IN THE COURT OF THE SUBORDINATE JUDGE, SATHYAMANGALAM.

PRESENT: Tmt.N.Sharmila, B.A., B.L.,
Subordinate Judge,
Sathyamangalam.

Thursday, the 18th day of January 2024
(2054 Thiruvalluvarandu Sri Shobakiruthu varudam Thai Thingal 04th day)

O.S.No.371 of 2023

CNR.No.TNED050006522023

State Bank of India
Sathyamangalam Branch
represented by its
Branch Manager. ... Plaintiff

-Vs -

G.Anand … Defendant

This suit coming before me for final hearing on 13.12.2023 in the presence of Thiru.M.G.Shajkumar, Advocate for the plaintiff and for the defendant has not appeared before this court and called absent set exparte on 16.11.2023 and upon hearing the arguments on plaintiff side and having stood over for consideration till this day, this court delivered the following...

JUDGMENT

The Suit is filed by the plaintiff to pass a decree for the sum of Rs.9,59,158/- with future interest at the rate of 12% per annum on monthly rests from the date of suit till realization of the amount and award costs of the suit.

2. The averments of the plaint in brief:

The plaintiff bank is an Indian multinational, public sector banking and financial services statutory body. It is a central government corporation and a statutory body created under State Bank of India 1955 (Act 23 of 1955). The Plaintiff Bank's business is regulated by Reserve Bank of India and vested with various social and economic commitments. The investments for the Banking business were made by the Government of India and General public. The Government of India is carrying out it's socio economic policies through the plaintiff bank. The growth and development of the Agricultural and other Industrial sectors are mainly depending upon the financial services of the plaintiff bank. At the request of the defendant and on his application dated 15.04.2021 the Plaintiff bank had sanctioned a Xpress Term Loan of Rs.12,00,000/- to him on 15.04.2021. The defendant was facilitated to avail the Term Loan and advised to repay the amount in 72 Equated Monthly installments of Rs.22,903/-with 12% interest at the rate of the State Bank of India official advance rate. In consideration of advancing the above said Loan to the defendant, he had executed application form and other Loan Documents to the Plaintiff Bank on 15.04.2021. The defendant had misused the credit facilities granted to him and he had not routed the sale proceeds though the bank account. Hence an amount of Rs.9,59,158/- is outstanding due in the defendant's Term Loan Account No.40137043281 and as on 06.06.2023. The Plaintiff bank officials many-a-time visited the defendant and requested him to discharge the debt due. But, the defendant failed to repay the amount intentionally. Hence, the suit. The defendant is not entitled to the benefits of any debt relief act and the plaintiff is entitled to claim interest at the rate of the State Bank of India official rate, which is subject to changes from time to time as per directions from Reserve Bank of India. The suit is filed to enforce money. The suit is filed within 3 years from the date of sanction. Hence the suit is not barred by the Limitation Act. The Plaintiff submits that As per section 21(A) of The Banking Regulation Act-1949, the rates of interest charged by banking companies are not to be subject to scrutiny by courts. The transactions between a banking company and its debtor shall not be re-opened by any court on the ground that the rate of interest charged by its her banking company in respect of such transaction is excessive. The plaintiff submits that, as per section 79 of the Negotiable Instruments Act-1881 with interest at a specified rate is expressly made payable on a promissory note or bill of exchange, interest shall be calculated at the rate specified, on the amount of the principal money due thereon, from the date of the instrument, until tender or realization of such amount or until such date after the institution of a suit to recover such amount as the court directs the contractual rate of interest. Therefore the provisions of the banking regulation act -1949 and The Negotiable Instruments Act-1881 are statutes and they would supersede section 34 of Code of Civil procedure 1908. Hence the plaintiff is entitled to 11.9% compound rate of interest on quarterly rests from the date of suit, until the defendant tenders or realization of the entire decree amount.

3. The defendant has not appeared before this court and called absent set exparte on 16.11.2023.

4.Now the point for consideration:

1. Whether the plaintiff is entitled to get the relief as prayed for?

5. Evidences:

On the plaintiff side Thiru.S.Anandhakumar, Assistant Manager of the plaintiff Bank was examined as PW1 and Ex.A1 to Ex.A4 have been marked. The Defendant is set exparte in this suit.

6. Points.

6.1. Heard. Records perused and the case of the plaintiff is that, at the request of the defendants and on his application dated 15.04.2021 and the Plaintiff bank had sanctioned a Xpress Term Loan of Rs.12,00,000/- to him on 15.04.2021 and the defendant was facilitated to avail the Term Loan and advised to repay the amount in 72 Equated Monthly installments of Rs.22,903/-with 12% interest at the rate of the State Bank of India official advance rate and in consideration of advancing the above said Loan to the defendant, he had executed application form and other Loan Documents to the Plaintiff Bank on 15.04.2021 and the defendant had misused the credit facilities granted to him and he had not routed the sale proceeds though the bank account and hence an amount of Rs.9,59,158/- is outstanding due in the defendant's Term Loan Account No.40137043281 and as on 06.06.2023 and the

Plaintiff bank officials many-a-time visited the defendant and requested him discharge the debt due and but, the defendant failed to repay the amount intentionally and the defendant is not entitled to the benefits of any debt relief act and the plaintiff is entitled to claim interest at the rate of the State Bank of India official rate, which is subject to changes from time to time as per directions from Reserve Bank of India and the suit is filed to enforce money and the suit is filed within 3 years from the date of sanction and hence the suit is not barred by the Limitation Act and the Plaintiff submits that As per section 21(A) of The Banking Regulation Act-1949, the rates of interest charged by banking companies are not to be subject to scrutiny by courts and the transactions between a banking company and its debtor shall not be re-opened by any court on the ground that the rate of interest charged by its her banking company in respect of such transaction is excessive and the plaintiff submits that, as per section 79 of the Negotiable Instruments Act-1881 with interest at a specified rate is expressly made payable on a promissory note or bill of exchange, interest shall be calculated at the rate specified, on the amount of the principal money due thereon, from the date of the instrument, until tender or realization of such amount or until such date after the institution of a suit to recover such amount as the court directs the contractual rate of interest and therefore the provisions of the banking regulation act -1949 and The Negotiable Instruments Act- 1881 are statutes and they would supersede section 34 of Code of Civil procedure 1908 and hence the plaintiff is entitled to 11.9% compound rate of interest on quarterly rests from the date of suit, until the defendant tenders or realization of the entire decree amount.

6.2. To establish the case of the plaintiff, the Assistant Manager of Plaintiff Bank was examined as PW1 and Ex.A1 to Ex.A4 have been marked through the PW1. A careful perusal of the chief examination of PW1 it could be seen that the PW1 had reiterated the averments said out in the plaint.

6.3. In respect of the loan transaction, the PW1 Marked the following documents for his support. The loan application form given by the defendant is marked as Ex.A1. Letter of arrangement is marked as Ex.A2. Personal Loan Agreement is marked as Ex.A3. Statement of Account A/c No. 40137043281 is marked as Ex.A4. Considering that the plaintiff is the Bank and the documents is taken admissible in evidence as per the Bankers Book Evidence Act.

6.4. This Court has carefully perused the plaint, PW1's proof affidavit and Ex.A1 to A4. The plaintiff Bank sanctioned the above loan of Rs.12,00,000/- to the defendant on the basis of loan application of Ex.A1 and after the sanctioning the loan, the defendant has executed the necessary documents of Letter of arrangement, Personal loan agreement and on perusal of Ex.A2, Ex.A3 it could be seen that the defendant did not repay the loan as agreed by him. The Ex.A1 to Ex.A4 documents were cogently produced as per the section 101 of the Indian Evidence Act and substantiated the plaintiff 's claim.

6.5. Therefore this court opinion that, the evidence of PW1 and Ex.A1 to Ex.A4 documents were proved the loan transaction and the existing liability of the suit claim against the defendant.

6.6. In this case the defendant remained Ex-party and he has not appeared before this court and has not chosen to file any written statement refusing the allegation made in the plaint. There is no contra evidence on behalf of the defendant to reject the claim of the plaint. Considering the above facts and circumstance this court is of the considered opinion that the plaintiff has established the case with available oral and documentary evidence. Hence the Court finds no ground to disbelieve the testimony of plaintiff witness. In view of unbuttered and unchallenged oral and documentary evidence led by plaintiff deserves to be accepted on its face value. Hence, the plaintiff is entitled to get the decree as prayed for.

6.7. As per section 34 of the code of civil procedure, the court has discretion to order interest from the date of suit till the date of decree in case the decree is for payment of money.

7. In the result, the suit is decreed. The plaintiff is entitled to recover the suit amount of Rs.9,59,158/- along with future interest at the rate of 9% per annum from the date of suit till the date of decree thereafter 6% per annum till realization from the defendant with cost.

Dictated to the Steno typist and typed by her in Computer, printed, corrected and pronounced by me in open court on this the 18th day of January 2024.

(Sd/- N.SHARMILA)
Subordinate Judge,
Sathyamangalam.

Plaintiff side witnesses:

P.W.1. Thiru.S.Ananthakumar

Plaintiff side Exhibits

Ex.A1	15.04.2021	Loan Application form of the defendant	Original
Ex.A2	15.04.2021	Letter of arrangement	Original
Ex.A3	15.04.2021	Personal Loan Agreement	Original
Ex.A4	06.06.2023	Statement of Account.A/c. 40137043281	Certified copy

Defendant side witnesses and documents:- NIL

(Sd/- N.SHARMILA)
Subordinate Judge,
Sathyamangalam.