O.P.No.567 of 2012

R.SUBRAMANIAN.J.,

The petitioner State Financial Corporation seeks an order determining the liability of the respondents at Rs.40,52,67,933/- and seeks a direction to the respondents to pay the said sum. The 1st respondent had borrowed a sum of Rs.75,00,000/- as term loan agreeing to pay interest at 23% per annum. Apart from the regular interest additional interest is also payable if interest is not paid in time. The respondents 2 to 5 who are Directors of the 1st respondent have also guaranteed repayment of the said sum. Since, the respondents did not pay the amounts due regularly the Corporation was forced to take over the immovable assets and sell the same. A sum of Rs.10,58,000/- which was realized by the sale of property has been credited to the account of respondents leaving a balance of Rs.58,51,000/- due and payable as on 31.03.2004. The petitioner issued a notice on 04.08.2011 demanding the said sum. The said notice was returned with the endorsement 'left'. The respondents were served by publication. Despite such service, they did not appear either in person or through counsel. Hence, they were set ex-parte. One Mr.P.Veera Raghavan has been examined as P.W.1. He has produced the letter authorizing him to deposit before this Court as Ex.P1. The terms and conditions of the loan, loan documents and

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guarantee deeds and the memorandum of deposit have been produced. They have been marked as Exs.P2 to P6. The copy of the notice with returned cover, has been marked as Ex.P7 and Ex.P8 series. The statement of account relating to the said account has been marked as Ex.P9. From the above evidence, it is found that the Corporation has established its claim and is entitled to an order as prayed for. Hence, this Original Petition is allowed with cost.

03.04.2019

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