IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Civil Revision No. : 62 of 2025
Reserved on : 03.09.2026
Decided on : 30.09.2026
Uploaded on : 30.09.2026

General Manager, State Bank of India ...Petitioner

Versus

M/s Purna Agencies Pvt. Ltd. ...Respondent

Coram

The Hon'ble Mr. Justice Virender Singh, Judge.

Whether approved for reporting?[1]

For the petitioner : Mr. Arvind Sharma Senior Advocate, with Ms. Kiran Sharma, Advocate.

For the respondent : None.

Virender Singh, Judge

Petitioner-General Manager, State Bank of India, has filed the present Civil Revision, under Section 115 of CPC, against the order dated 20.05.2025, passed by the Court of learned Additional District Judge, Nalagarh, District Solan, H.P. (hereinafter referred to as 'the trial Court'), in CMP No. 260 of 2024 in Civil Suit No. 18/2023, titled as "M/s Purna Agencies Vs The General Manager SBI".

[1] *Whether Reporters of local papers may be allowed to see the judgment? Yes.*

2. By way of order dated 20.05.2025, the learned trial Court has dismissed the application under Order 7 Rule 11 CPC, moved by the petitioner, in the above titled case.

3. For the sake of convenience, the parties to the present *lis,* are, hereinafter referred to, in the same manner, as were, referred to, by the learned trial Court.

4. Brief facts, leading to the filing of the present petition, as borne out from the record, may be summoned up, as under:-

4.1 Plaintiff-M/s Purna Agencies Pvt. Ltd., has filed the suit for damages, against the defendant, on the ground that the plaintiff was incorporated in the year 2005, with UDYAM vide Reg. No. UDYAM-HP-11-000768. Initially, the plant was set up for manufacturing tablets, capsules and other related items for Pharma units. In the year 2012, the management changed and Mr. Harshit Vij and Mrs. Raman Aggi took over the charge of plant and converted the plant into knitting cloth unit in the name of M/s Purna Agencies Pvt. Ltd. having its setup and manufacturing unit at Village Saini Majra, Tehsil Nalagarh, District Solan, H.P.

4.2 Thereafter, the plaintiff had availed working capital loan from defendant bank, to the tune of Rs. 2.40 Crores and Rs. 1.20 Crores, for importing new circular knitting machines with necessary accessories under EPCG scheme and to install new plant. After proper setup of new plant, machinery and other accessories plant came in operation in the year 2013 and started repayment of due interest and installment to bank.

4.3 It is the further case of the plaintiff that in the year 2016, as the cloth market had gone adverse, the plaintiff was not able to generate interest and installment and for that reason, loan slipped to Non Performing Assets, in the year 2018.

4.4 Thereafter, in the month of March, 2019, defendant had taken physical possession of property, which is consisting of the land measuring 09-11-00 bighas, along with plant, machinery and other accessories.

4.5 It is the further case of the plaintiff that in the month of August, 2019, there was heavy flood in the area of Nalagarh and due to the flood water, which had entered in the main plant, all the machines, installed there were damaged due to water logging. According to the plaintiff,

defendant had acted negligently and did not bother to safeguard the premises, machinery and other accessories of the plaintiff, at the spot. Even the plaintiff was not informed about the said damages.

4.6 It is the further case of the plaintiff that in the month of August, 2019, Rs. 25,00,000/- were paid by plaintiff as initial installment of One Time Settlement of loan account and defendant granted permission to go for inspection of assets in September, 2019. On inspection, plaintiff found that all machineries were badly damaged and in this regard, intimation was also given to the defendant, upon which, defendant bank advised plaintiff to lodge insurance claim. Consequently, the claim was lodged, with the Insurance Company, however, the Insurance Company wrongly passed the claim for Rs. 6,00,000/-, despite the fact that plaintiff requested to change the surveyor.

4.7 It is the further case of the plaintiff that under the One Time Settlement scheme, in the month of December, 2020, amount was paid, upon which, the defendant bank issued No Objection Certificate in favour of the plaintiff with the endorsement “Loan Account of M/s

Purna Agencies Pvt. Ltd. Has been closed on 18.12.2020, on receipt of amount. After payment of One Time Settlement, defendant handed over damaged flood water affected internal and external area of plant premises and jammed machineries. Due to the act of the defendant, plaintiff had suffered huge monetary loss, as the defendant had failed to protect the properties of the plaintiff. Thereafter, the plaintiff served a legal notice on 03.03.2023, and requested to pay the damages, which were caused by the defendant, but despite the receipt of notice, the said notice was not even replied.

4.8 On the basis of the above facts, the plaintiff has pleaded that the cause of action to file the present suit has arisen when due to the aforesaid act and conduct of the defendant, the plaintiff suffered monetary loss.

5. In the said suit, apart from filing the written statement, the defendant has moved an application under Order 7 Rule 11 CPC. The said application has been filed on the ground that the suit of the plaintiff may kindly be rejected, as the same is barred by limitation, as cause of action, according to the plaintiff accrued in the month of

August, 2019 and the suit has been filed beyond the period of limitation.

6. In addition to this, another ground upon which the plaint has been sought to be rejected that the plaint does not disclose any cause of action against the defendant.

7. This application has been contested by the plaintiff, by pleading that the suit of the plaintiff is within limitation and cause of action has accrued to the plaintiff to file the present suit, when due to the act and conduct of the defendant, the plaintiff suffered monetary losses to its property. According to the plaintiff, the damages were caused in the month of August, 2019 and thereafter, in September, 2019, when defendant permitted the plaintiff to inspect the damaged premises. In this regard, the plaintiff has also taken the shelter of decision of Hon'ble Apex Court, by pleading that from 15.03.2020, time was extended up to 28.02.2022.

8. Another ground has also been pleaded that the plaintiff has issued the legal notice on 03.03.2023, by requesting the defendant to pay the damages.

9. All these facts, have been pleaded to contend that the suit is within limitation.

10. The application has further been contested on the ground that after the payment of the entire amount in the month of December, 2020, the plaintiff has no liability towards the defendant bank, upon which, the bank has issued No Objection Certificate on 28.12.2020. The officials of the defendant had themselves admitted that on 31.12.2020, the plant and machinery handed over by the defendant bank was totally damaged.

11. According to the plaintiff, provisions of Section 17 of the SRFAESI Act, are not applicable in the suit as the civil rights of the plaintiff have been violated by the defendant, as such, according to them, the Civil Court has jurisdiction to entertain the present suit. Other contents have also been denied.

12. The learned trial Court, after considering the rival contentions, as raised in the application, has dismissed the application under Order 7 Rule 11 CPC.

13. The said order has been assailed by the defendant, by way of present petition, before this Court.

14. As per the application, under Order 7 Rule 11 CPC, suit is liable to be rejected, due to the fact that the suit is time barred and loan account of the plaintiff has been declared as NPA and proceedings under SRFAESI Act, has been initiated. As such, the plaintiff could have approached the DRT under the SRFAESI Act and the plaint does not disclose any cause of action. The learned trial Court has considered these facts and rejected the contentions, so raised, in the application.

15. At the time of deciding the application under Order 7 Rule 11 CPC, only the contents of the plaint and accompanying documents are to be considered, as held by the Hon'ble Supreme Court in a case titled as ***Eldeco Housing and Industries Ltd. Versus Ashok Vidyarthi & Ors., 2023 LiveLaw (SC) 1033***. Relevant para 26 of the judgment, is reproduced, as under:-

> *"26.* However, the fact remains that all the aforesaid documents, referred to by the respondent in support of his plea for rejection of the plaint, cannot be considered at this stage as these are not part of the record with the Court filed along with the plaint. This is the stand taken by the respondent-defendant in the application filed under Order VII Rule 11 C.P.C. As noticed above, no amount of evidence or merits of the controversy can be examined at the stage of decision of the application under Order VII Rule 11 C.P.C. Hence, in our view, the impugned order of the High Court passed in the Review Application deserves to be set aside. Ordered accordingly."

16. Similar view has again been taken by the Hon'ble Supreme Court, in a recent decision, reported in case titled as ***Karam Singh Versus Amarjit Singh & Ors., 2025 (4) Recent Civil Reports 747***, wherein, it has been held that the averments of the plaint without considering the defence are to be taken into consideration, while deciding the application under Order 7 Rule 11 CPC. Relevant para 15 of the judgment, is reproduced, as under:-

> *"15. Before we assess the correctness of the impugned orders, we must remind ourselves of the basic principles governing rejection of a plaint under Order 7 Rule 11 of CPC. Here, the defendants seek rejection of plaint under clause (d) of Rule 11 (i.e., suit barred by law). Clause (d) makes it clear that while considering rejection of the plaint thereunder only the averments made in the plaint and nothing else is to be considered to find out whether the suit is barred by law. At this stage, the defense is not to be considered. Thus, whether the suit is barred by any law or not is to be determined on the basis of averments made in the plaint.*
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> > *11. Rejection of plaint. - The plaint shall be rejected in the following cases:-*
> > *(a) where it does not disclose a cause of action;*
> > *(b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;*
> > *(c) where the relief claimed is properly valued, but the plaint is returned upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;*
> > *(d) where the suit appears from the statement in the plaint to be barred by any law;*
> > *(e) where it is not filed in duplicate;*

> *(f) where the plaintiff fails to comply with the provisions of rule 9:*
> *Provided that the time fixed by the Court for the correction of the valuation or supplying of the requisite stamp-paper shall not be extended unless the Court, for reasons to be recorded, is satisfied that the plaintiff was prevented by any cause of an exceptional nature form correcting the valuation or supplying the requisite stamp-paper, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause grave injustice to the plaintiff."*
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> *..Self emphasis supplied.*

17. Being guided by the above decisions, now this Court would proceed further, to determine as to whether the order passed by the learned trial Court, requires any interference, that too, in the limited jurisdiction, under Article 227 of the Constitution of India.

18. In the plaint, the plaintiff has pleaded the cause of action, as under:-

> *"11. That the cause of action for filing the present suit arose in favour of the plaintiff and against the defendant when due to aforesaid acts and conducts of defendant the plaintiff suffered monetary loss while property of plaintiff which includes building, plant and machinery which was in physical possession of defendant got damaged. The cause of action is still continuing."*

19. As per the averments, the possession of the subject matter of the lis, was taken by the defendant Bank in the month of March, 2019, and in the month of August, 2019, due to the heavy flood in the area, damage was caused to the machineries, installed at the spot, due to the

negligence of the Bank. When the plaintiff, in the month of August, 2019 has paid Rs. 25,00,000/-, as initial installment of One Time Settlement, then, he inspected the assets, in the month of September, 2019 and found that the machineries had been damaged badly. Thereafter, claim for damages was made with the Insurance Company, on the basis of the report, submitted by the Engineer, appointed by the plaintiff, whereas, the Insurance Company also deputed surveyor, who has assessed the damages for a sum of Rs. 6,00,000/- only. As per the stand taken by the plaintiff, he has made the request to the Insurance Company to change the surveyor, but instead of changing the surveyor, repudiated the claim, by issuing no claim letter, on 20.12.2020.

20. Meaning thereby, the intimation regarding the repudiation of the claim was received by the plaintiff on 20.12.2020 and if the facts and circumstances of the present case are seen in the light of the decision of Hon'ble Supreme Court in case titled as ***Babasaheb Ramdas Shirole Versus Rohit Enterprises, 2025 (4) Civil Court Cases 346***, in the considered opinion of this Court, when, the mixed question of law and facts are involved to

determine the question of limitation, which would be proved during the trial, the learned trial Court has rightly rejected the application under Order 7 Rule 11 CPC. Relevant paragraph 7 of the judgment, is reproduced, as under:-

> *"7. As regards the first aspect, it is well settled that limitation is a mixed question of law and fact and unless the same is patently and unequivocally clear, it cannot form a ground under Order VII Rule 11 of the CPC for non-suiting a plaintiff. In the case on hand, perusal of the plaint indicates that the plaintiffs claimed that the cause of action arose in October 2023, when defendant No. 1 started quarrelling with them for the first time, showing his true colors by trying to grab the suit properties and interfering with their peaceful possession over the same."*

21. It cannot be said that the suit of the plaintiff is based upon the multiple cause of action. The cause of action for filing the suit claiming the damages, to the considered opinion of this Court, arose, when the claim was repudiated by the Insurance Company. As per the averments, as advised by the defendant, plaintiff lodged the claim with the Insurance Company, which was ultimately repudiated on 20.12.2020.

22. In such situation, this Court is of the view that the suit for damages does not lie before the DRT. As such, the order passed by the learned trial Court rejecting the application under Order 7 Rule 11 CPC, does not require

any interference by this Court. Consequently, the petition is dismissed.

23. Any of the observations, made hereinabove, shall not be taken, as an expression of opinion, on the merits of the case, as these observations are confined, only to the disposal of the present petition.

24. Pending application(s), if any, shall also stand(s) disposed of.

25. Record be sent back, forthwith.

(Virender Singh)
Judge

30th September, 2026
(*Pramod Kumar*)