

CWP No.13835 of 2016

[1]

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

**CWP No.13835 of 2016
Date of decision:04.08.2016**

Ankit Chahal

...Petitioner

Versus

State of Haryana and others

...Respondents

CORAM: Hon'ble Mr. Justice Rakesh Kumar Jain

Present: Mr. Bhupinder Singh Bairagi, Advocate,
for the petitioner.

Rakesh Kumar Jain, J.

The petitioner is aggrieved against the orders dated 18.03.2015 and 25.05.2015 passed by the Punjab National Bank, Branch Office, Khandrai, District Sonapat (hereinafter referred to as the “bank”) and has prayed for a direction to the respondents to sanction the loan for the purpose of setting up a flour mill under the Prime Minister Employment Generation Programme.

In short, the petitioner has averred that he had filed an application in the office of the District Industries Centre, Sonapat, for setting up a flour mill under the Prime Minister Employment Generation Programme. He was called for the interview on 20.11.2014 by the District Task Force and was found eligible. His application was sent to the bank for the purpose of sanctioning of loan. It is alleged that the loan has not been sanctioned by the bank despite repeated efforts made by the petitioner and

CWP No.13835 of 2016

[2]

ultimately, vide letter dated 18.03.2015, the bank informed the General Manager of the District Industries Centre, Sonapat, that the loan of ₹24.73 lacs cannot be given to the petitioner as the project of the petitioner is not economically viable. The four reasons given by the bank in its order dated 18.03.2015, declining grant of loan to the petitioner, are as under:-

- “1. The applicant has not submitted the requisite statutory approvals for running the proposed unit.
2. A large no. of flour mills are already operating in the area as such there is intense competition amongst the units already running the flour mills.
3. The sales and profit projections submitted by the applicant are on higher side and are not realistic.
4. The project report submitted by the applicant does not conform to the specifications approved by the District Industries Centre.”

Thereafter, the bank again informed the Joint Registrar, District Industries Centre, Sonapat on 25.05.2015 that father of the petitioner, namely, Satbir Singh, had earlier raised loan from the same branch in the year 2006 but did not repay the same and his case has been kept in the NPA category. This was the another reason for not sanctioning the loan.

Counsel for the petitioner has submitted that once the petitioner has been held eligible by the District Industries Centre, the loan should have been granted to him.

After hearing learned counsel for the petitioner and examining the available record, I am of the considered opinion that there is no error on the part of the respondents much-less the bank because the loan cannot be granted if there is no possibility of its recovery. In the past, father of the petitioner has been held to be a defaulter who had taken the loan in the year

CWP No.13835 of 2016

[3]

2006 from the bank but did not re-pay the same and the said amount has been kept in NPA category. Moreover, the bank has found that there is no economic viability of the project of the petitioner, as a result thereof, he would not be in a position to earn and repay the loan to the bank.

Consequently, I do not find any merit in the present petition and hence, the same is hereby dismissed.

August 04, 2016
vinod*

(Rakesh Kumar Jain)
Judge

Whether speaking / reasoned: Yes/No

Whether Reportable: Yes/No