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**BEFORE THE ASSISTANT REGISTRAR OF COOPERATIVE SOCIETIES,  
THIRMALGIRI MANDAL, O/o THE DEPUTY REGISTRAR COOP. SOCIETIES,  
SECUNDRABAD**

**Present: Sri.R.M.V.ANAND RAO,**

ARC No.7/2016/Credit

Date:10-08-2017

BETWEEN:

The Catholic Cooperative Urban Bank Ltd.,  
having its head office at Vani Nilayam,  
50, Sebastian Road, Secunderabad -3  
represented by its General Manager

.....Petitioner Bank.

AND

1. Sri. Mohammed Arshadoddin,  
S/o Mohammed Ameen,  
H.No. 10-8, Hussainipura,  
Bommakal (V), Karimnagar.

2. Sri Khaja Gulam Nabi,  
S/o Osmanoddin,  
H.No. 6-2-815/1,  
Hussainipura, Karimnagar.

..... Defendants

**AWARD PASSED UNDER SECTION 62(4) OF THE TELANGANA COOPERATIVE  
SOCEITIES ACT, 1964**

The Plaintiff Bank has filed a dispute under Section 61 of the A.P. Cooperative Societies Act, 7 of 1964 ( adapted as Telangana Coop. Societies Act,1964 vide G.O.Ms.No.53 dt.20.06.2016) praying to pass an award for a sum of Rs.2,91,950/- as on 31.3.2016 and future interest w.e.f.01.04.2016 at 18% per annum at monthly rests to till the date of realization. I have been appointed as Arbitrator vide prods.Rc.No.420/2016/UB, Dated 09.5.2016 of the Deputy Registrar of Coop. Societies, Secunderabad.

The brief facts of the case are as follows:

- 1) The petitioner Bank submitted that the Defendant No.1 being a member has approached the bank requested for personal loan facility for an amount of Rs.2,00,000/-. Considering the request of the Defendant No.1, the Bank has sanctioned an amount of Rs.2,00,000/- on 25.03.2013 under loan account No.PL 1820. The defendant has executed the promissory note, Take delivery letter, Letter of waiver etc., in favour of the petitioner Bank for the due security of repayment of loan together with interest @ 18% p.a., with monthly rests.
- 2) The petitioner Bank submitted that the 2<sup>nd</sup> Defendant stood as guarantor and executed letter of guarantee where the defendant guaranteed the repayment and interest till the loan is liquidated.

3) The Petitioner Bank submitted that the Defendant No.1 after has not discharged the liability of the bank in regular instalments, The Bank requested defendant to liquidate the loan amount the efforts made by the bank have not resulted and gone in vain.

4) The petitioner Bank submitted that the bank caused issue of registered notice to the defendant 08.2.2016 calling upon to pay the outstanding amount together with interest.

The petitioner bank prayed to issue an award in favour of the bank and against the Defendants for Rs.2,91,950/- as on 31.03.2016 with future interest @ 18% per annum with monthly rests w.e.f. 01.04.2016 to till the date of realization of the entire amounts.

5) The petitioner Bank and the Defendants were summoned to appear before the Arbitrator on 13.06.2016 at 3.00 pm at office of the Deputy Registrar Coop. Societies, 1<sup>st</sup> floor Manoranjan complex, Ajantha Gate, Nampally, Hyderabad with regard to disposal of the Arbitration as per rules. The petitioner bank represented by its Manager called present, the summons served to the defendants through registered post ack. unclaimed and returned.

The undersigned has issued summons dated 13.06.2016 directing the defendants to attend the case 27.6.2016 at 3.00 pm at the address as shown above. The defendants namely Sri. Arshudoddin and Sri. Khaja Gulabnabi have acknowledged the receipt of the summons 26.5.2016 and 30.5.2016 respectively, but they failed to appear the case on the date fixed for the hearing.

6) The case is further posted for hearings on 08.08.2016, 30.8.2016, 26.09.2016, 17.10.2016, 21.11.2016, 19.12.2016, 23.01.2017, 09.02.2017, 02.03.2017, 10.04.2017, 04.05.2017 and finally on 06.07.2017. The defendants have not chosen to attend the case though fair and reasonable opportunities given for filing the counter and submit their explanations.

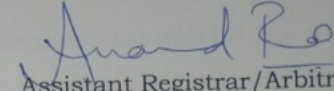
7) It is evident from the records of the petitioner Bank that the defendant No.1 has applied for sanction of personal loan for Rs.2,00,000/- on 12.3.2013 and the guarantor has submitted particulars of in the proforma. The principal barrower has submitted a letter of waiver, take delivery letter Memorandum of loan agreement, promissory note, General form of guarantee etc., dated 25.3.2013, in favour of the petitioner Bank and the Defendant No.2 stood as guarantor to the loan availed by the Defendant No.1.

8) The Bank has sanctioned an amount of Rs.2,00,000/- to the Defendant No.1 after fulfilling the pre-requisite documents in favour of the bank. The defaulter and the guarantor and committed default in payments to the petitioner bank by violating the terms of the agreement. The regular instalments could not be repaid by the borrower and guarantor as fixed by the bank.

9) It is evident from the documents submitted by the Bank that the defendant no.1 availed an amount of Rs.2,00,000/- on 25.03.2013 for which the Defendant No.2 stood as guarantor. The Defendants have failed to discharge the liability to the petitioner bank and committed default in repayment. The Defendant No.1 and 2 are set exparte even after reasonable opportunity is given.

10) The prayer of the petitioner bank is allowed for recovery of Rs.2,91,950/- as on 31.03.2016 from the defendants along with future interest w.e.f. 01.04.2016 @18% per annum to till the date of realization of the entire amounts. Both the Defendants are jointly and severally responsible for closure of entire due. The plaintiff bank is at liberty to proceed against the movable and immovable properties of the defendants 1 and 2 for realization of dues. The award is executable under section70 of the Telangana Cooperative Societies Act, 1964.

(GIVEN UNDER MY HAND AND SEAL THIS 10<sup>th</sup> DAY OF August 2017)

  
Assistant Registrar/Arbitrator  
Thirumalgiri mandal, Secunderabad.

To,

1. The General Manager  
The Catholic Cooperative Urban Bank Ltd.,  
Vani Nilayam ,50 Sebastian Road,Secundrabad.

1. Sri. Mohammed Arshadoddin,  
S/o Mohammed Ameen,  
H.No. 10-8, Hussainipura,  
Bommakal (V), Karimnagar.

2. Sri Khaja Gulam Nabi,  
S/o Osmanoddin,  
H.No. 6-2-815/1,  
Hussainipura, Karimnagar

Copy to Stock File.

List of the Documents referred:

- 1) Loan Application dated 12.3.2013
- 2) Sanction order
- 3) Promissory Note dated 25.03.2013
- 4) Statement of account from 25.03.2013 to 30.04.2016
- 5) General form of Guarantee 25.3.2013 and take Delivery letter.