IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.19970 of 2016

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Ajeet Kumar Son of Sri Chandrabhushan Singh, resident of Village- Koil Bhupat, Police Station- Mehandia and District- Arwal.

... ... Petitioner/s

Versus

1. Madhya Bihar Gramin Bank Through Its Chairman
2. The Regional Manager, Madhya Bihar Gramin Bank Regional office, Jehanabad.
3. Regional Officer, Madhya Bihar Gramin Bank Regional, office.
4. Senior Manager, Madhya Bihar Gramin Bank, Regional Office, Jehanabad.
5. Branch Manager, Madhya Bihar Gramin Bank, Branch Pahleja, District- Jehanabad.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr.Manish Kumar No-2
For the Respondent/s	:	Mr. Suresh Prasad Singh No. 1
		Ms. Kumari Rashmi

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CORAM: HONOURABLE JUSTICE SMT. G. ANUPAMA CHAKRAVARTHY

ORAL ORDER

7 29-04-2025

1. The writ petition has been filed for seeking a direction to the Respondents authorities (all Bank Managers of Madhya Bihar Gramin Bank) to release the loan amount, in favour of the petitioner against A/c No. 7475AA00000027 and 74758700000477 which was sanctioned under Prime Minister Employment Guarantee Project (further referred as "P.M.E.G.P.") by the 5th Respondent, Branch Manager. Further to issue a direction to the Respondent authorities to not stop the fund which has already been released against the the bank

accounts for the construction of a rice mill which is in the name and style of “Kanha Rice Mill”.

2. The brief facts in the writ petition are that the petitioner is an unemployed person and he approached respondent-bank for sanction of loan for the construction of rice mills under the P.M.E.G.P. Scheme.

3. Prior to availing the loan, the petitioner has taken land on lease for a period of 15 years and approached the respondent authorities along with the lease agreement. The petitioner also mortgaged some documents before the Bank and after due scrutiny, the 5th respondent issued a sanction letter No. 434/2015-16 dated 21.08.2016 sanctioning the loan amount of Rs. 15,00,001/-.

4. The sanction letter had several conditions and instructions issued by the Bank officials, which were accepted by the petitioner. Pursuant to the sanction, an amount of Rs. 5 lakhs was released in favour of the petitioner, and after that, the petitioner started constructing the Rice Mill on the leased land and also made huge investment to a

tune of Rs. 6,00,000/- for the purpose of construction. The petitioner once again approached the 5th Respondent but, to his utter surprise, he received an information that the further amount would not be released in his favour. On enquiry, he subsequently, received a letter dated 24.08.2016 (Annexure-4) in which the petitioner was directed to return all the amount which was sanctioned to him. Being aggrieved by the same, the petitioner approached this Court by way of filing the writ application.

5. A detailed counter affidavit was filed by the Respondents 1 to 5.

6. The contents of the counter affidavit disclose that the writ petition itself is not maintainable and is liable to be dismissed.

7. The primary contention of the Respondents that the Chairman of the Bank was arrayed as 1st Respondent, who has nothing to do with the grant or sanction of the loan. It is also contended in the counter affidavit that the petitioner, on the basis of wrong credentials

/information, got the term loan sanctioned for Rs.15,00,001/-(Fifteen lakhs and one rupee only) as well as working capital for Rs.7,49,000/-(Seven lakhs and forty-nine thousand only) vide sanction order no.434/15-16 dated 21.3.2016 in the name of “M/s Kanha Rice Mill” represented by its Prop. Ajeet Kumar.

8. The sanction letter was communicated to the petitioner, who accepted the terms and conditions. Pursuant to the sanction, the petitioner had to make a fixed deposit of Rs. 5 lakhs in favour of the bank as Collateral Security, since the said account did not have C.G.T.S.M.E. (Credit Guarantee Fund Trust for Micro and Small Enterprise) cover, Rs. 2,50,000/- was to be deposited in his own saving A/C of the bank, as the margin money as per the project report. Further also the petitioner had to execute a guarantee agreement of Prabhat Kumar, son of Shri Ram Vinod Singh, as the plot on which the rice mill was proposed to be set up originally owned by Shri Ram Vinod Singh, on which the petitioner had

taken the land for lease for a period of 15 years.

9. Without complying with the said terms and conditions of the sanction order, the petitioner managed to get the loan amount disbursed to the tune of Rs. 4,00,000/- (Rupees Four Lakhs only), and the said amount of Rs. 4,00,000/- was turned into FD account and the same was kept as Collateral Security, which is a clear diversion of Public money, contrary to the conditions of the Sanction Order.

10. It is further contended in the counter affidavit that as per the sanction order, an amount of Rs. 5 Lakhs had to be deposited as collateral security by the borrower/petitioner from his own source. The then Branch Manager Shri Fekan Pandey was issued a show cause notice dated 24.08.2016 by the then Regional Manager directing him to submit an explanation and was further directed to get back the disbursed amount of Rs.4 lakhs reverted to the Bank, which was illegally kept in the account of “M/s Kanha Rice Mill”. The said letter also disclose about another loan account of

one Sohasa Rice Mill regarding the order for disbursal of loan amount.

11. Heard the Learned counsel for the petitioner as well as the Learned counsel for the respondents.

12. It is the specific contention of the Learned counsel for the respondents that the impugned order dated 24.08.2016 is an internal communication (document) between the Regional Manager, Mr. A. Asghar and the then Branch Manager, Pahleja Branch Mr. Fekan Pandey and the internal document between the bank officials cannot be treated as impugned order and therefore prayed to dismiss the Writ petition is not maintainable.

13. On perusal of the Annexure-4, it is evident that that it is an internal communication between the Branch Manager and the Regional Manager, of the said Bank. There is no impugned order passed against the petitioner herein. The petitioner has not made any representation to the bank for releasing the remaining loan amount. However,

the conditions of the sanction order clearly disclose that the petitioner himself has to deposit an amount of Rs. 5 Lakhs from his own sources as collateral security and till then the bank cannot disburse the loan amount.

14. This Court finds no merit in the Writ petition, and as such the Writ petition is dismissed as devoid of merits.

(G. Anupama Chakravarthy, J)

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