(2008) 02 PAT CK 0008

In the Patna High Court

Case No : CWJC No. 13898 of 2007

Parshuram Singh APPELLANT

Vs

The State Bank of India and Others RESPONDENT

Date of Decision : 19-02-2008

Acts Referred:

Citation : (2008) 3 PLJR 687

Hon'ble Judges : Navaniti Pd. Singh, J

Bench : Single Bench

Advocate : Jitendra Prasad Singh, for the Appellant; Alok K. Choudhary for the Bank, for the Respondent

Judgement

Navaniti Pd. Singh, J.—The petitioner had taken loan from the respondent-State Bank of India, Harnarayanpur Branch, district-Jamui. For the purpose of securing the said loan, the tractor, which was purchased out of the loan money, was hypothecated to the Bank. Admittedly, this was an agricultural loan. Petitioner was apparently in default. A notice was sent to him to liquidate his entire liability but having failed to respond to the same, Bank repossessed the tractor and is now proceeding to auction sale the same. This is what has brought the petitioner to this Court. Bank is represented. Heard the parties and with their consent, this application is being finally disposed of at this stage itself. The petitioner does not dispute that he has defaulted and is liable to pay the Bank but questions the amount being sought to be recovered. The notices do not clearly quantify the amounts. Petitioner rightly submits that this being an agricultural loan, Bank was not authorised to charge compound interest nor was it permitted to capitalize any delayed payment interest. Both these issues have been settled by Courts repeatedly including the Apex Court. In the case of Bishwajeet Kumar Singh Vs. The State of Bihar and Others, , this Court has dealt with this aspect of the matter- and has directed the Bank to recalculate the dues on the basis of the aforesaid principles.

2. In my view, the Bank has to furnish detailed accounts on basis of the law as

laid down and noticed above and on doing so would serve the detailed accounts on the petitioner who would visit the branch in question in the first week of March 2008 for this purpose and receive the accounts. He shall immediately file his objection, if any, in writing to the Branch Manager who shall respond by a day given by him to the petitioner. Once the matter is thus settled, not later than 15th of March 2008, petitioner would then give an undertaking to the Bank by 25th of March 2008 as to the schedule for liquidating the said debt in entirety with current interest accruals. The period for this will not exceed one year in all. In the undertaking, the petitioner would also undertake to keep in proper condition the hypothecated vehicle which shall be released to him in the meantime. The Bank would not proceed to sell the same. In case of default in liquidating the entire dues within the period aforesaid, Bank would be at a liberty to proceed against the petitioner in accordance with law.

3. This finally disposes of the writ petition itself. Let a copy of this order be given to learned counsel appearing for the Bank.