IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-8584-2019

Date of Decision: 29.3.2019

M/s Shree Ganesh Rice Mills, Sirsa

...Petitioner

Versus

State Bank of India, Hisar

...Respondent

CORAM:- HON'BLE MR. JUSTICE AJAY KUMAR MITTAL.
HON'BLE MRS. JUSTICE MANJARI NEHRU KAUL.

PRESENT: Mr. Sanjiv Gupta, Advocate for the petitioner.

AJAY KUMAR MITTAL, J.

1. In this writ petition filed under Article 226 of the Constitution of India, the petitioner has prayed for issuance of a writ of certiorari for quashing the Recall Notice dated 24.1.2019 (Annexure P-9) issued by the respondent and subsequent proceedings consequent thereto. Further, a writ of mandamus has been sought directing the respondent to pass a speaking order on the legal reply dated 12.3.2019 (Annexure P-10).

2. The petitioner is in the business of manufacturing/processing paddy etc. The petitioner had been availing credit facilities from the respondent since 2008 which had been renewed and enhanced from time to time. The petitioner was granted last cash credit limit of ₹ 15 crores, out of which ₹ 10 crores at Hisar Branch and ₹ 5 crores at Sirsa Branch vide sanction letter dated 3.3.2018. The petitioner had also availed the term loan of ₹ 2 crores in October, 2015 to be repaid by October, 2022. The

petitioner had earlier availed the term loan of ₹ 65 lacs vide sanction letter dated 3.3.2018 (Annexure P-2) which was repaid well in time and closed on 5.4.2018 as is clear from the statement of account (Annexure P-3). Due to financial crises, the credit facilities granted to the petitioner became irregular. The respondent vide legal recall notice dated 3.12.2018 (Annexure P-4) directed the petitioner to deposit the entire loan amount of ₹ 15,57,11,495/- in Cash Credit Limit and ₹ 1,40,03,246/- of term loan as on 30.11.2018. The petitioner submitted the legal reply dated 8.12.2018 (Annexure P-5) to the said legal recall notice. As per the statement of accounts dated 21.2.2019 (Annexures P-6 to P-8, respectively), the petitioner deposited various amounts on various dates in Cash Credit Limit account and term loan account. However, the respondent vide legal recall notice dated 24.1.2019 (Annexure P-9) asked the petitioner to deposit an amount of ₹ 14,16,95,240/- in Cash Credit Limit and ₹ 1,40,76,258/-in term loan account as on 22.1.2019. The petitioner filed legal reply dated 12.3.2019 (Annexure P-10) to the said legal recall notice, but no response has been received till date. Hence, the present writ petition.

3. Learned counsel for the petitioner submitted that for the relief claimed in the writ petition, the petitioner has filed the legal reply dated 12.3.2019 (Annexure P-10) to the recall notice dated 24.1.2019 (Annexure P-9), but no action has so far been taken thereon.

4. After hearing learned counsel for the petitioner, perusing the present petition and without expressing any opinion on the merits of the case, we dispose of the present petition by directing the respondent to take a decision on the legal reply dated 12.3.2019 (Annexure P-10), in accordance with law by passing a speaking order and after affording an opportunity of

hearing to the petitioner within a period of 15 days from the date of receipt of the certified copy of the order.

(AJAY KUMAR MITTAL)
JUDGE

March 29, 2019 **(MANJARI NEHRU KAUL)**
gbs **JUDGE**

Whether Speaking/Reasoned **Yes/No**

Whether Reportable **Yes/No**