<u>IN THE COURT OF THE 4TH ADDITIONAL CIVIL JUDGE (SR. DIVN.), CUTTACK.</u>

PRESENT :

Ms. Lopamudra Prakash, B.A,LL.B.,
4th Additional Civil Judge,(Sr. Divn.),
Cuttack.

(J.O.CODE NO-OD- 00596)

<u>C.S.(III) No. 86 of 2020</u>

<u>Dated this the 11th day of March, 2026.</u>

A Body constituted under the State Bank of India Act, 1955 and having its Corporate Office at Madame Cama Road, Mumbai-21 and one of its Local Head Offices at 111/1 Pandit Jawaharlal Nehru Marg, Bhubaneswar, in the District of Khurda and one of its Branch office namely RASMEC Cuttack, At/Po. College Square, P.S. Malgodown, Dist.Cuttack, PIN 753003 represented by its Manager.

…. **Plaintiff.**

-Versus-

M/s. Shakti Prasad Medical Store,
Bhabesh Kumar Dash, aged about 47 years,
S/o. Bhagabat Dash,
At. Bahadulpatna, P.O. Bahugram,
P.S. Jagatpur, Cuttack- 754200.

…. **Defendant.**

Counsel for the plaintiff: Mr. N. Tripathy & associate Advocates.

Counsel for the defendant : Ex-Parte

Date of Argument : 10.03.2026

Date of Judgment : 11.03.2026

EX-PARTE JUDGMENT

1. This suit is filed by the plaintiff with the following prayers:-

I. To pass a decree against the defendant to pay a sum of Rs.2,32,707/- (Rupees Two Lakhs Thirty Two Thousand Seven Hundred Seven only) in favour of plaintiff with pendente lite and future interests at the rate of 13.5% per annum with quarterly rest in account from the date of filing of the suit till payment.

II. Costs of the suit are to be also decreed in favour of the plaintiff against the defendant.

2. The brief facts leading to institution of the present suit is that:

The State Bank of India is a statutory body constituted under the State Bank of India Act, 1955, having its Corporate Office at Madame Cama Road, Mumbai-21 and one of its Local Head Office at 111/1, Pandit Jawaharlal Nehru Marg, Bhubaneswar in the District of Khurda and one of its Branch Offices namely RASMEC, Cuttack, At/P.O.-College Square, P.S.-Malgodown, District–Cuttack-753003 represented by its Manager. Plaintiff is also exempted from the provisions of Orissa Money Lenders Act-1939. That in order to bestow focused attention on recovery of the bad loans (NPA Accounts), the Corporate Office of the Bank decided to set Stressed Assets Resolution Centres (hereinafter referred to as SARC) in various Cities of the country, one having been established in Cuttack on 17.06.2006. All the NPA Accounts (Problems loans) of various Branches of the State Bank of India operating in the Cuttack Municipal Corporation have been transferred to RASMEC, Cuttack and its Principal Officer the Asst. General Manager, as well as other officials have authorized to institute, defend all suits filed by and against the Bank concerning these loan accounts and to file affidavits and take all reasonable steps to recover these loans. This loan account originally sanctioned by the Bank's Jagatpur branch has been transferred to RASMEC, Cuttack and the Assistant General Manager of this Officer & other officials at RASMEC, Cuttack are authorized to file this suit.

The defendant on 29.09.2017 approached the Manager of the Plaintiff-Bank for financial accommodation for the purpose under Pradhan Mantri Mudra Yojana (PMMY). The Manager of the Plaintiff Bank after observing the status, financial stability and requirement of CC Loan under Pradhan Mantri Mudra Yojana (PMMY), allowed defendant to file loan application form for the sake of interest of the Bank on defendant. The defendant filed loan application to the tune of Rs.2,00,000/- (Rupees Two Lakhs only) for CC loan under Pradhan Mantri Mudra Yojana (PMMY). After appraisal of the said proposal, the plaintiff-Bank's

Jagatpur Branch sent the same to the plaintiff-Bank's SME Segment advances Cell and the said Cell after due appraisal by arrangement/sanction letter dated 25.10.2017 sanctioned a CC Loan of Rs.2,00,000/- (Rupees Two Lakhs only) with terms and conditions. The defendant accepted the terms and conditions of the sanction and returned the copy of sanction letter after putting their signatures in token of their acceptance. The defendant as per the terms and condition of the sanction executed the security documents on 25.10.2017. The defendant also executed Hypothecation agreement on 25.10.2017. The defendant in order to secure TL loan of Rs.2,00,000/- (Rupees Two Lakhs only) executed articles of agreement against pledge of movables stocks and agreeing therein to repay the loan outstanding including interest @ 10.75% on demand. The defendant acknowledged terms and conditions of the loan agreeing to repay loan outstanding of Rs.2,32,707/- (Rupees Two Lakhs Thirty Two Thousand Seven Hundred Seven only) along with interest 2.75% above PLR/SBAR/SBMTLR which is currently 8% (the current effective rate being @ 10.75%) with quarterly rest with other terms and conditions. The defendant failed to repay his E.M.I regularly which is contrary to the terms and conditions of the loan agreement. There were no deposits/repayments as agreed in the terms and conditions of the sanction letter. Hence as per the sanction letter, regular oral remedies and requests were intimated and made to the defendant stating the irregularities. The defendant did not pay any heed as a result of which a sum of Rs.2,32,707/- (Rupees Two Lakhs Thirty Two Thousand Seven Hundred Seven only) as on 18.02.2020 became due for repayment. Thus the account became and classified as Non-performing Asset (NPA). On 20.02.2020 lawyer's notice was sent for repayment of the outstanding dues. After getting no response from the defendant, the plaintiff has been constrained to file the suit for recovery of outstanding dues. Hence, this case.

3. The defendant did not appear in the suit and has been set ex-parte vide order dated 21.03.2025.

4. In order to establish the case of the plaintiff, the plaintiff has examined Rama Prasad Sahoo, Manager, R.A.S.M.E.C., S.B.I., Cuttack as P.W.1 and also exhibited certain documents which have been marked as Ext.1 to Ext.5.

FINDINGS

5. From perusal of evidence of P.W.1, it is found that the witness has corroborated the averments of the plaint to the fullest. The plaintiff has filed and proved the loan application dated 29.09.2017 vide Ext.1, Letter of Arrangement dated 25.10.2017 vide Ext.2, the agreement of Loan-cum-Hypothecation dated 25.10.2017 vide Ext.3, Office Copy of Advocate's Notice dated 20.02.2020 vide Ext.4, Postal Receipt vide Ext.4/a and Account statement of Account no. 37259728124 vide Ext.5.

On perusal of evidence of P.W.1 and the connected documents, it is found that the defendant as borrower vide Ext.1 had availed term loan of Rs.2,00,000/- (Rupees Two Lakhs only) from the plaintiff-bank for the purpose under Pradhan Mantri Mudra Yojana (PMMY) and that after availing the loan, the defendant defaulted in payment of installment and even after issuance of notice he remained silent. It is also found that a sum of Rs.2,32,707/- (Rupees Two Lakhs

Thirty Two Thousand Seven Hundred Seven) with interest only was outstanding. It is also found that the defendant had acknowledged his liability to pay the dues by signing agreement of Loan-Cum-Hypothecation marked as Ext.3**.** Ext.5 discloses that an outstanding due of Rs.2,32,707/- (Rupees Two Lakhs Thirty Two Thousand Seven Hundred Seven) only on the defendant towards plaintiff-bank.

Admittedly, in this case, the defendant had been set ex-parte for which the evidence of P.W.1 remains unchallenged. In view of the unchallenged testimony of P.W.1 coupled with documentary evidence relied on by him, this Court is of the opinion that plaintiff-bank established its case. Also there is valid cause of action on the part of the plaintiff-bank to file the present suit and the present suit is filed within the period of limitation for which it is entitled to get the reliefs as sought for.

6. With regard to the quantum of future interest applicable to the present case it is appropriate to refer to the Judgment rendered by the Hon'ble Apex Court of India in the case of **Central Bank of India Vrs.**

Ravindra reported in AIR (2001) SC 3095 (C.B.) in which it was held that "Award of interest pendente lite and post decree is discretionary with the court as it is essentially governed by section 34 of the C.P.C. In a given case if the court finds that if the principal sum adjudged on the date of the suit the component of interest is disproportionate with the component of the principal sum actually advanced, the court may exercise its discretion in awarding interest pendente lite and post decree interest at a lower rate or may even decline awarding such interest. The discretion shall be exercised fairly judiciously and for reasons and not in arbitrary or fanciful manner."

Keeping in view the ratio of the aforementioned judgment and section 34 of C.P.C, it would be expedient in the interest of justice to award pendente lite interest and future interest @ 6% per annum over the total sum adjudged. Hence it is ordered.

O R D E R

The suit be and same is decreed ex-parte against the defendant under the circumstances without any cost. The defendant is hereby held liable to pay a sum of

Rs.2,32,707/- (Rupees Two Lakhs Thirty Two Thousand Seven Hundred Seven) only with pendente lite and future interest @ 6% per annum to the plaintiff-bank. In case the defendant fails to make payment of the loan amount with the aforementioned interest within three months from the date of order, the plaintiff-bank is at liberty to realize the same through the process of law.

4th Additional Civil Judge,(Sr.Divn.)
Cuttack.

The judgment is transcribed to my dictation and corrected by me. The judgment is pronounced in the open Court today, this the 11th day of March, 2026 under my hand and seal of this court.

4th Additional Civil Judge,(Sr.Divn.)
Cuttack.

List of Witnesses for the Plaintiff:

P.W.1 : Ram Prasad Sahoo.

List of Witnesses for the Defendant:

None

<u>List of exhibits marked on behalf of the plaintiff :</u>

Ext.1 : Loan Application form dated 29.09.2017.

Ext.2 : Letter of Arrangement dated 25.10.2017 .

Ext.3 : Agreement of Loan-cum-Hypothecation dated 25.10.2017.

Ext.4 : Office copy of Advocate Notice dtd. 20.02.2020.

Ext.4/a: Postal Receipt.

Ext.5 : Account statement of A/c. bearing No.37259728124.

<u>List of exhibits marked on behalf of the Defendant:</u>

Nil

4th Additional Civil Judge,(Sr.Divn.)
Cuttack.