Account, which was withdrawn for adjusting toward the petitioner's loan



account.

2. It is averred in the Writ Petition that the petitioner was originally having Saving Bank Account in the 2nd respondent Bank. Since the petitioner shifted his residence from Thiruninravur to Chennai, the Bank Account of the petitioner in the 2nd respondent Bank has been transferred to the 1st respondent Bank. In the account, there was a balance of Rs.37,874/-. When the petitioner approached the 1st respondent Bank to withdraw an amount of Rs.25,000/-, it was informed that the entire amount of Rs.37,874/- has been withdrawn by the 2nd respondent towards the discharge of the Agricultural Loan, obtained by the petitioner during the year 2014. Thereafter, the petitioner sent a letter to the 2nd respondent to reimburse the said amount to the credit of his saving bank account maintained in the 1st respondent Bank. Since, his representation was not considered, the petitioner is before this Court.

3. The learned counsel appearing for the petitioner submitted that the loan is an Agricultural short term loan and the said loan has been waived by the Central Government. The 2nd respondent, without getting any consent from the petitioner, had withdrawn from the saving bank account and paid towards the agricultural loan amount. The said act of



the 2nd respondent is illegal and unlawful.

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4. The learned Standing Counsel appearing for the respondents Bank submitted that the petitioner availed credit facilities upto the limit of Rs.1 lakh towards his agricultural operation. The operation of the loan account was quite irregular and it was classified as Non Performing Asset (NPA) on 22.09.2019 itself. The loan availed by the petitioner has not been waived at any point of time and is still subsisting. A sum of Rs.2,20,333/- was due and payable by the petitioner to the respondent Bank towards the loan liability. The respondent Bank has right of general lien and set off over the other securities of the petitioner. Therefore, the saving amount of Rs.37,874/- lying in the petitioner's Saving Bank Account was adjusted by exercising Banker's right of lien and set off. Still the petitioner is payable for a sum of Rs.1,82,459/-. The agricultural loan was never waived by the Bank or Government of India.

5. Heard both sides and also perused the materials available on record.

6. A perusal of the facts of the case would go to show that the



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petitioner has availed agricultural loan facility from the respondents Bank. The said loan account was classified as NPA on 22.02.2019. The credit facility availed by the petitioner is still subsisting as NPA A/c, not waived by the Bank or Government of India. For recovering the said loan amount, the Banks are entitled to exercise its right to recover by working out its remedies in the manner prescribed by law and RBI guidelines and by its own guidelines and as per law. Further the respondent Bank has right of general lien and set off over the securities of the petitioner. Therefore, this Court does not find any illegal act on the part of the respondent-Bank in withdrawing a sum of Rs.37,874/- for adjusting it towards the outstanding agricultural loan of Rs.2,20,333/-, obtained by the petitioner.

7. For the reasons stated above, this Writ Petition is devoid of merits. Accordingly, this Writ Petition is dismissed. No costs.

20.03.2024

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To
1. The Manager,
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2. The Manager,
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J.NISHA BANU, J.

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