

ORDER SHEET
WPO NO. 460 OF 2020
IN THE HIGH COURT AT CALCUTTA
Constitutional Writ Jurisdiction
ORIGINAL SIDE

M/S. PITTI TRADING COMPANY
Versus
UNION OF INDIA & ORS.

BEFORE:

The Hon'ble JUSTICE SABYASACHI BHATTACHARYYA

Date : 9th February , 2021

Appearance :

Mr. D.K. Sengupta,
Ms. Jaya Datta,
Ms. Sweta Saha, Advs.,
for the petitioner.

Mr. Abhishek Banerjee,
Ms. Parna Roychoudhury, Advs.,
Adv., for the respondent nos.1. 3 and 4.

The Court : When the matter was heard at length, learned Counsel for the petitioner seeks further time for production of additional documents. However, since the matter has already been heard at length and no such document is required to be produced, such prayer is refused.

The grievance of the petitioner is that despite the credit facility of the petitioner having been extended from an upper limit of Rs.40 Lakh to Rs.50 Lakh by the bank, when the petitioner issued a cheque worth Rs.9 Lakh, the same was dishonoured by the bank on the premise that the credit limit was restricted to Rs.40 Lakh.

Learned Counsel places reliance on a communication dated May 27, 2013 issued by the bank (Annexure P-2 at page 39 of the writ petition) to strengthen the arguments that such extension of credit limit was granted from the bank's end.

Learned Counsel also relies on several statements of accounts, produced by the petitioner and annexed to the writ petition, to show that there were drawals of amounts which indicate that the credit limit was up to Rs.50 Lakh. In the absence of any denial at

the relevant period by the bank to such increase of credit limit, it is argued that the bank cannot resile from that position and contend that the upper limit of the credit facility was Rs.40 Lakh only.

Learned Counsel appearing for the respondent nos.1, 3 and 4 argues that the communication dated May 27, 2013 was not an unqualified acceptance of the petitioner's request for increase of credit limit to Rs.50 Lakh. By relying on several subsequent communications of the bank, learned Counsel argues that the credit limit was never extended to Rs.50 Lakh.

A bare perusal of the relevant communication dated May 27, 2013, on which the petitioner primarily rests its case, shows that the approval by the competent authority of the bank of the petitioner's proposal of enhancement of Rs.50 Lakh was given subject to the petitioner's acceptance/fulfillment of the terms and conditions detailed therein. Several indicators followed such statement in the communication, which were required to be satisfied for the credit limit to be enhanced to Rs.50 Lakh. Moreover, even by subsequent letters, including letters dated August 13, 2019, July 24, 2019 and July 17, 2020, the bank clearly intimated the petitioner that the credit limit of Rs.50 Lakh was never granted to the petitioner, since the petitioner failed to comply with the required documentation in that regard.

Moreover, the bank also indicated in several communications that the business of the petitioner is not in running condition and the business unit for which the credit facility was to be extended could not be traced. The bank concluded that, thus, it could not assume that the unit belongs to either the petitioner or someone else.

In such view of the matter, the materials annexed to the writ petition themselves go on to show that the credit facility was never extended to Rs.50 Lakh from the end of the bank.

That apart, the petitioner has sought relief in the nature of mandamus in the present writ petition, to declare the loan agreement dated May 27, 2013 void *ab initio* for the reasons as stated in the writ petition.

In any event, there is no scope of the writ court declaring a loan agreement void, since adduction of evidence at length is not within the charter of the writ court. Moreover, the nature of the allegations made by the petitioner does not justify the proposition that the agreement was void from the inception. Thus, the writ court has no jurisdiction to grant the relief claimed in the writ petition at all.

In view of the aforesaid considerations, there is no scope of interference in the present writ petition.

Accordingly, WPO No.460 of 2020 is dismissed without any order as to costs.

Urgent photostat certified copy of this order, if applied for, be supplied to the parties subject to compliance of all requisite formalities.

(SABYASACHI BHATTACHARYYA, J.)