

**IN THE COURT OF SHRI R.VANLALENA, SENIOR CIVIL JUDGE-II  
AIZWL DISTRICT, AIZAWL, MIZORAM**

**Money suit No.220 of 2014**

1.State Bank of India,  
Mission Veng Branch,  
Represented by Chief Manager,  
Aizawl,Mizoram.

..... Plaintiff

-Versus-

1. Shri.R.Lalremruata,  
S/o R.Vanlalrova  
Ramhluna Building 1<sup>st</sup> Floor  
Zemabawk, Aizawl.
2. Smt.Lalthiamsangi  
Zemabawk North,  
Aizawl, Mizoram.

..... Defendants

**BEFORE**

R.Vanlalena, MJS  
Senior Civil Judge-II  
Aizawl, Mizoram

Appearance:

For the Plaintiff :Mr.TJ.Lalnuntluanga&Ors, Advocates.  
For the Defendants:

Date of hearing :Dt.16.05.2016.  
Date of Judgment :Dt.16.05.2016.

**JUDGMENT AND ORDER**

1.The main facts of the case leading to the filing of the present money suit as reflected by the plaintiff in the plaint may be mentioned as follows.

2.The Plaintiff is a nationalised Bank constituted under the State Bank of India Act, 1955 carrying a business of banking at various places including Aizawl under the Banking Regulation Act, 1949. The registered local head office is in Guwahati and one of its branches is at Mission Veng Branch, Aizawl headed by the Chief Manager.

3.The Defendant No.1 was a student at the time of applying the loan and permanent resident of Zemabawk, Aizawl who had approached the Plaintiff and applied for Education Loan amounting to Rs. 3,86,000/- on 17.9.2005.

4.The Plaintiff had carefully examined all the documents submitted by the defendant in support of the application for the said loan money. After having verified and careful checks, the Plaintiff decided to sanction Education Loan Scheme of Rs.3,86,000/- to the Defendant No.1 on 20.9.2005 with interest at a rate of 15% per annum subject to revision of the rate of interest from time to time as per the direction of Reserve Bank of India to be repaid within 60 months by instalment of Rs.8,300/- per month commencing from after 12 months of disbursement of the loan. Defendant agreed the terms and conditions laid down by the plaintiff and thereafter the defendant executed agreement of letter of arrangement.

5. The Plaintiff, thereafter disbursed the loan sum amounting to **Rs.3,86,000/-** to the Defendant on dt.21.9.2005 by making Account No.10665721783 for Rs.3,86,000/- and the same was received by defendant.

6. After the disbursement of the said loan, the Plaintiff had been reviewing the performance of the loan account and observed that the Defendant had neglected and failed to make repayment of the loan amount and thus the loan account of the Defendant had become very irregular towards repayment of the loan together with the interest. Subsequently, the Plaintiff had given oral reminder to the Defendant on various dates and written reminder also given to defendant on 2.8.2011, 24.11.2008, 19.12.2011, 16.1.2012, 6.8.2013, 4.1.2014 and 16.1.2012 to regularised the loan account. However, the Defendant failed to repay the loan. This resulted into irregular accrued amount of Rs.1,97,368/-as on 16.2.2008 and the balance from the record is 3,13,282/-. Therefore, the total outstanding dues till date 8.10.2014 is Rs.5,10,650/- plus an interest as agreed upon.

7. In spite of persistent efforts of the Plaintiff to get back the loan money borrowed by the Defendant, no payment had been made by the Defendant till date.

8. The inaction of the Defendants in failing to repay the loan with interest was highly illegal and perhaps amounts to cheating. In fact, the Defendant have no excuse for not repaying the loan with the interest and is bound to repay the loan with the interest as agreed upon by him. The defendant had executed his revival letter on 18.8.2008 and 20.6.2012 on Education Loan Agreement.

9. The cause of action arose when the Defendants availed loan amounting to Rs.3,86,000/-from the Plaintiff on 20.9.2005 and the cause of action again arose had irregularities on repayment of the loan on 16.2.2008 and when the defendant acknowledge his debt to the plaintiff for repayment the loan amount with the interest. The cause of action further arose when the Defendant acknowledged their debts to the Plaintiff for non-repayment of the loan. The cause of action still survives.

10. The Plaintiff and the Defendant being both residents of Aizawl, as such this Court has territorial jurisdiction and pecuniary jurisdiction to entertain the instant suit.

11. The instant suit is valued at Rs.5,10,650/-and the court fees amounting to Rs.8,324/- has been submitted along with the plaint in accordance with the provision of the Court fees (Mizoram amendment) Act, 1995 .

12. The Plaintiff claimed the following reliefs:-

- (a) A decree in favour of the Plaintiff and against the Defendant.
- (b) A decree directing the Defendant to pay the Plaintiff of the total outstanding dues amounting to Rs.5,10,650/- with interest @ 14%% per annum from the date of irregularity of the loan till realization of the suit.
- (c) Any other reliefs as the Court may deem fit and proper in the facts and circumstances of the case.
- (d) For costs of the suit.

13. The present suit had been filed by the Plaintiff on 12.12.2014. The Court had issued summons to the Defendants for three times and the summons as per the record was duly served to the Defendants by the Plaintiff on 20.05.2015 to attend court and to defend the case on 28.05.2015. However, the Defendants still failed to appear without assigning any cause. Fed up with issue of summons, my predecessor Judge had passed an order on 06.08.2015 to proceed the case in absence of the Defendants. Hence the case was proceeded ex-parte against the two Defendants.

14. The Court framed the following point for determination instead of framing issues as usually done in a contested case.

#### **POINTS FOR DETERMINATION.**

- (a). Is the present suit maintainable ?.
- (b). Whether the Defendant No.1 had availed education loan from the Plaintiff bank amounting to Rs.3,86,000/- but failed repay the said loan?.
- (c). Whether the Plaintiff is entitled to the relief claimed, Is so to what extent?

#### **DECISIONS AND REASONS FOR DECISIONS.**

##### **(a). Is the present suit maintainable ?.**

The present suit had been filed by the Plaintiff on 12.12.2014 by presenting written plaint with spare copy of it for supply to the Defendants. The Court made its first order for entertaining the suit and at the same time directed the Defendants to submit their written statement, if any in defend of the suit. The Court had issued summons to the Defendants for three times and the summons as per the record was duly served to the Defendants by the Plaintiff on 20.05.2015 to attend court and to defend the case on 28.05.2015 by submitting written statement. However, the Defendants still failed to appear without assigning any cause. Fed up with issue of summons, my predecessor Judge had passed an order on 06.08.2015 to proceed the case in absence of the Defendants. Hence the case was proceeded ex-parte against the two Defendants. My predecessor Judge had passed an order on 13.10.2015 by which the Plaintiff was given time for leading evidence in support of the suit. From

record, it appeared that the suit had been filed within time. The Plaintiff duly deposited required amount of court fees at the time of filing the suit. The pecuniary limit was within the jurisdiction of this Court. No formal defect was detected in the suit. As the present case had been filed by duly complying with the established procedures, there is no reason to not entertain the suit and thus maintained.

**(b).Whether the Defendant No.1 had availed education loan amounting to Rs.3,86,000/-from the Plaintiff bank but failed to repay the said loan ?.**

Ms.C.Lalremtluangi, as PW1 deposed that she is the Deputy Branch Manager, State Bank of India, Mission Veng Branch and stated that as per documents available in the Bank record and information given by the defendants, the defendant no.1 is a permanent resident of Zemabawk, Aizawl and was a student at the time of applying the instant education loan. The defendant no.2 is also a permanent resident of Zemabawk Kawn Veng-II and she stood as a guarantor in favour of defendant no.1. The Defendant no.1 had applied for Education Loan for a sum of Rs.3,86,000/- on 17.09.2005 by submitting proposal form. The plaintiff Bank had examined the documents submitted by the defendants and considering the defendants' requirement and request, the plaintiff decided to sanction Education Loan under the terms and conditions of State Bank of India. The defendants agreed to the terms and conditions given by the plaintiff and executed agreement for SBI Education Loan Scheme dated 21.09.2005 and Loan for Education (SBI Education Loan Scheme) guarantee agreement dated 21.09.2005. Subsequently, the plaintiff Bank had sanctioned the loan amount of Rs.3,86,000/- on dated 20.09.2005 to the Defendant No.1 by specifying and agreeing to pay monthly instalment @ Rs.8,300/- EMI with interest @ 15% per annum commencing from after 12 months of disbursement of the loan, to be repaid by 60 times of instalment with such other charges, cost as per the terms of the said agreements. The plaintiff thereafter disbursed the loan amount to the Defendant No.1 through A/c No. 10665721783. After disbursement of full loan amount to the defendant No.1 by the plaintiff, the plaintiff has been reviewing the performances of the said loan account and observed that the defendant has failed and neglected to repay his loan amount thereby causing him defaulted the terms and condition of loan agreements. The Defendant was summoned to his known address of residence after the Plaintiff produced PW1 to have a chance of cross examination, however, the Defendant No.1 still did not appear in Court to exercise his right of cross examination. Perusal of the deposition of PW1, revealed that the Defendant No.1 had actually availed education loan from the Plaintiff bank, but defaulted in repaying the said loan thereby compelling the Plaintiff to file the instant suit. As per the evidence on record, the Defendant No.1 availed education loan amounting to Rs.3,86,000/-with monthly interest @ of Rs.15% per annum. The evidence on record further revealed that the Defendant No.1 became defaulter of loan as he failed to repay the loan. As the evidence on record revealed that the Defendant No.1 took the said loan but failed to repay it, the instant point is thus decided in favour of the Plaintiff.

**(c).Whether the Plaintiff is entitled to the relief prayed ? If so, to what extent?.**

The two foregoing points for determination and the decisions have clearly revealed that the Defendant No.1 had no doubt availed education loan from the Plaintiff bank amounting to Rs.3,86,000/-with interest at a rate of Rs.15% per

annum to be repaid by 60 equated monthly instalment of Rs.8,300/-per month but defaulted in repaying the loan. As per the deposition of PW1 the inaction of the defendants in failing to repay the plaintiff the loan amount with interest is highly illegal and amounts to cheating. In fact the defendants has no excuse for not repaying the loan dues and his loan dues as on 16.02.2008 wasRs. 5,10,650/- with plus future interest and the defendants are legally bound to repay the loan dues to the Plaintiff with interest. As the foregoing two point for determination have been decided in favour of the Plaintiff, this Court has no hesitation to hold that the Plaintiff is entitled to the relief prayed for. Regarding the amount to which the Plaintiff would be relief, since the statements deposed by PW1 have not been rebutted nor cross examined to shake the reliability of it or its credibility , this Court would form an opinion that the amount mentioned by the Plaintiff in the plaint that the Defendant No.1 had taken loan amount of Rs.3,86,000/-was the exact amount of education loan availed by the Defendant No.1 with the interest @ Rs.15% per annum. Therefore, this Court has come to a conclusion that the Defendant No.1 was in debt of Rs.5,10,650/-to the Plaintiff, this amount being the principal loan amount plus interest at a rate of Rs.15% per annum calculated from the disbursement of the loan till the institution of the present suit. Therefore, the Plaintiff is hold entitled to the relief claimed and accordingly an order is made as follows :-

### ORDER

(1).The Defendant No.1 namely Mr.R.Lalremruata, son of R.Vanlalrova, resident of Zemabawk, Aizawl is hereby directed to repay his education loan dues amounting to **Rs.5,10,650/-(Rupees five lakhs, ten thousand, six hundred fifty)only(this being the principal amount plus interest)** to the Plaintiff bank within a period of **one year** from the date of this order without further interest after the date of this order.

(2).No order as to cost of the suit and the parties shall bear their own cost.

(3).Draw decree accordingly.

With this order, the present suit stands disposed of.

Given under my hand and Seal of this Court on this 16<sup>th</sup> day of May, 2016.

**Sd/-R.VANLALENA**

Aizawl, Mizoram.

Senior Civil Judge-II

Copy to:-

1. The District & Sessions Judge, Aizawl Judicial District, Mizoram.
2. State Bank of India, Mission Veng Branch, Represented by Chief Manager, Aizawl, Mizoram through Ld. Counsel Mr. TJ Lalnuntluanga & Ors.
3. Shri. R. Lalremruata, S/o R. Vanlalrova, Ramhluna Building 1<sup>st</sup> Floor Zemabawk, Aizawl.
4. Smt. Lalthiamsangi, Zemabawk North, Aizawl, Mizoram.
5. Judicial Section.
6. Case Record.
7. Guard File.

PESHKAR