IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE M.A.ABDUL HAKHIM

FRIDAY, THE 3RD DAY OF JULY 2026 / 12TH ASHADHA, 1948

WP(C) NO. 23659 OF 2018

PETITIONER:

NARAYAN BHARATHAN
AGED 49 YEARS
SON OF LATE P.BHARATHAN PILLAL,
PARTNER,
ASIATIC EXPORT ENTERPRISES,
KILIKOLLOOR,
KOLLAM-691004,
(RESIDING AT 'NAKSHATHRA',
CANTONMENT,
KOLLAM,
PIN-691001)

BY ADVS.
SRI.A.V.THOMAS (SR.)
SRI.LIJO JOSEPH (THOPPIL)
SHRI.NIDHI SAM JOHNS

RESPONDENTS:

**1 STATE BANK OF INDIA
COMMCERCIA BRANCH,1ST FLOOR,
STATE BANK BUILDINGS,
NEAR RAILWAY STATION,
KOLLAM-691001
REPRESENTED BY ITS BRANCH MANAGER**

**2 THE MANAGING DIRECTOR
STATE BANK OF INDIA,
STATE BANK BHAVAN,
CORPORATE CENTRE,
MADAME CAMA ROAD,
MUMBAI,
PIN-400021.**

**BY ADV.
SRI.JAWAHAR JOSE, SC, SBI**

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ORDERS ON 03.07.2026, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

C.R.

JUDGMENT

Dated this the 3rd July, 2026

1. Petitioner is one of the partners of a Firm by name 'Asiatic Export Enterprises' (hereinafter referred to as 'the Firm'). The prayer in the Writ Petition is to order the Respondents, which are the State Bank of India and its Managing Director, to pay an amount of Rs.1,28,72,867/- as on 24.04.2018 together with interest thereon due to the Petitioner in the name of the Firm.
2. The dispute in this Writ Petition is with respect to payment of interest for the period from 18.07.2012 to 10.12.2015 on an amount kept under Fixed Deposit

by the Firm with the Respondent No.1/Bank. The Firm had made a Fixed Deposit of an amount of Rs.7.22 Crores with the Respondent No.1/Bank on 19.07.2011 for a period of twelve months. The Petitioner and his family members including his late father, Sri. P. Bharathan Pillai, were the partners of the Firm. On account of the dispute regarding the share of the father of the Petitioner in the Firm, the accounts of the Firm could not be operated for some time. The Petitioner and his mother had approached this Court by filing W.P.(C) No.15008/2015 seeking direction to the Respondent No.1/Bank to release the fixed deposits of the Firm, etc., which was disposed of by Ext.P1 judgment dated 09.07.2015. Though the

Respondent No.1 as well as the Petitioner and his mother filed Writ Appeals, the same were dismissed as per Ext.P2 judgment dated 13.08.2015 confirming Ext.P1 judgment. Pursuant to the direction in Ext.P1, the Respondent No.1 paid Rs.9,39,21,039/- after deducting TDS to the Firm on 10.12.2015. The Petitioner disputed the maturity value of the Fixed Deposit and filed this Writ Petition.

3. The Petitioner claimed interest for the period from the date of maturity of the original Fixed Deposit for 12 Months, to the date of payment, i.e., from 18.07.2012 to 10.12.2015. The Respondents filed Counter Affidavit admitting the liability to pay interest for the period from 13.05.2013 to 10.12.2015 and stated that

the amount representing the interest for the said period is Rs.41,99,765/-. As per Interim Order dated 21.11.2018, this Court directed to pay the said amount to the account of the Firm making it clear that the question of maintainability of the Writ Petition with regard to the payment of any further amount shall be considered in due course. Now the subsisting dispute in the Writ Petition is regarding the interest for the period from 18.07.2012 to 12.05.2013, since interest from 13.05.2013 to 10.12.2015 is already paid by the Bank.

4. I heard the learned Counsel for the Petitioner, Sri. Kevin Thomas, and the learned Counsel for the Respondents, Sri. Jawahar Jose.

5. The contention of the learned Counsel for the Petitioner is that the original deposit was made for a period of 12 months without any specific instruction regarding the renewal. In such case, Ext.P18 Circular issued by the Respondent No.1 is applicable in which the specific provision is that in the absence of any specific instruction from the customer, the term deposit on maturity is automatically renewed for the same period at the rate of interest prevailing on the date of maturity. On attaining maturity of the Fixed Deposit on 18.07.2012, the Respondent No.2 was bound to renew the same with the same rate of interest from year to year up to the date of closure of the fixed deposit. In view of the objection regarding

maintainability raised by the Respondents, the learned Counsel relied on the decisions of the Hon'ble Supreme Court in ***M/s.Hyderabad Commercials v. Indian Bank [AIR 1991 SC 247]*** and ***ABL International Ltd. v. Export Credit Guarantee Corporation of India Ltd. [(2004) 3 SCC 553]*** and the decisions of this Court in ***Kerala State Co-operative Rubber Marketing Federation Ltd. v. Poovarany Service Co-operative Bank Ltd. and Another [2009:KER:27876]***, ***Gandhigram Agro Based Industrial Co-operative Society Ltd. v. Marangattupilly Service Co-operative Bank Ltd. and Others [2019 (2) KLJ 908]*** and ***Sree Sankara National Institute of Educational Trust v. Union Bank of India and Others [2021 (6) KHC 65]*** to substantiate the maintainability of the Writ Petition. Learned

Counsel cited the decision of the Hon'ble Supreme Court in ***Svenska Handelsbanken v. M/s. Indian Charge Chrome and Others [(1994) 1 SCC 502]*** to emphasize that credibility is the most important thing for any banking institution.

6. On the other hand, the learned Counsel for the Respondents contended that, admittedly, after the original period of fixed deposit of one year, the amount was transferred to the Current Account of the Firm. There could not be any interest during the period in which the amount had been lying in the Current account. The original fixed deposit was a normal fixed deposit. The amount was again transferred from the Current Account to the Fixed

Deposit under the Army Group Insurance Fund on 13.05.2013, with retrospective effect from 18.07.2012 on an oral request of the Petitioner to get a higher rate of interest. The Fixed Deposit under the Army Group Insurance Fund is available only to Defense Personnel. Since the Firm was not eligible to deposit the amount in a Fixed Deposit under the Army Group Insurance Fund, the Firm was not entitled to get interest on the Fixed Deposit. That apart, an amount could not be deposited in a Fixed Deposit with retrospective effect. The learned Counsel relied on Ext.R1(a) Circular of the Respondent No.1 restraining issuance of Term Deposits with retrospective effect. Learned Counsel further contended that the claim of the Petitioner is for money in this Writ Petition. In such case, the normal remedy of the Petitioner is to approach the Civil Court. The deposit of money was made based on a contract and the same is governed by the contractual obligations arising out of the contract between the Petitioner and the Bank. The disputes arising out of such contractual matters can be adjudicated only in a properly instituted civil suit after adducing evidence by the parties. The learned Counsel relied on the decisions of the Hon'ble Supreme Court in ***Kerala State Electricity Board and Another v. Kurien E. Kalathil and Others [(2000) 6 SCC 293]***, ***Punjab National Bank and Others v. Atmanand Singh and Others [(2020) 6 SCC 256]*** and ***Life Insurance Corporation***

of India and Others v. Asha Goel and Another [(2001) 2 SCC 160] to support his objection against the maintainability of the Writ Petition. Learned Counsel reminded that while passing the Interim Order dated 21.11.2018, this Court made it clear that the question of maintainability will be decided in due course. Learned Counsel prayed to dismiss the Writ Petition as the Respondents have already paid the admitted amount due to the Petitioner in compliance with the Interim Order.

7. I have considered the rival contentions and perused the relevant records.

8. In ***Hyderabad Commercials (supra)***, the Hon'ble Supreme Court held that Bank is an instrumentality of the State

and it must function honestly to serve its customers; that when Bank resile from its promise to rectify the mistake committed by re-crediting the amount to the customer's account, the High Court in exercise of its writ jurisdiction could direct it to re-credit the amount to the account of the customer and there is no necessity to file suit. It is found that there are no disputed questions of fact and that the Petitioner is entitled to relief on admitted facts. In ***Kurien E. Kalathil (supra)***, the Hon'ble Supreme Court held that the interpretation and implementation of a clause in a contract cannot be the subject matter of a Writ Petition and that whether the contract envisages actual payment or not is a question of construction of contract. The case at hand does not involve any interpretation of a clause in any contract. In ***Asha Goel (supra)***, the Hon'ble Supreme Court held that Article 226 of the Constitution of India confers extraordinary jurisdiction on the High Court to issue high prerogative writs for enforcement of the fundamental rights or for any other purpose; that it is wide and expansive; that the Constitution does not place any fetters on exercise of the extraordinary jurisdiction; that it is left to the discretion of the High Court; that it cannot be laid down as a general proposition of law that in no case the High Court can entertain a writ petition under Article 226 of the Constitution to enforce a claim under a life insurance policy; that it is neither possible nor proper to enumerate exhaustively the circumstances in which such a claim can or cannot be enforced by filing a Writ Petition; that the determination of the question depends on consideration of several factors like, whether a writ petitioner is merely attempting to enforce his/her contractual rights or the case raises important questions of law and constitutional issues, the nature of the dispute raised, the nature of inquiry necessary for determination of the dispute, etc.; that the matter is to be considered in the facts and circumstances of each case; and that while the jurisdiction of the High Court to entertain a Writ Petition under Article 226 of the Constitution cannot be denied altogether, the courts must bear in mind the self-imposed restriction consistently followed by High Courts all these years after the constitutional power came into existence in not entertaining Writ Petitions filed for enforcement of purely contractual rights and obligations which involve disputed questions of facts. In ***ABL International Ltd. (supra)***, the Hon'ble Supreme Court held that even in a Writ Petition involving disputed questions of fact, the Writ Court has the jurisdiction to entertain such a writ petition in an appropriate case, and there is no absolute bar for entertaining it. In ***Atmanand Singh (supra),*** the Hon'ble Supreme Court held that disputed questions of fact of complex nature requiring production of documentary evidence should not normally be entertained by the High Court in its writ jurisdiction. It is further held that the High Court has discretion to entertain even disputed questions of fact on sound judicial principles, considering nature of controversy; that in a petition under Article 226, the High Court has jurisdiction to try issues both of fact and law; that exercise of the jurisdiction is no doubt discretionary, but the discretion must be exercised on sound judicial principles; and that when the petition raises complex questions of fact, which may for their determination require oral evidence to be taken, and on that account the High Court is of the view that the dispute should not appropriately be tried in a Writ Petition, the High Court may decline to try a petition.

In the Division Bench decisions of this Court ***Kerala State Co-operative Rubber Marketing Federation Ltd. (supra)*** and ***Gandhigram Agro Based Industrial Co-operative Society Ltd. (supra)*** and the Single Bench decision of this Court in ***Sree Sankara National Institute of Educational Trust (supra)***, this Court has entertained Writ Petitions seeking direction to return deposit and issued directions.

9. Bearing the aforesaid well-settled legal propositions in mind, let me examine the facts of the present case. There is no dispute regarding the deposit of the amount by the Firm on 19.07.2011 and the closure of the Fixed Deposit Account on 10.12.2015. The Writ Petition is filed claiming interest from 18.07.2012 to

10.12.2015. Subsequent to the filing of the Writ Petition, the Respondents have paid interest for the period from 13.05.2013 to 10.12.2015 in compliance with the Interim Order, as the said claim is admitted by the Respondents. Now the subsisting dispute is only regarding the liability to pay the interest for the period from 18.07.2012 to 12.05.2013 on the admitted deposit amount. The contention of the learned Counsel for the Respondents is that the Firm is entitled to get interest only up to the maturity date of 18.07.2012 for the initial deposit. But as rightly pointed out by the learned Counsel for the Petitioner, Ext.P18 Circular of the Respondent No.1 itself provides that on maturity, the Term Deposit is to be automatically renewed for the same period at the rate of interest prevailing on the date of maturity. The Respondents could not produce any Circular providing otherwise. The Respondents do not have a case that the amount was transferred to the Current Account on the request of the Petitioner or any other person interested in the Fixed Deposit. If the Respondent/Bank had such a contention, the matter should have been relegated to the Civil Court for evidence. Likewise, the Respondents do not have a case that it is at the instance of the Firm or the Petitioner that the amount was deposited in the Army Group Insurance Fund on 13.05.2013 with retrospective effect from 18.07.2012. Even assuming that the Petitioner had requested for deposit in the Army Group Insurance Fund with retrospective effect, the Bank should not have made such a deposit with retrospective effect. The Respondents have no case that either the Petitioner or the Firm had falsely claimed eligibility to deposit in the Army Group Insurance Fund. It is to be found that the deposit is made in the Army Group Insurance Fund and that too with retrospective effect only on account of the fault attributable to the Respondent No.1/Bank alone, and the Petitioner could not be blamed for it. Hence, I find that the Respondents are liable to pay interest for the period from 18.07.2012 to 12.05.2013 on the admitted deposit amount.

10. In the absence of any contention for the Respondents that it is at the instance of the Petitioner or the Firm that the amount was deposited in the Army Group Insurance Fund, there is no necessity to relegate the Petitioner to the Civil Court for adjudication. As a matter of fact, there is nothing to be adjudicated in a Civil Court by adducing evidence in the matter. Complicated adjudication is not required even on admitted facts. It is well settled by the aforesaid decisions cited by the Counsel on both sides that there is no absolute bar in entertaining Writ Petition. The entertainability of the Writ Petition depends on a variety of factors narrated in the aforesaid decisions. This Writ Petition was filed in the

year 2018 and part of the amount was paid as per the Interim Order passed by this Court. The dispute regarding the remaining amount can be easily adjudicated on the basis of the admitted facts with reference to the admitted documents produced by the parties. In such case, I am of the view that the Petitioner is entitled to succeed in this Writ Petition.

11. Ext.R1(c) Circular of the Respondent No.1 dated 27.02.2013 would show that the interest on deposit for more than one year is 8.5% during the relevant period. Hence, the Bank is liable to pay interest @ 8.5% per annum on the admitted amount of Rs.8,00,19,849/- for the period from 18.07.2012 to 12.05.2013.

12. Accordingly, this Writ Petition is allowed, directing the Respondents to calculate the interest @ 8.5% on Rs.8,00,19,849/- for the period from 18.07.2012 to 12.05.2013 and to credit the said amount to the Current Account of the aforesaid Firm within a period of two months from the date of receipt of a certified copy of this judgment.

Sd/-

M.A.ABDUL HAKHIM

JUDGE

sms

APPENDIX OF WP(C) NO. 23659 OF 2018

RESPONDENT EXHIBITS

Exhibit-R1c	**True copy of the circular No. : CFO/BSMG-INTRATES/10/2012 - 13 dated 27-2-2013.**

PETITIONER EXHIBITS

EXHIBIT P1:	**TRUE COPY OF JUDGMENT DATED 09.07.2015 IN W.P.(C) NO. 15008/2015 OF THE HON'BLE HIGH COURT OF KERALA**
EXHIBIT P2:	**TRUE COPY OF JUDGMENT DATED 13.08.2015 IN WRIT APPEAL NOS. 1777/2015 AND 1787/2015 OF THE DIVISION BENCH OF HON'BLE HIGH COURT OF KERALA**
EXHIBIT P3:	**TRUE COPY OF THE LAWYER NOTICE DATED 30.04.2018 CAUSE DBY THE PETITIONER TO THE RESPONDENTS**
EXHIBIT P4:	**STATEMENT SHOWING THE DETAILS REGARDING THE AMOUNT DUE TO THE ASIATIC EXPORT ENTERPRISES**
EXHIBIT P5:	**TRUE COPY OF REPLY LETTER DATED 02.06.2018 ISSUED BY THE FIRST RESPONDENT TO THE FIRM TOGETHER WITH THE CALCULATION STATEMENT**