IN THE COURT OF DEEPTI GUPTA, PCS,
CIVIL JUDGE (SENIOR DIVISION),
MOGA.

(UID No.PB0219)

Civil Suit No.131 of 24.05.2016
CIS Civil Suit No.487 of 2016
Date of decision: 17.02.2018

State Bank of India, Bank corporate under State Bank of India Act of 1955 carrying on the business of Banking and having its Central Office at Madam Cama Road, Nariman Point, Mumbai, one of its Local head Office at Sector 17, Chandigarh and branches at different places including one at Talwandi Mallian, District Moga, through its Branch Manager and Principal officer Vikram Singh.

Plaintiff.

Versus

1. Amarjit Singh, son of Amrik Singh resident of village Kokari Vehniwal, District Moga.

(Loanee)

2. Gurmeet Singh, son of Sher Singh resident of village Kokari Vehniwal, District Moga.

(Guarantor)
Defendants.

Suit for recovery of Rs.78791/- with pendente lite and future interest at the rate of 12.25% P.A with monthly rest from the date of filing of suit till realization of the decretal amount with costs of the suit and sundry charges or any other relief which this court may deem fit and proper.

Present : Shri Sanjeev Dhir, Advocate counsel for the plaintiff.
Defendants ex-parte

JUDGMENT

State Bank of India, a body corporate having its head office at Mumbai and branch office at Talwandi Mallian[hereinafter referred to as "Plaintiff Bank"] has filed this suit through its Branch Manager and Principal Officer who is authorized to file and pursue this suit in all manners and is also conversant with the facts and circumstances of this case, against Amarjit Singh(hereinafter referred to as defendant No.1 or as 'borrower') and Gurmeet Singh(hereinafter referred to as 'defendant No.2' or as 'guarantor') for recovery of Rs.78,791/-as fully detailed in the head note of the plaint.

2. The gist of the case of the Plaintiff Bank is that defendant No.1 approached the plaintiff bank for grant of house loan of Rs.50,000/- under Gram Niwas Yojna. The said loan was duly sanctioned on 30.04.2008. Defendant No.1 promised to abide by terms and conditions of the plaintiff bank and to repay the loan in question in instalments with interest at the rate of 9.25% per annum with monthly rests, subject to change of interest as per the directions of Reserve Bank of India from time to time. At present rate of interest is 12.25% per annum with monthly rests. Defendant No.2 stood as guarantor for repayment of the above said loan along with interest and other charges thereon. Therefore both the defendants are jointly and severally liable to pay the dues of the plaintiff bank. Defendants executed loan application-cum-sanction letter, arrangement letter dated 30.04.2008, arrangement letter, memorandum of

term loan agreement for housing under Gram Niwas Yojna dated 30.04.2008, deed of guarantee dated 30.04.2008. Defendant No.2 stood guarantor for defendant No.1 in repayment of the bove said loan along with interest and other charges thereon. Defendant No.2 executed guarantee agreement dated 30.04.2008 in favour of the plaintiff bank. In the said guarantee agreement, defendant No.2 also declared that the said guarantee in joint, several co-extensive and continuing one till the above said account is not duly adjusted. Defendants also executed revival letters dated 03.03.2011 and 05.03.2011 in favour of the plaintiff. Defendant No.1 also executed revival letter dated 13.06.2013 in favour of the plaintiff firm. Defendants did not adhere to the repayment program and did not deposit the amount of instalment as per rules and regulations of the plaintiff. Plaintiff bank approached the defendants for adjusting bank dues but defendants have failed to adjust the bank dues to deposit any further amount in the loan account in-spite of repeated requests and bank was forced to recall the advance. At present rate of interest is 12.25% per annum with monthly rests. Plaintiff maintains account books in the ordinary course of business. Now a sum of Rs.78791/- is outstanding against the defendants but the defendants did not repay the loan amount. Hence, the present suit.

3. Having been put to notice of the present suit, defendant No.2 did not appear to contest the case despite service. Resultantly, defendant No.2 was proceeded against ex parte vide order dated 16.02.2017. Shri H.S.Baath, Advocate initially appeared on behalf of defendant No.1 but on 11.05.2017, said counsel suffered statement that he has no instruction from defendant No.1 to pursue the present case on his behalf. Consequently, notice to defendant No.1 was issued afresh but despite due service he did not put up appearance, resultantly, he was proceeded against ex parte vide order dated 10.07.2017.

4. In ex parte evidence, plaintiff examined PW1 Gulshan Khera, Branch Manager and PW2 Ram Avtar Mittal Chief Manager and closed the plaintiff evidence.

5. Counsel for the plaintiff bank has been heard and the case record has been perused minutely with his able assistance.

6. Before going ahead with the observations of this court on the merits of this case, it is worth mentioning here that the evidence led by the Plaintiff Bank is totally unrebutted and unchallenged and there is nothing on file to suggest that the evidence led by the Plaintiff Bank is either false, untrustworthy or is discrepant on any material aspect of this case so as to render it inadmissible in evidence. Hence this court is left

with no other option but to believe in it and base its findings on the basis of such evidence led on file by the Plaintiff Bank. Further the absence of the defendants from these proceedings reflects their conduct. They have not bothered to put up even a formal contest to the claim of the Plaintiff Bank even despite due knowledge and opportunity.

7. Plaintiff examined PW1 Gulshan Khera, Branch Manager of State Bank of India who tendered his affidavit Ex.PW1/A in his examination-in-chief deposed that defendant No.1 took a loan of Rs.50,000/- from the plaintiff bank and agreed to pay interest at the rate of 9.25% per annum with monthly rests subject to change of rate of interest from time to time as per the guidelines of Reserve Bank of India. Now rate of interest is 12.25% P.A. Defendant No.2 stood as guarantor for defendant No.1 for repayment of the loan amount. He has proved statement of account Ex.P1. PW2 Ram Avtar Mittal has deposed that defendant no.1 availed the loan of Rs.50,000/- on 30.04.2008 as per the statement of account. Defendants executed various loan documents in favour of the plaintiff bank. He has proved original loan application-cum sanction letter Ex.P2, arrangement letter Ex.P3, memorandum of term loan agreement Ex.P4, guarantee agreement Ex.P5. He has further stated that the above said documents were filled by him at the instance of

defendants. Contents of said documents were read over and explained to the defendants and the defendants after admitting the same to be correct signed the same. Defendants executed revival letters dated 03.03.2011 Ex.P6 and dated 13.06.2013 Ex.P7 in favour of the plaintiff bank.

8. The loan as requested by the borrower was sanctioned and disbursed in pursuance of the loan agreement. The borrower violated the terms and conditions of the agreement and didn't adhere to the repayment schedule as agreed between him and the Bank. As a result of his default the loan accounts became irregular. Repeated requests were made by the officials of the bank to the defendants to clear the outstanding amount. Perusal of the certified copy of Account Statement, Ex P1 substantiates the outstanding liability against the loan account of the borrower. The defendants further agreed to pay interest at the rate of 9.25% PA with monthly rests in favour of the plaintiff bank. Defendant No.1 acknowledged his outstanding liability vide revival letters Ex P6 and Ex.P7. There is nothing on record to challenge or rebut this claim of the plaintiff bank.

9. In view of the above-detailed discussions, the present suit of the Plaintiff Bank is hereby decreed ex parte against defendants jointly and severally with costs for the recovery of Rs.78791/-with pendente lite

and future interest at the rate of 12.25% per annum with monthly rests from the date of institution of the suit till realization of the decretal amount. Decree-sheet be prepared accordingly. File be consigned to records after due compliance. SD/-

Pronounced in open Court
Dated 17.02.2018.
Vipan Kumar Stenographer Grade-I

(DEEPTI GUPTA)
Civil Judge (Sr. Div.),
Moga. (UID No.PB0219)

Note : The present judgment consists of 07 pages each of which has been dictated and signed by me.

SD/-
(DEEPTI GUPTA)
Civil Judge (Sr. Div.),
Moga. (UID No.PB0219)