(2025) 06 JH CK 0911

In the Jharkhand High Court

Case No : W. P. (C) No. 2452 Of 2025

Mayur Rice Mills Private Limited APPELLANT

Vs

Bank Of India, through its General Manager RESPONDENT

Date of Decision : 17-06-2025

Acts Referred:

Citation : (2025) 06 JH CK 0911

Hon'ble Judges : Gautam Kumar Choudhary, J

Bench : Single Bench

Advocate : Sumeet Gadodia, R. Khushwaha, Prakhar Harit, Sanya Kumari, Ashutosh Agarwal, Nidhi Lall, Dr. Gyanendra Kumar

Final Decision : Disposed Of

Judgement

Gautam Kumar Choudhary, J

Heard, learned counsel for the parties.

1. The instant Writ Petition has been filed for issuance of an appropriate direction for quashing /setting aside the Demand Letter dated 17.01.2025 (Annexure-11) issued by the Respondent No.3 to the extent of demand of processing charges of Rs.17,52,700/- and pre-payment charges amounting to Rs.10,62,000; total amounting to Rs.28,14.700/-.

2. Petitioner is a company engaged in operating the business of processing of paddy into rice mill which is also registered under Micro, Small and Medium Enterprises.

3. A credit facility of Rs.4.5 Crore was sanctioned by the Respondent(s)-Bank in favour of the petitioner company, to set up a rice mill in the year 2023.

4. It is submitted that the loan was sanctioned under the Cash –credit facility with a limit of Rs.4.5 Crores and collateral security was submitted before the Respondents. The details of collateral security given in Para-9 of the instant Writ Petition which are as under :-

Type of Security

Deed No. & Date

Date of Valuation

Proposed value (In lacs)

i.Equitable Mortgage of

01.60 Acres factory land and factory building situated at mauza Barwadih Plot No.91,92,93

under Khata No.39,55,87

I.5790/5702

dated 06.09.2008 II.5751/5663

dated 04.09.2008 III.5774/5686

dated 05.09.2008

23.03.2021 by

Er. Ashish Kumar

Market Value Rs.255.25

ii.Equitable Mortgage of Land situated at Barwadih Plot No.89

Khata No.53, area 22.33

Lacs

2307/2207 dated 06.06.2014

23.03.2021 by

Er. Ashish Kumar

Market Value Rs.20.09

Total Collateral

Rs.275.34 Lacs

Total Security

Principal

+Collateral

Rs.1043.53

5. It is submitted that for extension of its business and to meet the cost of project, petitioner requested Respondent (s)- Bank for sanction of cash credit facility of Rs.4244.64 Lakhs and the same was also sanctioned vide Letter as

Annexed as Annexure-3. But certain condition(s), was not agreeable to the petitioner and consequently petitioner got the said credit facility from HDFC Bank vide letter dated 22.11.2024.

6. It is submitted that cash credit has been closed with the Respondent(s)- Bank and at present, there is no outstanding amount in this account.

7. Petitioner is aggrieved by the Demand Letter dated 17.01.2025 under which a total sum of Rs.28,80,100/- has been raised under the following heads :-

TYPE OF CHARGES TO BE RECOVERED

AMOUNT

Legal/ Search Charges (As per Bill submitted by Advocate)

Rs.13,400.00

Proposal Processing Charges (As per Sanction Letter Page No.12 Point No.13

Rs.14854000.00+Rs.267300.00

Property Valuation Report Charges (As per Bill submitted by Valuer)

Rs.52000.00

Pre-Payment charges (2% of Sanction limit as per Sanction letter Page No.4

Point No.22)

Rs.9000000.00+Rs.162000.00

Total

Rs.28,80,100/-

8. Because of non-payment of the aforesaid amount, the collateral security has been withheld, as a result of which, the petitioner is precluded from availing cash credit facility sanctioned by the HDFC Bank. This has stalled the project expansion and business of the Petitioner-company.

9. Learned counsel for the Respondent(s)- Bank while opposing the prayer has submitted that the petitioner has alternative and efficacious remedy before the Banking Ombudsman for redressal of its grievance(s).

10. Learned counsel for the petitioner agrees to avail alternative remedy. The collateral security is required for processing of cash credit facility from the Bank However on submission of it. Non-release of collateral security will jeopardize the loan sanctioned by HDFC. Petitioner’s company is ready to pay 50% of the above stated amount, without prejudice to his claim against the Respondent(s)- Bank.

11. The instant Writ Petition is disposed of, with liberty to the petitioner to avail alternative remedy.

12. Respondents-Bank is directed to release the collateral security to the petitioner’s company on the condition of paying 50% of the above demand as raised against the Petitioner Company. The collateral security will be released within two weeks from the date of deposit. Petitioner undertakes to move the Banking Ombudsman within a period of four week.

Pending I.A., if any, stands disposed of.

Let a copy of this order be communicated to the Respondent Nos.2 and 3 for its compliance at once.