ML 15
10.06.2026
Court. No. 12
GB

MAT 552 of 2026
With
CAN 1 of 2026

Tulika Santra
VS
Bank of Baroda & Ors.

Mr. Dwaipayan Banerjee,
Mr. Aharnish Ghosh
... for the Appellant.
Mr. Dipanjan Datta,
Ms. Papiya Dutta,
Mr. Subhajit Chowdhury
... for the Respondent Bank.

1. The appeal arises out of an order dated March 18, 2026 passed in WPA No.6173 of 2025 and in the connected applications.
2. The questions involved are, whether the gold loan account of the appellant can be clubbed together with the other credit facilities availed of by the husband of the appellant as also the appellant, totalling to eight in number, in respect of which there are outstanding dues, and whether the gold can be sold in order to partially recover the money due against all such accounts.
3. The bank had clubbed together eight loan accounts including the gold loan account as NPA, in view of defaults in payment.
4. The writ petition was directed against demand notices dated September 30, 2024 and October 17, 2024, issued by the Branch Manager, Bank of Baroda. Both

the notices were similar and the contents of one were as follows:-

> *"Dear Sir/Madam,*
>
> *Re: Your Gold Loan A/C NO.30540500002023*
>
> *We refer to your loan account mentioned above, which is turned to NPA Since 28.08.2024.*
>
> *We have, therefore, to call upon you to pay to us the sum of Rs.753,550.00/- <u>(SEVEN LAKH FIFTY THREE THOUSAND FIVE HUNDRED FIFTY RUPEES ONLY + INTEREST.)</u> within 7 working days of the receipt of this letter by you.*
>
> *In case of failure on your part to comply with the aforesaid requisition, we shall, without prejudice to all our rights to enforce other securities and/or to adopt all legal steps and remedies available to us, sell the gold pledged by you to us, by public auction or private treaty, and in the event of the sale proceeds being not sufficient to recover the whole amount of debt due from you, we shall proceed to adopt such further steps for the recovery thereof as we are entitled to, under the documents executed by you and also otherwise at law."*

5. Further challenge was also in respect of a notice dated February 25, 2026, issued by the Branch Head, Baruipur Branch, Bank of Baroda requiring the appellant to pay up the liability along with other charges, failing which the gold was proposed to be sold by the bank in a public auction or by private treaty at the bank's premises on March 23, 2026.

6. Mr. Banerjee, learned advocate for the appellant submits that the writ was filed challenging the calculation and the threat of the bank to sell the gold which was pledged against the said loan account on the basis of an arbitrary and erroneous demand.
7. Mr. Banerjee, further submits that the bank had issued an individual notice to the appellant, only with regard to the repayment as against the gold loan and also threatened to sell the said gold in default of such payment. Thus, the question of clubbing all the eight loan accounts, some of which were in the name of the husband of the appellant, could not be an acceptable explanation for the bank to not release the gold in favour of the appellant, if payment was made.
8. It appears that multiple credit facilities had been granted separately by the secured creditor/bank in favour of the husband of the appellant and also the appellant, resulting in eight such loan accounts. Upon demise of the husband, who was also a defaulter in respect of the loan accounts which were in his name, the appellant stepped into the shoes of the borrower under the law. Thus, according to the bank, the money which was recoverable from the appellant's husband as outstanding dues of the secured creditor, was now recoverable from the appellant as the legal heir and representative of the deceased borrower. In some of the accounts, of course, the appellant was also a borrower and in some a guarantor.

9. Reliance has been placed on the RBI circular, which indicates that, when there are multiple credit facilities and there are defaults with regard to them, all the credit facilities connected to the same PAN number are clubbed together and declared as NPA. Thus, the bank contends that, even if payment against the gold loan account is made, the gold cannot be released.

10. The relevant portion of the RBI's circular on the asset classification of the borrower is quoted below:-

> *"4.2.7. <u>Asset Classification to be borrower-wise and not facility-wise</u>*
>
> *1) It is difficult to envisage a situation when only one facility to a borrower/one investment in any of the securities issued by the borrower becomes a problem credit/investment and not others. Therefore, all the facilities granted by a bank to a borrower and investment in all the securities issued by the borrower will have to be treated as NPA/NPI and not the particular facility/investment or part thereof which has become irregular."*

11. Upon recording the submissions of the bank, the learned Single Judge held that multiple credit facilities were enjoyed by the appellant and/or her husband. The appellant had deliberately suppressed such fact. Thus, the prayer of the appellant to allow repayment of the amount due against the gold loan, was ill-motivated and false. The writ petition was dismissed on the ground of suppression. No relief was granted.

12. We find from the agreement entered into between the parties as regards the gold loan that, the security (gold) was to be a continuing security for all present or future indebtedness and liabilities against the appellant in her sole capacity or jointly with other persons at any office of the bank. The clause provided that the bank would be at liberty to retain the said security pledged (gold) also for any other debt/outstanding dues lying in the sole name of the appellant or joint name with any other person either as a borrower or guarantor, at any branch of the bank. The validity and correctness of the agreement cannot be adjudicated by us.
13. The RBI circular which has been referred to hereinabove also envisages that all facilities granted by the bank to a borrower and investment in all the securities issued by the borrower will have to be treated as NPA/NPI and not the particular facility/investment or part thereof which had become irregular. Thus, gold loan cannot be treated as a separate account in such case.
14. Under such circumstances, we are of the view that the issues involved will have to be adjudicated by the appropriate forum. However, as the bank has made a demand, and has decided to sell the gold, we direct the appellant to pay a sum of Rs.8,80,452/- by a demand draft which is being handed over here and now (demand draft dated May 6, 2026) to the learned

advocate on record for the bank, without prejudice to the rights and contentions of all the parties, The demand draft will be encashed by the bank and adjusted towards the outstanding dues of the appellant against the gold loan account. The gold will not be sold until further orders by the proper forum. In case the demand draft cannot be encashed for any reason, the bank can take all necessary steps for sale of the gold.

15. It is informed to us that, proceedings before the Debts Recovery Tribunal are already pending. The fate of the gold will be subject to any other order or decision of the appropriate forum which may be passed in respect of the credit facilities availed of by the appellant and her husband from the said bank. Till then, the bank will retain the gold in safe custody.
16. The bank and the appellant are at liberty to approach the proper forum or the tribunal for further orders.
17. Accordingly, the appeal and the connected applications are disposed of.
18. Urgent Xerox certified copy of this order, if applied for, be given to the parties upon compliance of all necessary formalities.

(Shampa Sarkar, J.)

(Ajay Kumar Gupta, J.)