21.04.2026

Item no. DL 27
Court No. 25

Asraf, A.R.(Ct.)

In the High Court at Calcutta

Constitutional Writ Jurisdiction
Appellate Side

Case No.

WPA 24952 of 2025

In the matter of :

MD. FARUK HOSSAIN

...Petitioner

VS.

STATE BANK OF INDIA & ORS.

...Respondents

For the Petitioner :

Mr. Ashim Kumar Routh
Mr. Subhayan Banik
Ms. Manishka Dhar
Ms. Ananya Mondal
Mr. Dipnarayan Chakraborty

....Advocates

For the Respondents / Bank :

Mr. Shiv Mangal Singh (via VC)

....Advocate

1. Affidavit of service filed in Court today is taken on record.

2. The grievance of the petitioner in the present writ application is that the petitioner has obtained loan from the respondent / bank but the petitioner could not repay the loan amount and the bank has already initiated a proceeding before the Debts Recovery Tribunal and the same is pending before the Tribunal. Pending proceeding before the Tribunal, all of a sudden on 18th August, 2025, the respondent / bank has hold the salary account of the petitioner in which the petitioner was having an amount of Rs.20,67,588/-.

3. Learned counsel for the petitioner submits that the bank has not served any notice before attachment of the salary account although the bank has sent a message / SMS in the registered phone number of the petitioner intimating that the hold has been placed in the bank account of the petitioner for the reason of loan dues. Learned counsel for the petitioner further submits that thereafter the petitioner has made several representations but the respondent / bank has not released the hold account due to which the petitioner is facing great difficulties as all the salary of the petitioner is depositing in the said account.

4. *Per contra*, learned counsel appearing for the respondent / bank submits that the petitioner has obtained loan in the year 2009 and subsequently the account of the petitioner has become as "NPA". The bank had issued notice to the petitioner to repay the dues of loan amount. In spite of the receipt of the notice, the petitioner did not repay the loan. Thereafter the bank initiated a proceeding against the petitioner before the Debts Recovery Tribunal. In spite of receiving of notice of the proceeding before the Tribunal, the petitioner is not appearing and accordingly, finding no other alternative, the bank has taken a decision to hold the salary account of the petitioner which is maintained with the respondent bank.

5. Learned counsel for the bank has relied upon Section 171 of the Contract Act, 1872 and submits that the bank has the authority under the said provisions of law to hold the account if the borrower failed to pay the amount. Section 171 of the Contract Act, 1872 reads as follows :

> *"**171. General lien of bankers, factors, wharfingers, attorneys, and policy-brokers.** – Bankers, factors, wharfingers, attorneys of a High Court and policy-brokers may, in the absence of a contract to the contrary, retain as a security for a general balance of account, any goods bailed to them; but no other persons have a right to retain, as a security for such balance, goods bailed to them, unless there is an express contract to that effect."*

6. Considering the submissions made by the learned counsel appearing on behalf of the respective parties, this Court finds that it is admitted that the petitioner has obtained loan from the respondent/bank but the petitioner failed to repay the loan amount and the bank declared the account of the petitioner NPA and bank has initiated proceeding before the Debts Recovery Tribunal. The bank has taken recourse of Section 171 of the Contract Act, 1872 and hold the account of the petitioner which the petitioner maintains in the respondent / bank. This Court considers the provisions of Section 171 of the Contract Act, 1872 but this Court fails to appreciate how the bank has invoked the provisions of Section 171 by holding the salary account of the petitioner. Section 171 provides that the bankers, factors, wharfingers, attorneys of a High Court and policy-brokers may in the absence of a contract to the attorney retain the security. In the present case, the bank has sanctioned the loan to the petitioner and at the time of granting loan, the bank has completed all the formalities and after being satisfied, the bank has issued loan to the petitioner. The petitioner failed to pay the loan and the bank has already initiated the proceeding before the Debts Recovery Tribunal. Before the Tribunal also the bank has not made any application for attachment of the salary account of the petitioner. Section 171 will not provide any power to the bank directly to attach the salary account of the petitioner.

7. Accordingly, this Court finds that the act of the respondent / bank by holding salary account of the petitioner is illegal and accordingly, the respondent no.1 / State Bank of India is directed to immediately hold free the salary account of the petitioner and the petitioner be allowed to access the bank account.

8. This order is passed only with regard to holding of the salary account of the petitioner. This Court has not decided with regard to the proceeding initiated by the bank against the petitioner for recovery of the loan amount before the Debts Recovery Tribunal and the bank is free to take appropriate steps for recovery of the loan amount along with interest in accordance with law.

9. WPA 24952 of 2025 stands disposed of.

10. All parties shall act on the basis of server copy of this order duly downloaded from the official website of this Court.

11. Urgent photostat certified copies of this order, if applied for, be given to the parties upon compliance of all necessary formalities.

(Krishna Rao, J.)