APHC010277302021

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3327]**
(Special Original Jurisdiction)

THURSDAY,THE NINETEENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX

PRESENT
THE HONOURABLE SRI JUSTICE K SREENIVASA REDDY

WRIT PETITION NO.16356 OF 2021

Between:

T. Harindranath Sarma **...PETITIONER**

AND

Saptagiri Grameena Bank and another **...RESPONDENTS**

Counsel for the Petitioner:
1. U D JAI BHIMA RAO

Counsel for the Respondents:
1. SATYANARAYANA DHARA

The Court made the following ORDER:

This Writ Petition has been filed seeking to declare the proceedings issued by 2nd respondent Bank dated 23.02.2021, declining to release the documents, more particularly the Title Deed, vide document No.1553 of 2001 pertaining to the property of the petitioner existing in Plot No.8 (Part), situated in Survey No.391-1D, 3rd Ward, Lakshminagar Colony, Near Gangamma Temple, B.K. Palle village, Madanapalle, on the basis of ongoing

CBI enquiry and subject to its finalization which is totally unconnected with availing housing loan by the petitioner under Staff Housing Loan Scheme and to declare the non-release of the documents in spite of complete discharge of the loan and after full and final settlement of the loan as illegal and arbitrary and consequently direct the respondents to release the documents.

2. Case of the petitioner, in brief, is that he is an ex-employee of the respondent Bank. He purchased a plot at Madanapalle, Chittoor district, vide Title Deed bearing document No.1553 of 2001. Later, based on his application, the respondent Bank sanctioned Housing Loan of Rs.4.00 Lakhs to him on 28.01.2002 under Staff Housing Scheme, which has to be repaid within a period of 180 months i.e. 15 years. Accordingly, the petitioner repaid the entire loan amount as per schedule and the loan account of the petitioner was closed on 01.08.2018. On such closure of loan account, petitioner addressed a letter dated 06.01.2021 requesting 2nd respondent Bank to release the documents and title deeds mortgaged to the Bank. On that, 2nd respondent Bank, vide impugned proceedings dated 23.02.2021, intimated the petitioner that they have been communicated by their Head Office, Chittor, vide letter dated 03.02.2021, that they are unable to permit release of the documents in view of ongoing CBI enquiry and its non-finalization. Hence, he filed the present Writ Petition seeking to direct the respondents to release the document pertaining to his property i.e. Title Deed vide document No.1553/2001, by declaring the impugned proceedings of 2nd respondent dated 23.02.2021 as illegal and arbitrary.

3. A counter affidavit has been filed by the respondents stating, *inter alia*, that the petitioner committed irregularities while he was working as Chief Manager of 2nd respondent Bank, Punganuru Branch in respect of sanctioning of loans without following the norms and made the Bank to incur a loss of Rs.7.3 Crores and also indiscriminate lending under MDL Powers by sanctioning multiple facilities amounting to Rs.9,20,70,000/- to a single family/relative/workers of Mr. R. Royal Kumar, partner of M/s. Sri Balaji Cold Storage, Punganuru without proper assessment/repaying capacity etc. In connection with that, CBI, Chennai registered a case in FIR No.RC.O.01/E/2018, CBI, EOWCHN dated 27.02.2018, for the offences punishable under Section 120-B read with 420 IPC and under Section 13(2) read with 13(1)(d) of the PC Act, 1998 against the petitioner herein and others. In view of the FIR registered by the CBI, Chennai and also the enquiry report under disciplinary proceedings of 1st respondent, the title deeds pertaining to the petitioner cannot be parted and delivered to the petitioner till the CBI enquiry is completed.

4. Learned counsel for the petitioner submits that the case said to have been registered by the CBI does not pertain to the loan account of the petitioner and when the petitioner cleared the entire loan amount in the year 2018 itself, there is an obligation on the part of the respondents to release the documents, but so far they have not returned the title deed documents to the petitioner, which is illegal and arbitrary.

5. Heard. Perused the record.

6. A perusal of the material available on record goes to show that the petitioner had availed a housing loan from the respondent Bank under its Staff Housing Scheme in the year 2002. It is an admitted fact that the petitioner repaid the entire outstanding loan amount, together with all applicable interest and charges, and the loan account stood fully discharged in the year 2018. Consequently, there remained no subsisting liability on the part of the petitioner towards the respondent Bank.

7. It is further evident that in the year 2018, a case came to be registered by the Central Bureau of Investigation against the petitioner and certain other persons, alleging irregularities in the sanction and disbursement of specific loans. The allegations pertain to the purported illegal disbursement of certain loan facilities. However, it is pertinent to note that the petitioner's housing loan account had already been liquidated in full during the same year, and there is no adjudication, finding, or order declaring the loan transaction in question as void, fraudulent, or unlawful.

8. Despite complete repayment of the loan and the absence of any outstanding dues, the respondent Bank has withheld the original title deeds and other documents relating to the petitioner's property, citing the pendency of the aforesaid CBI case as the sole ground. Such action on the part of the respondent Bank is *ex facie* arbitrary, unreasonable, and

unsustainable in law. The Bank's right to retain the title documents is co-extensive with the existence of a lawful and subsisting debt. Once the entire loan amount has been repaid and the account is closed, the Bank ceases to have any lien or charge over the secured property, unless otherwise restrained by a competent Court of law.

9. Mere pendency of a criminal investigation cannot, in the absence of any specific direction from a Court or competent authority, justify the continued retention of the petitioner's property documents. The respondent Bank cannot unilaterally assume the role of an investigating agency or impose a punitive measure by withholding documents when no liability remains due. Such retention amounts to an illegal deprivation of the petitioner's proprietary rights and causes undue hardship, as the petitioner is prevented from dealing with or enjoying his property in accordance with law.

10. In the circumstances, the continued withholding of the petitioner's title deeds by the respondent Bank, despite full repayment of the housing loan in 2018, is *per se* illegal, arbitrary, and liable to be set aside.

11. Accordingly, the Writ Petition is allowed and the impugned proceedings of 2nd respondent dated 23.02.2021 are hereby set aside. The respondents are directed to return all the documents pertaining to the property of the petitioner, within a period of four (4) weeks from the date of receipt of a copy of this order. There shall be no order as to costs.

As a sequel thereto, the miscellaneous applications, if any, pending in this Writ Petition shall stand closed.

K. SREENIVASA REDDY, J.

Date:19.02.2026
Nsr

HON'BLE SRI JUSTICE K. SREENIVASA REDDY

Writ Petition No.16356 of 2021

Date:19.02.2026

Nsr