IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 26-03-2026

CORAM

THE HONOURABLE MR JUSTICE KRISHNAN RAMASAMY

WP No. 24049 of 2023

A.Tenzing,
D.No.1, Gnanagiri Road,
Sivakasi, Tamil Nadu-626 189.

Petitioner(s)

Vs

1.The Ombudsman,
Consumer Education And Protection Cell
(CEPC),
The Reserve Bank Of India,
Fort Glacis, No.16, Rajaji Salai,
Chennai-01.

2.Rajalakshmi Vardarajan
Resolution Professional For M/s.Supreme
Coated Board Mills Private Limited,
351/18, Aishwarya Flats, 36th Street,
I Block, Anna Nagar, Chennai-40.

Having Its Registered Office At
No. Ht.Sc No.230, Sf. No.326-330,
Vembakottai, Sivakasi,
Tamil Nadu-626 131.

3.City Union Bank Limited,
No.13, Chairman NPSN Arumuga Nadar
Road, (Vembakottai Road),
Sivakasi-626 189.

Respondent(s)

PRAYER:-Writ Petition filed under Article 226 of the Constitution of India, praying for an issuance of Writ of Mandamus, to direct the 1st respondent to conduct a fresh enquiry against the 3rd respondent on the complaint dated 23.02.2021 given by the petitioner against the 3rd respondent to direct the 3rd respondent to release the Fixed Deposit (Deposit Account No.500707060104654) provided by the petitioner on behalf of as M/s.Supreme Coated Board Mills Private Limited SCBMPL forth with.

For Petitioner(s):	Mr.KP Prabhuraj For Mr.A.K.Myilsamy and Associates
For Respondent(s):	No Appearance For R1 to R3 Mr.R.Imayavaramban for M/s.Ramalingam and Associates For R3

ORDER

This writ petition has been filed seeking to direct the 1st respondent to conduct a fresh enquiry against the 3rd respondent on the complaint dated 23.02.2021 given by the petitioner against the 3rd respondent and to direct the 3rd respondent to release the Fixed Deposit (Deposit Account No.500707060104654) provided by the petitioner on behalf of M/s.Supreme Coated Board Mills Private Limited SCBMPL.

2.Learned counsel for the petitioner would submit that the petitioner is the debenture holder of the 2nd respondent. Therefore, he provided the Fixed Deposit made in Account No.500707060104654 dated 05.08.2017 as bank guarantee to the 3rd respondent on behalf of the 2nd respondent pursuant to the power supply agreement entered between the 2nd respondent and one M/s.Echanda Urja Private Limited (EU). However, the 3rd respondent has chosen to retain the Fixed Deposit made by the petitioner for the further loans of the 2nd respondent. When the petitioner sought to release the Fixed Deposit amount he was informed by the 3rd respondent that M/s.Echanda Urja Private Limited (EU) had invoked the bank guarantee due to the default committed by the 2nd respondent. However, the bank statement clearly reflects the payment made by the 3rd respondent to M/s.Echanda Urja Private Limited (EU) has been debited from the account of 2nd respondent. The Fixed Deposit made by the petitioner still subsists, on which the 3rd respondent has marked a lien instead of setting of the lien. The validity of the Bank Guarantee expired on 05.08.2017 and therefore, the lien marked by the 3rd respondent on the petitioner's Fixed Deposit is required to be automatically lifted. However, the 3rd respondent has failed to do the same. Though the petitioner has also made representations on 19.08.2018, 30.08.2018 and 09.10.2018 requesting to release the Fixed Deposit given as lien against the Bank Guarantee, the 3rd respondent has illegally holding the same.

3.Per contra, learned counsel appearing for the 3rd respondent would submit that the lien was marked on 05.08.2017 to secure a Bank Guarantee in favour of the 2nd respondent pursuant to the agreement entered with M/s.Echanda Urja Private Limited. On 21.05.2018, the Bank Guarantee was invoked by EU for the non-payment of amount by the 2nd respondent. As the loan obtained by the 2nd respondent remains unpaid, the lien cannot be removed; therefore, no enquiry is necessary. The lien was marked in accordance with the 3rd respondent's terms and conditions.

4.In reply, learned counsel for the petitioner would submit that the petitioner has not provided consent for general lien. The lien created in the Fixed Deposit is only a specific lien. Therefore, the 3rd respondent cannot withheld the Fixed Deposit.

5.Heard the learned counsel for the petitioner as well as the learned counsel appearing for the 3rd respondent.

6.Considering the submissions made by either parties, it is evident that the present dispute is with regard to the releasing of the Fixed Deposit made on 05.08.2017 for a sum of Rs.99,00,000/-. On the same date, the said Fixed Deposit was provided as a Bank Guarantee in favour of the 2nd respondent for a tune of Rs.1,10,00,000/-. As the 2nd respondent committed default, the Bank

Guarantee was invoked and a lien was marked on the Fixed Deposit. However, according to the petitioner the lien marked on the Fixed Deposit is a specific lien. Therefore, after the expiry date of the Bank Guarantee, the amount has to be released. Only in case of general lien the 3rd respondent can withheld the amount.

7.In view of the above, as rightly contended by the learned counsel appearing for the 3rd respondent, immediately upon the invocation of Bank Guarantee, a lien will be marked on the Fixed Deposit and it exits till the loan amount is repaid. Such being the case, the question of making representation to release the Fixed Deposit amount would not arise. The lien has been marked in the Fixed Deposit in respect of the Bank Guarantee as provided by the petitioner and it will exists till the dues are paid by the 2nd respondent. Hence, the present case is devoid of merits.

8.In the result, this writ petition is dismissed. No costs.

26-03-2026

rst

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No

To

The Ombudsman,
Consumder Education And Protection
Cell (cepc) The Reserve Bank Of India
Fort Glacis, No.16, Rajaji Salai,
Chennai-01.

KRISHNAN RAMASAMY J.
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