Date of reserved for orders :16.06.2026
Date of pronouncement : 16.07.2026
Date of uploading :16.07.2026

Neutral Citation:__________

APHC010127192026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3332]**
(Special Original Jurisdiction)

PRESENT:THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI

WRIT PETITION NO: 6724/2026

Between:

1. BALAGAM SRI VIJAYA BHARGAVI, W/O. M NAGA PHANEENDRA KUMAR AGED 39 YEARS, OCC HOUSE WIFE R/O HOUSE NO 15-323 14 1, DEVUNI CHERUVU AREA NEAR THAVUDU FACTORY, MACHAVARAM, MACHILIPATNAM, KRISHNA-521001 ANDHRA PRADESH.

...PETITIONER

AND

1. THE REGIONAL MANAGER, REGIONAL OFFICER - MACHILIPATNAM, UNION BANK OF INDIA, BRUNDAVAN HOSPITAL ROAD MACHILIPATNAM, KRISHNA DISTRICT - 521001
2. THE BRANCH MANAGER, UNION BANK OF INDIA KTRWC BRANCH, PAMARRU ROAD RTC COLONY, GUDIVADA-521301.

...RESPONDENT(S):

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a writ, order or direction more particularly one in the nature of Writ of mandamus declaring the inaction of the Respondent Bank in not returning the gold ornaments weighing 67.1 grams pledged against gold loan A/c No 154216540001812 even after full and final payment made on 19.08.2024 while not issuing No Due Certificate as illegal and violative of Art

14, and 300A of the Constitution of India, consequently directing the Respondent Bank to return/release the said gold ornaments deposited by the Petitioner within a time bound manner.

IA NO: 1 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased May be pleased to direct the respondent bank to return/release the gold ornaments deposited by the Petitioner weighing 67.1 grams pledged against gold loan A/c No 154216540001812 even after full repayment made by the Petitioner on 19.08.2024 and to issue No Due Certificate against gold loan.

IA NO: 2 OF 2026

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased leased to direct the Respondent Bank to compensate the Petitioner at the rate of Rs. 5000/- for each day of delay from 06/06/2025 as per the directions of the Reserve Bank of India (Lending Against Gold and Silver Collateral), Directions 2025 more particularly para 46 pursuant to delay in release of the pledged collateral after full payment by the Petitioner, where reasons are attributable to the Respondent Bank herein.

Counsel for the Petitioner:

1. ATI NAGA SURYA VENKATESH

Counsel for the Respondent(S):

1. V DYUMANI

ORDER

This Writ Petition has been filed questioning the action of the respondent bank in not returning the gold ornaments weighing 67.1 grams pledged against gold loan A/c.No.154216540001812 even after full and final payment of the loan amount.

2. The case of the petitioner, in brief, is that her husband was an employee of respondent bank and he is presently under termination and the said termination order is under challenge before the appellate authority. That she had availed gold loan from the respondent bank to the tune of Rs.2,85,000/- vide Gold Loan A/c.No.154216540001812 on 11.12.2023 by pledging gold ornaments weighing 67.1 grams and within five (05) days of sanction of the said gold loan, due to the reasons related to her husband's housing loan, the gold loan account was declared as Non-Performing Asset (NPA) on 16.12.2023 and the bank had issued demand notices dated 03.01.2024 and 25.07.2024 to clear the entire dues of the gold loan and on 08.08.2024 final auction notice was issued proposing the date of auction as 23.08.2024, thereafter, on 19.08.2024, the petitioner had repaid the entire loan amount and accordingly the gold loan account was closed by the respondent bank on 23.08.2024.

It is the further case of the petitioner that thereafter the petitioner approached the respondent bank for return of gold ornaments, but the respondent bank did not return the gold despite repeated requests, formal e-mail complaint and written representation. That the petitioner's complaint sent to Bank's Grievance Team through e-mail dated 14.11.2025 was disposed of by respondent bank through customer care team through e-mail dated 09.12.2025 stating that since the petitioner is a co-applicant in the Housing Loan A/c.No.027230100056680 in which her husband was the main borrower, she is jointly and equally liable for repayment of the dues in the said housing loan account and for recovery of the dues of the said Housing Loan, the bank has applied general lien over the ornaments.

It is her further case that she is co-applicant of the housing loan availed by her husband and due to illegal termination of her husband from the bank, he could not repay few credit card bills and they became NPA and pursuantly the bank authorities have further declared the Housing Loan, overdraft Loan and vehicle Loans availed by her husband as NPA even though their repayment is prompt and regular. That since the gold loan amount was completely paid the banker-customer relationship in the context of security comes to an end and the bank cannot exercise a general lien over the gold ornaments. That unilateral withholding of gold ornaments without notice to the borrower before invoking general lien is bad in law and the petitioner had never given any authorization to the bank to hold the gold given to secure the loan transactions of her husband for the purpose of any other loan availed in which the petitioner stood as a co-applicant or guarantor. That Section 171 of the Indian Contract Act, 1872 allows a general lien only in the absence of a 'contract to the contrary' and the mortgage agreement covering the immovable property executed between her husband and the bank in the housing loan can be considered as a contract that excludes general lien. Further, general lien can only be invoked for recovery of dues of any other loans of the same borrower and not for the general balance of some other customer's account. Therefore, the action of the respondent bank in retaining the gold ornaments even after clearance of the amount covered under the gold loan is illegal, arbitrary. Hence, the writ petition.

3. Respondents 1 and 2 filed common counter denying the material averments of the writ affidavit further contending that the petitioner earlier had availed Housing Loan of Rs.37.17 lakhs along with her husband and the said housing loan account became NPA and she had also availed loan of Rs.2,85,000/- by pledging gold ornaments and the said account was closed after repayment of the amounts and as per RBI guidelines, if one account of the petitioner becomes NPA, all other accounts standing in the name of the

petitioner or co-applicant to any other account shall be declared as NPA and recovery proceedings have to be initiated by following due process of law and since the petitioner was co-applicant of housing loan account, the gold loan account was also declared as NPA and the ornaments were not released. It is further contended that to the representation submitted by the petitioner the bank vide its reply mail dated 27.11.2025 categorically stated that as per Section 171 of Indian Contract Act, banks are entitled to exercise general lien and are entitled to retain the gold which are in its possession for recovery of the dues. It is further contended that as clause No.11 of the Gold Loan Pledge Form dated 11.12.2023 the petitioner has specifically agreed that the gold ornaments pledged can be taken as security for all debts already granted or to be granted in future either solely to the petitioner or jointly with the other persons and therefore, the bank has rightly retained the gold ornaments and there is no illegality or irregularity committed by the Bank while exercising its right of general lien and set off. Accordingly, prayed to dismiss the writ petition.

4. Heard *Sri Ati Naga Surya Venkatesh*, learned counsel for the petitioner and Smt.V.Dyumani, learned Standing Counsel for respondents. The learned counsel for petitioner also filed written arguments.

5. Sri *Ati Naga Surya Venkatesh*, learned counsel, while reiterating the contents of the writ affidavit would contend that as per the mandatory directions of the Reserve Bank of India vide The Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025, the pledged collateral shall be released immediately upon repayment and in any event within seven (07) working days and since the gold loan stood fully discharged on 19.08.2024, retention of the articles is against the mandatory directions given by the Reserve Bank of India. He would further contend that the housing loan was availed on 21.09.2020, whereas the gold loan was sanctioned on 11.12.2023 and the two transactions are distinct, independent and are governed by separate contracts and therefore the undertaking contained in Housing Loan Agreement cannot automatically travel forward to all the future transaction entered into by the petitioner and further since the housing loan was sanctioned by creating an equitable mortgage over the residential property and since the proceedings for enforcing the security were invoked under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), retention of gold ornaments is arbitrary, excessive and contrary to the settled principles governing banker’s lien. He would further contend that once the gold loan amount is repaid, the baker customer relationship comes to an end and the

bank cannot exercise a general lien over those goods, more particularly in the absence of any authorization given by the petitioner to the bank to hold the gold ornaments for the purpose of securing other loans availed by her husband in which she stood as a co-applicant. He would further contend that banker's lien under section 171 enables retention only for debts borrowed by the same person and the securities furnished for one transaction cannot be withheld for liabilities arising out of another transactions in the absence of specific authorization and in the absence of any relationship between the petitioner and the respondent as customer and banker, retention of gold ornaments is not justifiable and the bank has no right of general lien over the gold ornaments after the entire loan amount as fully satisfied by her. He would further contend that the bank cannot exercise general lien over the properties of a customer for the general balance of some other customer's account. Therefore, the contention of the bank that housing loan undertaking executed in the year 2020 automatically extends and governs the separate gold loan availed in the year 2023, is contrary to Section 171 of the Indian Contract Act and since the gold loan account was closed pursuant to clearance of the loan amount, the gold ornaments pledged cannot be retained for realization of the housing loan debt. Accordingly, prayed to allow the writ petition.

In support of his contentions, the learned counsel relied on the decisions in ***Alekha Sahoo vs. Puri Urban Co-operative Bank Limited and others***[1], and ***Sunil, S/O Ratnakar Gutte vs. Union Bank of India***[2]

6. On the other hand, Smt. V.Dyumani, learned Standing Counsel for respondent bank, while reiterating the contents of the counter affidavit would contend that since the Housing Loan Account availed by petitioner's husband in which the petitioner is a co-applicant became NPA, in view of RBI guidelines, all other accounts standing in the name of the petitioner, since co-applicant of housing loan account, shall be declared as NPA and accordingly the gold loan account of the petitioner was declared as NPA and by exercising general lien as per Section 171 of the Indian Contract Act, the Bank had retained the gold ornaments. She would further contend that vide clause No.(i) of the Housing Loan agreement, the petitioner along with her husband specifically agreed that the Bank shall have a right of general lien and set off on all the other accounts including gold/silver ornaments in custody of bank as securities for any other loan/advances availed by the petitioner and therefore, the Bank can exercise general lien over the gold ornaments. She would further contend that clause No.11 of the Gold Loan Pledge Form dated

[1]. 2004 SCC OnLine Ori 25
[2]. 2022 SCC OnLine Bom 1224

11.12.2023, the petitioner specifically agreed that the gold ornaments pledged can be taken as security for all debts already granted or to be granted in future either solely to the petitioner or jointly with the other persons and therefore, the gold ornaments pledged were taken as security for the housing loan amount due to which the petitioner is a co-applicant and there is neither illegality nor irregularity in retaining the gold ornaments by exercising right of general lien. That the writ petition being meritless deserves dismissal and accordingly, prayed to dismiss the writ petition.

In support of her contentions, the learned Standing Counsel relied on the decisions in ***Syndicate Bank v. Vijay Kumar and others***[3], ***K.Sita v. Corporation Bank, Kakinada***[4] and ***Punjab National Bank and Ors. Vs. Surendra Prasad Sinha***[5].

7. Perused the material available on record and considered the submissions made by the learned counsel for the parties.

8. The undisputed facts are that husband of the petitioner availed Housing Loan on 21.09.2020 for which the petitioner is the co-applicant. The petitioner had availed gold loan on 11.12.2023. The Housing Loan account

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[3]. AIR 1992 SUPREME COURT 1066
[4]. AIR 1999 ANDHRA PRADESH 367
[5]. AIR 1992 SC 1815

was declared as NPA 16.12.2023 and consequently the gold loan account was also declared as NPA and notices were issued to the petitioner to clear the gold loan amount and accordingly, the petitioner had cleared entire amount of gold loan and the loan account was closed on 23.08.2024. Though the gold loan amount was paid the bank authorities did not return the gold ornaments contending that they are entitled to retain gold ornaments as security by exercising general lien as per Section 171 of the Indian Contract Act, 1872.

9. The contentions advanced by the learned counsel for the petitioner, in nutshell, are that the housing loan was availed on 21.09.2020, whereas the gold loan was sanctioned on 11.12.2023 and the two transactions are distinct, independent and are governed by separate contracts and therefore the undertaking contained in Housing Loan Agreement cannot automatically travel forward to all the future transaction entered into by the petitioner; that banker's lien under section 171 enables retention only for debts borrowed by the same person and the securities furnished for one transaction cannot be withheld for liabilities arising out of another transactions in the absence of specific authorization.

10. It is appropriate to extract Section 171 of the Act, which reads as follows:

"171. General lien of bankers, factors, wharfingers, attorneys and policy brokers, bankers, factor, wharfingers attorneys of a High Court and policy broker 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; that no other persons have a right to retain, as a security for which balance goods, bailed to them, unless there is an express contract to that effect."

11. On a careful perusal of Section 171 of the Indian Contract Act, to exercise general lien to retain goods bailed to them as a security for a general balance of account one of the ingredients is that property must be bailed in favour of the bank.

18. In ***State Bank of India vs.Jayanthi and other***[6], it was held at paras 9 to 16 thus:

" After having decided the above question in favour of the appellant Bank, we now move on to consider the more important question in this appeal, viz., as to whether the appellant Bank shall be entitled to retain the documents of title in respect of the property which has been inherited by the respondent claiming a right of general lien under section 171 of the Indian Contract Act. Before we delve into the factual and legal aspect, it would be necessary to look into section 171 of the Indian Contract Act, 1872 and for easy reference the same is extracted as herein below.

" xxxxxxxxx"

10. The case of the appellant bank is that they have a right to retain the title deeds of the property delivered to them in the normal course of business transaction by exercising general lien under Section 171 of the Act and therefore, they are not bound to return the same till the liability of the other account where the mortgagor (husband of the 1st respondent herein, since deceased), was a guarantor, is discharged.

6. 2011(2) CTC 465

11. The learned Senior Counsel appearing for the appellant Bank mainly placed reliance on a decision of the Hon'ble Supreme Court in Syndicate Bank v. Vijaya Kumar and others, reported in 1992(2) SCC 331.

12. As noticed above, Section 171 of the Act states that the bankers like the appellant Bank, in the absence of a contract to the contrary, retain as security for a general balance account, any goods bailed to them. Therefore, what is required to be seen in the instant case is whether there is any contract to the contrary, which prevents the bank from exercising their general lien and as to whether any goods have been bailed to them. It cannot be disputed that the property in question was not bailed to the appellant bank by the deceased borrower at any point of time. Further, it is an undisputed fact that the property in question as offered by 9late) N.P.S.Mahendran to cover his liability in respect of the loans, which he had borrowed in the accounts of M/s.Sanjay Bala Tea Plantation and M's.Aarthi Bala Tea Plantation and his self acquired properties were mortgaged to secure this specific loan transactions. No document has been placed before us to show that the borrower had given any authorization to the Bank to hold the documents of the mortgaged property, given to secure the loan transaction for M/s.Sanjay Bala Tea Plantation and M/s.Aarthi Bala Tea Plantation, for the purpose of any other loan availed in any other branch by M/s.Somerset Tea Plantation in which (late) N.P.S.Mahendran, stood as a guarantor. Thus, the issue boils down to the question as to whether any contract to the contrary, which prevents the appellant Bank from exercising its general lien under Section 171 of the Act.

13. In Chitty on Contracts, 29th Edition (2004) – Volume-II, Page 496 on Bankers' Lien, it is stated as follows:

"….The most frequent example of circumstances inconsistent with the general lien is in the case of a deposit expressed to cover an advance for a specified purpose. However, once the original purpose has been fulfilled by repayment of the specified advance, if a customer knowingly permits the banker to retain the security, a general lien may ultimately be implied and its protection then claimed in respect of other advances"

14. In the instant case, the borrower (late) N.P.S.Mahendra, had admittedly has admittedly deposited the title deeds of the property to secure a loan transaction availed in respect of two plantation Companies. This fact was not disputed by the appellant Bank. Therefore, we have no hesitation to hold that the this contract/mortgage, had been created by the deceased borrower for a specific purpose and for a specific loan and the contract was self contained and the terms and conditions were binding upon both the borrower as well as the bank. In other words, the deposit of

title deeds by which the mortgage was created by the deceased borrower was for a specific purpose to cover an advance for a specific loan. When such is the situation, the borrower having deposited the documents in order to secure a specific transaction, the bank cannot contend that they could hold the documents for a balance due in a different loan account where the said N.P.S.Mahendran is not a borrower. Further, the language of Section 171 o the Act, is explicit to the fact that the bankers are entitled to retain as a security for a 'general balance account'. Admittedly, it is not the case of the appellant Bank that the amount, which is now said to be due on account of borrowers of M/s.Somerset Tea Plantation, is a general balance account of the deceased borrower N.P.S.Mahendran.

15. In the case of Syndicate Bank v. Vijaya Kumar, referred supra and relied on by the learned senior counsel for the appellant Bank, it is to be noted that the borrower therein issued a letter in favour of the bank stating that the bank is at liberty to adjust from the Fixed Deposit receipts without any reference to the loan and he agreed that the Fixed Deposit receipts shall remain in the bank so loan as any amount on any account is due to the bank from them either singly or jointly or with others. Thus, the Hon'ble Supreme Court, while interpreting such a letter covering the transaction executed by the borrower therein, rendered a finding that the bank is entitled to general lien over the Fixed Deposit receipts given by the borrower therein.

16. As noticed above, the facts of the present case are couched differently. There was a specific contract/agreement between the deceased borrower and the bank, by which the borrower offered the property in question to secure only a particular transaction. Therefore, this agreement/mortgage has to be construed as a 'Contract to the Contrary' and therefore, we have no hesitation to hold that the bank cannot claim these documents by invoking the power of general lien under Section 171 of the Indian Contract Act, 1872."

and held that the borrower having deposited the documents in order to secure a specific transaction, the bank cannot contend that they could hold the documents for a balance due in a different loan account, wherein the person is not a borrower."

19. In ***M.Shanthi vs. Bank of Baroda***, reported in ***2017-2 Writ.L.R.584***, Para-30 of the judgment reads as follows:

> "30. Section 60 of Transfer of Property Act, speaks about specific rights of mortgagor. It is clear that every mortgagor is entitled to collect the mortgage deeds ad all other documents relating to the mortgaged properties, which are in the possession or power of mortgagee. This right of mortgagor is certainly a legally enforceable right. The mortgagee is under an obligation to return the title deeds upon payment of the entire money due. This legal obligation gives an enforceable right in favour of the mortgagor in connection with the mortgage. This legal obligation of the mortgagee to return the title deed to the mortgagor upon discharge of mortgage loan for which the title deeds were secured, can be certainly treated as an implied contract contrary to Section 171 of the Indian Contract Act."

20. The observations referred to supra in clear terms specifies that when the borrower deposited the documents in order to secure a specific transaction, in the absence of any document to show that the borrower had given any authorization to hold the documents of the mortgaged property to secure another loan transaction to which the mortgagor stood as a guarantor, the bank cannot contend that they could hold the documents for a balance due in a different loan account, wherein the mortgagor is not a borrower.

21. The decision in ***Alekha Sahoo*** (supra 1) relied on by learned counsel for petitioner, the Division Bench of High Court of Orissa held that a bank cannot exercise a general lien under Section 171 of the Indian Contract Act to retain a customer's assets for debts owed by a different account holder, absent explicit authorization. This ruling limits a banker's right of retention to securities deposited by the specific debtor, protecting individual assets from being used to cover third-party liabilities.

22. In the decision in ***Sunit, S/o. Ratnakar Gutte*** (supra 2) relied on by learned counsel for petitioner, the Division Bench of High Court of Bombay at Nagpur held that a bank cannot exercise a general lien under Section 171 of the Indian Contract Act to retain title deeds after the specific loan for which they were deposited has been fully repaid and banker's lien terminates once the specific, active banker-customer relationship for that loan transaction ends, requiring the return of securities.

23. The observations made in the above decisions make it clear that bank cannot exercise a general lien under section 171 of the Indian Contract Act to retain the customer's assets for the debts owed by a different account holder, in the absence of any explicit authorization and that too when the active banker-customer relationship for that loan transaction ends.

24. In the decision in ***Syndicate Bank v. Vijay Kumar and others*** (supra 3) relied on by learned Standing Counsel for Bank, the Hon'ble Supreme Court held that a bank has a legal right to keep and use a customer's financial securities, such as Fixed Deposit Receipts (FDRs), to clear any unpaid debts, even if those securities were originally handed over for a completely different or specific purpose. The observations made by the Hon'ble Supreme Court can be summarized as under:

> A banker's lien is a "general lien" by default. It allows a bank to hold onto any securities or negotiable instruments deposited by a customer in their regular course of business to cover an outstanding balance on *any* account. It is not a "particular lien," which would limit the security to only one specific loan. If a customer deposits FDRs as security to get a Bank Guarantee, the bank's general lien over those FDRs does not disappear when the bank guarantee expires or is discharged. If the customer owes money on another account (like an overdraft facility), the bank can legally keep the funds. The Court highlighted that a banker's general lien is a deeply rooted mercantile custom. It is a valuable right recognized by law. It applies automatically unless the customer and the bank have an express written agreement that says otherwise. Third-party creditors cannot easily attach (seize) a debtor's funds held by a bank if the bank already holds a general lien over those funds. A creditor can only claim whatever money is left over *after* the bank has fully recovered its own dues from the customer

25. In ***K.Sita v. Corporation Bank, Kakinada*** (supra 4) relied on by the learned Standing Counsel for respondent bank, a coordinate bench of this Court held that a bank has an overriding statutory right of general lien under Section 171 of the Indian Contract Act over all goods and securities (including gold ornaments) pledged or bailed to it by a borrower, unless there is an express contract to the contrary.

26. In ***Punjab National Bank and others v. Surendra Prasad Sinha*** (supra 5) held that the law of limitation only bars the legal remedy to recover a debt; it does not destroy the underlying right or debt itself. This means that while a creditor cannot file a lawsuit to recover a time-barred debt, they can still legally adjust or recover that debt using any security already in their possession.

27. The observations made in the decisions relied on by learned Standing Counsel would indicate that unless there is an express contract to the contrary a bank has an overriding statutory right of general lien under Section 171 of the Indian Contract Act over all goods and securities (including gold ornaments) pledged or bailed to it by a borrower to clear any unpaid debts, even if those securities were originally handed over for a completely different or specific purpose.

28. As per Section 171 of the Indian Contract Act, the bank has a right of general lien over all goods and securities pledged or bailed to it to clear any unpaid debts owed by the self same borrower, unless there is an express contract contrary.

29. Admittedly, the petitioner is co-applicant of the Housing Loan availed by her husband and no doubt the said account was declared as NPA. Therefore, being a co-applicant the debt for realization of which general lien is exercised over the pledged gold ornaments can be said to be owed by the petitioner herself.

30. The next condition to be satisfied is whether there is any express contract to the contrary. The petitioner could not bring to the notice of the

court any express contract to the contrary disabling the bank from exercising general lien over the gold ornaments.

31. It is the specific contention of the petitioner that in the absence of any specific authorization, the bank cannot exercise general lien. Whereas the respondent bank brought to the notice of this Court clause No.11 of the Gold Loan Pledge Form dated 11.12.2023 contending that the petitioner had specifically agreed to give the gold ornaments as security for repayment of all the debt or debts due to the Bank either solely or jointly.

32. For expediency, Clause No.11 of the Gold Loan Pledge Form dated 11.12.2023 is extracted hereunder:

> "If the Pawner has other loans, overdrafts, advance or other debts due to the Bank at any of its branch/es either solely or jointly with the other persons or in any manner unless and until such debts are fully repaid by the pawner, the ornaments/jewellery/coins pledge under this loan or any other loan or loans that are already granted or may be granted in future will be taken as security for all such debt or debts and may be retained by the Bank as security and may be dealt with in regard to return, sale etc., as pledged commodity."

33. Through the above clause, as rightly contended by the learned Standing Counsel for the Bank, the petitioner had agreed to keep the gold ornaments as security for due discharge of all the debts due to the bank, either already granted or to be granted, borrowed either solely or jointly. Therefore, not only there is absence of any express contract to the contrary but the petitioner herself in specific terms authorized the bank to keep the

gold ornaments pledged for availing gold loan as security for due discharge of the loans that are already granted and that may be granted in future.

34. In view of the above, since the petitioner is the co-applicant of the housing loan availed by her husband and she specifically authorized the bank to keep the gold ornaments as security for discharge of all the debts borrowed either solely or along with other persons, the bank is right in retaining the gold ornaments by exercising general lien under Section 171 of the Indian Contract Act.

35. The decisions relied on by the learned counsel for the petitioner differ in facts, there was no specific authorization given by the borrowers therein to the bank for retention of the articles, but in the present case as already held supra, the petitioner herein had authorized the bank for exercising general lien vide clause No.11 of the Gold Loan Pledge Form dated 11.12.2023.

36. In view of the above, as not only there is absence of contract to the contrary but there was specific authorization given by the petitioner to the Bank for retention of gold articles as security for the loans already granted and to be granted in future, the bank can retain the gold ornaments by exercising general lien under Section 171 of the Indian Contract Act.

37. Therefore, there are no merits in the matter and the writ petition is liable to be dismissed.

38. Accordingly, the writ petition is dismissed. There shall be no order as to costs.

Pending miscellaneous petitions, if any, shall stand closed.

JUSTICE RAVI CHEEMALAPATI

16th July, 2026.

Note: LR copy to be marked

B/o

RR

Whether the order is :

✓ ✓

Speaking Yes/No / Reasoned Yes/No

✓ ✓

Reportable Yes/No / Non-Reportable Yes/No