HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 37674 of 2026

Priti Singh

.....Petitioner(s)

Versus

Union of India and others

.....Respondent(s)

Counsel for Petitioner(s)	:	Alok Kumar Srivastava, Satyendra Kumar Singh
Counsel for Respondent(s)	:	A.S.G.I., Satish Chaturvedi

Court No. - 2

HON'BLE J.J. MUNIR, J.
HON'BLE INDRAJEET SHUKLA, J.

(<u>Order on the memo of Writ Petition</u>)

The contention of learned Counsel for the petitioner is that a sum of Rs. 17,29,999/- was deducted in enforcement of the impugned order dated 30.12.2025 from the petitioner's Savings Bank Account No. 31286557033 maintained with the State Bank of India, Colonelganj Branch, Colonelganj, Prayagraj ('Bank' for short).

The specific case that the petitioner pleads in paragraph no. 9 of the writ petition that after the demise of her husband, Ambesh Kumar Singh, the petitioner was given the proceeds of a life insurance cover in the sum of Rs. 50 lacs that were remitted in her account. There are facts as to equities that have been pleaded, but those are not very necessary for the purpose that we are presently considering.

It appears that the petitioner's husband had availed a personal loan from the respondent-Bank, while serving as the Headmaster, Primary School, Balipur, Chail, District Kaushambi. He could not repay the loan and died in a road accident on 07.06.2025. The proceeds of insurance came to the petitioner's credit on account of that untimely demise, already remarked about. In order to realise their dues on account of the loan, the Bank have deducted from the petitioner's account maintained with the same branch a sum of Rs. 17,29,999/-.

Learned Counsel for the petitioner has argued that this recovery is without right, and that she was never a borrower nor a guarantor to the personal loan that her husband availed. The Branch Manager, State Bank of India, Colonelganj Branch, Prayagraj who has appeared in person, has drawn our attention to Clause 18(iii) of the loan agreement entered into between the petitioner's late husband and the respondent-Bank dated 07.02.2025. The aforesaid clause reads :

> iii) The Bank shall have a paramount right of set off and in exercise of the Bank's general lien *(sic)* law, the Bank shall also have a paramount right of lien on all monies, accounts, secu *(sic)* deposits, goods and other assets and properties belonging to the Borrower or standing t *(sic)* Borrower's credit (whether singly or jointly with any other person(s) which are or may at any *(sic)* be with or in possession or control of any branch of the Bank for any reason or pur *(sic)* whatsoever;

The Branch Manager, with the guidance of Mr. Satish Chaturvedi, learned Counsel appearing for the Bank has urged before us that this clause makes the petitioner answerable for the debt that her husband owed to the Bank, and the Bank are within their rights to realise it from the sum of Rs. 50 lacs that she has received in account as proceeds of life insurance.

We have carefully gone through the aforesaid clause. No doubt, the clause is very widely worded and gives the Bank paramount right to set off and a general lien on all monies, accounts, securities, goods and other assets and properties, belonging to the borrower or standing to his credit, whether singly or jointly with other persons, or in possession or control of any branch of the Bank. *Prima facie*, in our considered opinion, the clause does not entitle the Bank to recover from proceeds of insurance that the petitioner, as the widow of the assured, has received upon his demise. The reason is that in an accidental insurance cover or a life insurance cover, pure and simple, the proceeds of the insurance policy fall due upon the death of the assured, and possibly, can never be owned by him. They are not his monies or property, but the property of the beneficiary, whom he leaves behind. It is not an estate, which the deceased passes on to his heirs, but a social security measure or a benefit, which the deceased acquires in his/her own right, after the assured is no more. The clause on which the Bank rely speak of the various kinds of assets owned by the deceased, while he was alive. It does not, at all, speak of the benefits of the life insurance policy going to the benefit of whoever his heirs are or the nominee indicated in the policy.

Prima facie, therefore, we think that the respondent-Bank were not within their rights to recover from the petitioner's bank account whatever was remitted by the insurance company, upon the happening of the unfortunate contingency.

Admit.

Notice on behalf of respondent no. 1 is accepted by the learned Additional Solicitor General of India, and that on behalf of respondents nos. 2 and 3, by Mr. Satish Chaturvedi, learned Counsel. All the respondents are granted two weeks' time to file a counter affidavit.

Adjourned to **07.10.2026**.

To be taken up in the cause list of the day for **orders**, along with a report regarding status of pleadings.

(Order on Civil Misc. Stay Application No. 1 of 2026)

Issue notice.

Let an interim *mandamus* issue to the Senior Manager, State Bank of India, Regional Office, Johnstonganj, Prayagraj and the Branch Manager, State Bank of India, Colonelganj Branch, Colonelganj, Prayagraj to ensure, between themselves, refund of a sum of Rs. 17,29,999/- to the petitioner's Savings Bank Account No. 31286557033, or show cause, by filing their separate and personal affidavits within two weeks, why this interim *mandamus* be not made **absolute**.

The Registrar (Compliance) is directed to communicate this order to the Senior Manager, State Bank of India, Regional Office, Johnstonganj, Prayagraj and the Branch Manager, State Bank of India, Colonelganj Branch, Colonelganj, Prayagraj, both through the learned Chief Judicial Magistrate, Prayagraj **within 24 hours next**.

(Indrajeet Shukla,J.) (J.J. Munir,J.)

September 21, 2026
I. Batabyal