IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

Civil Writ Petition No.28243 of 2017.
Date of Decision: January 16, 2018

HDFC Bank Limited ......Petitioner

versus

State Bank of India and others .....Respondents

CORAM: HON'BLE MR.JUSTICE SURYA KANT.
HON'BLE MR.JUSTICE SHEKHER DHAWAN.

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Present: Mr.C.S.Pasricha, Advocate, for the petitioner.

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Surya Kant, J. (Oral)

The petitioner-HDFC Bank Limited is a Banking Company. It seeks a direction against State Bank of India (being successor of State Bank of Patiala) to act in conformity with the letter dated 11.04.2016 (P-2) vide which the petitioner-bank made payment of Rs.3.00 crores to the erstwhile State Bank of Patiala on conditional basis subject to handing over the collateral securities furnished by Shri Balaji Oil and General Mills, Kotputli, Jaipur who was the borrower of State Bank of Patiala. As per the averments made in the writ petition, State Bank of Patiala had sanctioned cash-credit limit of Rs.275.00 lacs and another cash credit facility of Rs.25.00 lacs in favour of the above-stated firm. The firm applied the petitioner-bank to provide credit facility with a request to take over existing facilities from State Bank of Patiala. Its request was accepted by the petitioner-bank and consequently, a sum of Rs.3.00 crore was deposited with the State Bank of Patiala subject to the condition that collateral security furnished by the borrower with State Bank of Patiala be transferred to the petitioner-bank.

The grievance in the instant writ petition is that despite repeated correspondence and requests made by the petitioner-bank, State

Bank of India (being successor of State Bank of Patiala), New Grain Market Branch, Rewari has not handed-over the collateral security. A communication has been sent to the petitioner-Bank on 16.03.2017 (P-7) informing that its letter dated 10.03.2017 has been forwarded to "Controlling Office" as the matter is sub-judice. No detail as to how the matter is sub-judice has been furnished.

From the above noticed facts, it appears that the State Bank of Patiala (now succeeded by State Bank of India) is obligated to take a final decision on the request made by the petitioner-bank and either hand-over the collateral security of Shri Balaji Oil and General Mills, Kotpulti to the petitioner bank or return the amount of Rs.3.00 crores deposited by the petitioner-bank with interest.

Since the respondent-bank has informed the petitioner-bank that the matter has been referred to the Controlling Office, we deem it appropriate to dispose of this writ petition at this stage with a direction to the Competent Authority in State Bank of India as well as Branch Manager, State Bank of India, New Grain Market, Rewari, to take up the matter and take a final decision and convey it to the petitioner-bank within two months from the date of receiving a certified copy of this order.

Dasti.

(SURYA KANT)
JUDGE

January 16, 2018 **(SHEKHER DHAWAN)**
mohinder **JUDGE**

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No