HRSI020001512022

Presented on : 28-01-2022
Registered on : 28-01-2022
Decided on : 10-07-2026
Duration : 4 years, 5 months, 13 days

IN THE COURT OF

Civil Judge Junior Division - VI AT Sirsa,Sirsa

Presided Over by Ms. Shruti Gupta

CS/102/2022

State Bank of India, a body corporate, incorporated under the State Bank of India Act (No.23 of 1955) having its Local Head Office, Sector-17, Chandigarh and having amongst other Branches a Branch Office at Kagdana, District Sirsa, through its Branch Manager and Principal Officer.

..… Plaintiff

Versus

Balkaran Singh son of Sh. Banta Singh R/o village Thiraj, Tehsil Kalanwali and Distt. Sirsa.

…… Defendant

Suit under Order XXXIV of CPC for recovery of Rs. 3,81,947.49/-

(Shruti Gupta)
CJ(JD)/Sirsa
Dt. 10.07.2026

Present: Sh. H.S. Aulakh, Advocate for plaintiff
Defendant already proceeded exparte vide order dated 26.10.2023.

JUDGMENT:-

The present suit has been instituted by the plaintiff-bank under the provisions of Order XXXIV of the Code of Civil Procedure seeking recovery of Rs.3,81,947.49 (i.e., Rs. 2,30,142/- in PBKCC Crop loan account; and Rs. 1,51,805.49 in Debt Swap Loan Account) including interest calculated upto 10.08.2021 and 11.09.2021 along with pendent lite and future interest at the rate of 12.60% per annum with half yearly rests in PKKCC Crop Loan Account and 9.45% per annum with half yearly rest in debt swap account by enforcement of the mortgage created by the defendant over his agricultural land as detailed in headnote of the plaint.

BRIEF FACTS OF THE PLAINT:-

2. The plaintiff has pleaded that it is a body corporate constituted under the provisions of the State Bank of India Act, 1955 and is carrying on banking business through its various branches, one of which is situated at Kalanwali, District Sirsa The present suit has been instituted through the Branch Manager/Principal Officer duly authorized and competent to file, sign and verify the pleadings on behalf of the plaintiff bank. It is averred that earlier there existed a bank known as State Bank of Patiala and the branch office of plaintiff-bank as known as State Bank of Patiala, Kalanwali Branch. However, vide Central Govt. Gazette Notification No. G.S.R. 156(E), G.S.R. 157(E), G.S.R. 158(E), G.S.R. 159(E), G.S.R. 160(E) dated 22nd February 2017, State Bank of Patiala has been acquired by State Bank of India and all the assets, capital, liabilities management and control of State Bank of Patiala has been

taken over by the State Bank of India. The plaintiff-bank has been vested with the power to recover all the dues of State Bank of Patiala from its borrowers/guarantors.

It has been averred that the defendant approached the plaintiff-bank with a request for grant of credit facility under the PBKCC Scheme for promotion and development of agricultural pursuits. Besides the crop loan, the defendant also sought a Debt Swap Loan for liquidation of his existing liabilities. After considering the request of the defendant and finding the proposal to be genuine and viable, the plaintiff sanctioned a Crop Loan of Rs.2,10,000/- and a Debt Swap Loan of Rs.1,00,000/- in favour of the defendant. The plaintiff has further pleaded that before disbursement of the loan amounts, the defendant executed various loan documents in favour of the plaintiff-bank acknowledging his liability and agreeing to abide by all the terms and conditions governing the loan facilities. The defendant executed the loan applications, hypothecation agreements, consent forms, letters of undertaking, letters of arrangement, continuity letters and other connected documents. The defendant also undertook to repay the loan amount together with agreed rate of interest and other charges within the stipulated period. The plaintiff has further pleaded that to secure repayment of the entire outstanding liability, the defendant created a registered mortgage over his agricultural land measuring 9 Kanal 17 Marlas, situated within the revenue estate of village Thiraj, Tehsil Kalanwali, District Sirsa by executing a registered Mortgage Deed which is registered at Sr. No. 3718 dated 09.02.2016, thereby creating a valid security in favour of the plaintiff-bank. It has further been pleaded that after completion of all legal formalities, the sanctioned loan amounts were duly disbursed to the defendant. Separate loan accounts were maintained by the plaintiff-bank in the ordinary course of its banking business. Interest was debited periodically in accordance with the agreed terms and the payments, if any, made by the defendant were duly credited in the loan accounts. According to the plaintiff, after availing the loan facilities, the defendant failed to maintain financial discipline and committed persistent default in repayment of the outstanding amount despite repeated oral requests, reminders and demands made by the officials of the plaintiff-bank. Consequently, the loan accounts became irregular and were classified as Non-Performing Assets (NPA) in accordance with the guidelines issued by the Reserve Bank of India. The plaintiff has further pleaded that despite repeated demands, the defendant failed to liquidate the outstanding liability. As per the certified statements of account maintained in the regular course of banking business, an amount of Rs.2,30,142/- became due in the Crop Loan Account and Rs.1,51,805.49 became due in the Debt Swap Loan Account. Thus, a total amount of Rs.3,81,947.49 remained outstanding against the defendant. Since the defendant failed to honour his contractual obligations, the plaintiff-bank was left with no option except to institute the present mortgage suit seeking recovery of the outstanding amount by enforcement of the mortgage. Hence the present suit.

3. Upon institution of the suit, summons were issued to the defendant. The record reveals that the defendant was duly served. However, despite service, he failed to appear before the Court and did not contest the proceedings. Consequently, vide order dated 26.10.2023, the defendant was proceeded against ex parte.

4. In order to prove its case, the plaintiff-bank examined two witnesses, namely PW-1 Arpit Goyal, Assistant Manager, State Bank of India, Kalanwali and Gurmail Singh, Record Keeper, SBI Kalanwali as PW-2. Both

the witnesses tendered their affidavits Ex.PW1/A & Ex.PW2/A respectively in examination-in-chief reiterating the averments made in the plaint and relied upon the documents mentioned hereunder.

Exhibit	Description of document
Ex.P1	Loan Application.
Ex.P2	Entry and Confirmation of Mutation.
Ex.P3	Registered Mortgage Deed.
Ex.P4	Loan Agreement for KCC account
Ex.P5	Hypothecation Agreement.
Ex.P6	Consent for disclosure of information.
Ex.P7	Loan Sanction Letter.
Ex.P8	Letter of Undertaking.
Ex.P9	Statement of Account of PBKCC account
Ex.P10	Loan Application for Debt Swap
Ex.P11	Hypothecation Agreement for Debt Swap.
Ex.P12	Letter of Arrangement for Debt Swap
Ex.P13	Continuity Letter relating to Debt Swap Loan.
Ex.P14	Loan Sanction Letter for Debt Swap.
Ex.P15	Loan Disbursement Letter for Debt Swap
Ex.P17	Statement of Account relating to Debt Swap Loan.
Ex.P18	Acknowledgment regarding narration and explanation of loan documents by witness
Ex.P19	Statement of Account.

Thereafter, learned counsel for the plaintiff closed the ex parte evidence.

ARGUMENTS:-

5. During the course of argument, learned counsel for the plaintiff reiterated the contents as mentioned in the plaint and submitted that all the documents placed on file by the plaintiff prove the case of the plaintiff, which is supported by the testimony of PW-2 Gurmail Singh. Ld. Counsel for the plaintiff argued that plaintiff has duly met with all the formalities to prove his case.

6. I have heard the learned counsel for the plaintiff and have carefully gone through the pleadings, oral evidence and documentary evidence available on the case file.

FINDINGS OF THE COURT:-

7. The plaintiff examined PW-1 Arpit Goyal and PW-2 Gurmail Singh and their testimonies clearly establishes that the defendant approached the plaintiff-bank for grant of the aforesaid loan facilities. The execution of the loan documents stands duly proved through Ex.P1 to Ex.P18. Ex.P1 and P-10 are the application form for KCC limit and Debt Swap loan filed by defendant. The document bears the thumb impression of defendant. It is elucidated that the defendants did not put an appearance in the instant case and rebut the plaintiff's claim and by not having taken the witness box, the defendants have exposed themselves to adverse inference being drawn against them. The thumb impression as appearing on documents produced by the plaintiff bank, are thus taken to be that of defendant. Ex.P5 and Ex. P14 are the sanction letters whereby loan of Rs.2,10,000/- in PBKCC account and Rs. 1,00,000/- as debt swap loan respectively, was sanctioned. The loan applications, sanction letters, loan agreements, hypothecation

agreements, consent form, letters of undertaking, continuity letter, letter of arrangement and loan disbursement letter clearly establish that the defendant voluntarily availed the financial facilities after accepting all the terms and conditions governing the loan transactions. The registered Mortgage Deed (Ex.P3) coupled with the mutation entry and confirmation thereof (Ex.P2) conclusively establishes that the defendant created a valid mortgage over the agricultural land measuring 9 Kanal 17 Marlas in favour of the plaintiff-bank as collateral security for repayment of the outstanding dues. Thus, the documentary evidence on record sufficiently establishes the existence of a loan transaction between the parties. The statement of account Ex.P9, Ex. P17 and Ex. P19 reflects the transactions in the loan account and the outstanding amount claimed by the plaintiff-bank. The oral testimony of PW1, read together with the loan documents and statement of account, establishes that the defendant availed the loan facility but failed to repay the amount in accordance with the agreed terms. The documentary evidence further shows that despite repeated demands, the defendant failed to discharge his contractual liability, resulting in classification of the accounts as Non-Performing Assets.

8. The evidence led by the plaintiff is consistent, reliable and fully corroborated by the documentary record. Every material fact pleaded in the plaint stands duly supported by oral as well as documentary evidence. There is no circumstance on record creating any doubt regarding the genuineness of the transaction or the correctness of the outstanding amount claimed by the plaintiff. There is no evidence on record to show that the amount

reflected as outstanding in the account has been paid or otherwise discharged.

9. The oral and documentary evidence produced on record by the plaintiff-bank has gone unrebutted. Defendant did not appear in the witness box to rebut the contentions of plaintiff especially account statement Ex.P9 which shows that amount of Rs. 2,30,142/- is outstanding against the defendant in KCC Limit Account and Ex. P17 reflecting amount of Rs. 1,51,805.49- is outstanding against the defendant in debt swap loan account totalling to Rs.3,81,947.49. As per Section 4 of the Banker's Books Evidence Act 1891, the said statement of account is admissible in evidence under the provisions of the Bankers' Books Evidence Act, 1891, and the same is prima-facie sufficient to prove the claim of the bank as observed by the Hon'ble Punjab & Haryana High Court in ***M/s. Ganpati Udyog and another Vs. Punjab National Bank and others 1996 PLJ 344***. . So, in these circumstances, I am of the view that the plaintiff is liable to recover amount of Rs.3,81,947.49 (i.e., Rs. 2,30,142/- in PBKCC Crop loan account; and Rs. 1,51,805.49 in Debt Swap Loan Account) from the defendant and the defendants are liable to repay outstanding dues of plaintiff bank.

10. The suit has also been instituted within the prescribed period of limitation. The loan transactions, execution of the mortgage, subsequent defaults committed by the defendant and the continuous cause of action arising from non-payment of the outstanding dues clearly bring the suit within limitation.

11. As far as the rate of interest is concerned, the plaintiff bank has claimed future interest @ 12.60% per annum with half yearly rests in accordance with the contractual terms embodied in the loan documents qua the PBKCC limit account and interest @9.45% per annum with half yearly rests for the debt swap account. Perusal of the loan documents reveal that defendant agreed to repay the loan amount along-with interest as is mentioned in the loan documents which was subject to be revised from time to time as per the guidelines of Reserve Bank of India but in the present suit, the plaintiff bank has claimed interest abovementioned rate of interests on the respective loan accounts thereby averring the same to be the prevalent rate of interest. However, it deems unreasonable and unfair. As per the principles laid down under Section 34 of CPC, this court is of the view that plaintiff is entitled to recover interest from defendants @ 6 % per annum from the date of filing the suit i.e. 28.1.2022 till its realization.

RELIEF:-

12. In view of the above discussion, suit of the plaintiff is hereby decreed exparte with costs against the defendants for the recovery of suit amount of Rs. Rs.3,81,947.49 (i.e., Rs. 2,30,142/- in PBKCC Crop loan account; and Rs. 1,51,805.49 in Debt Swap Loan Account). along with pendente lite and future interest at the rate of 6% per annum from the date of institution of the suit till actual realization. Since it is case in which the property was mortgaged, as such, it is fit case for passing composite decree to the effect that defendant shall make payment of due amount alongwith interest as discussed above within a period of six months from today, failing which on the basis of composite decree, the plaintiff bank shall be entitled to recover the

amount from defendants by way of sale of mortgaged property and I hereby order as such. Decree Sheet be drawn accordingly and file be consigned to the Record-Room after completing it in all aspects.

Announced in open Court.
10.07.2026

(Shruti Gupta),
Civil Judge (Junior Division)
Sirsa.UID No.HR0740

Note: This judgment contains nine pages and each page has been checked and signed by me.

(Shruti Gupta),
Civil Judge (Junior Division)
Sirsa.UID No. HR0740

Typed by Sheffy Stenograhper Gr.III

SBI Vs Balkaran

Present: Sh. H.S. Aulakh, Advocate for plaintiff
Defendant already proceeded exparte vide order dated 26.10.2023

Exparte arguments heard. Vide my separate judgment of even date, suit of the plaintiff has been decreed with costs. Decree sheet be prepared accordingly. File be consigned to record room after due compliance.

Announced in open Court.
10.07.2026

(Shruti Gupta),
Civil Judge (Junior Division)
Sirsa. UID No. HR0740

Typed by Sheffy, Stenographer Gr. III

(Shruti Gupta)
CJ(JD)/Sirsa
Dt. 10.07.2026