IN THE COURT OF THE SUBORDINATE JUDGE, SATHYAMANGALAM.

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

Thursday, the 20th day of March 2025
(2055 Thiruvalluvarandu Kurothy varudam Panguni Thingal 06th day)

O.S.No.145 of 2024

CNR No.TNED050003982024

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

-Vs -

1. B.Dhayanandhan
2. K.R.Balasubramaniam ...Defendants

This suit was came up for final hearing before me on 20.03.2025 in the presence of Thiru.M.G.Shajukumar, Advocate for the plaintiff and the defendants have not appeared before this court and called set exparte on 01.10.2024 and upon hearing the arguments on plaintiff side and having stood over for consideration till this day, this court delivering the following...

JUDGMENT

The Suit is filed by the plaintiff to pass a decree against the defendants jointly and severally for the sum of Rs.8,15,965/- with future interest at the rate of 12% per annum on monthly rests from the date of suit till realization of the amount, 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 Act 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. The 1st defendant is the 2nd defendant's Son. At the request of the defendants and on their application dated 10.08.2011 the plaintiff bank had sanctioned an Educational Term Loan of Rs.3,30,000/- to them. The defendants had availed the Educational Term Loan on 10.12.2011. The loan would be repayable in 60 equated monthly installments and the repayment will commence one year after the course period of 48 months commencing from the date of the student getting the job, whichever is earlier with interest at the rate of the State Bank of India official advance rate. In consideration of advancing the above said Loans to the defendants, they had given application form and executed other loan documents to the Plaintiff Bank on 10.12.2011. The loan application given by the defendants and other connected available documents are produced before this honorable court. Subsequently the defendants had acknowledged their liability and executed Revival Letters on 09.08.2014, 03.08.2017, 18.07.2019 and on 06.07.2021. The Revival Letter are also produced before this honorable court. The defendants had misused the credit facilities granted to them and they had not routed the sale proceeds though the bank account. Hence an amount of Rs.8,15,965/- is outstanding due in the defendant's Educational Term Loan Account No.32035505346 as on 02.04.2024. The account statements are detailed in the certified copy of the concerned loan ledgers maintained in the banker's book and the same are appended along with the plaint, which may be treated as part and parcel of this plaint. The plaintiff bank officials many-a-time visited the defendants and requested them to discharge the debts due. But the defendants failed to repay the amount intentionally. Hence the suit. The defendants are 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 defendants had acknowledged their liability and executed Revival Letters on 09.08.2014, 03.08.2017, 18.07.2019 and on 06.07.2021. Hence the suit is not barred by Limitation. 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 the banking company in respect of such transaction is excessive. The plaintiff submits that, as per section 79 of The Negotiable Instruments Act-1881 when 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 13% compound rate of interest on monthly rests from the date of suit, until the defendant tenders or realization of the entire decree amount.

3. The defendant is called set exparte on 01.10.2024.

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 Tmt.Umamaheswari, Deputy Manager of the plaintiff Bank was examined as PW1 and Ex.A1 to Ex.A9 have been marked. The Defendants was called set exparte in this suit.

6. Points.

6.1. Heard. Records perused. The case of the plaintiff is that, at the request of the defendants and on their application dated 10.08.2011 the plaintiff bank had sanctioned an Educational Term Loan of Rs.3,30,000/- to them and the defendants had availed the Educational Term Loan on 10.12.2011 and the loan would be repayable in 60 equated monthly installments and the repayment will commence one year after the course period of 48 months commencing from the date of the student getting the job, whichever is earlier with interest at the rate of the State Bank of India official advance rate and in consideration of advancing the above said Loans to the defendants, they had given application form and executed other loan documents to the Plaintiff Bank on 10.12.2011 and the loan application given by the defendants and other connected available documents are produced before this honorable court and subsequently the defendants had acknowledged their liability and executed Revival Letters on 09.08.2014, 03.08.2017, 18.07.2019 and on 06.07.2021 and the Revival Letter are also produced before this honorable court and the defendants had misused the credit facilities granted to them and they had not routed the sale proceeds though the bank account. and hence an amount of Rs.8,15,965/- is outstanding due in the defendant's Educational Term Loan Account No.32035505346 as on 02.04.2024 and the account statements are detailed in the certified copy of the concerned loan ledgers maintained in the banker's book and the same are appended along with the plaint, which may be treated as part and parcel of this plaint and the plaintiff bank officials many-a-time visited the defendants and requested them to discharge the debts due and but the defendants failed to repay the amount intentionally and the defendants are 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 defendants had acknowledged their liability and executed Revival Letters on 09.08.2014, 03.08.2017, 18.07.2019 and on 06.07.2021 and hence the suit is not barred by

Limitation 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 an 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 the banking company in respect of such transaction is excessive and the plaintiff submits that, as per section 79 of The Negotiable Instruments Act-1881 when 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 13% compound rate of interest on monthly 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 Deputy Manager of Plaintiff Bank was examined as PW1 and Ex.A1 to Ex.A9 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 set out in the plaint.

6.3. In respect of the loan transaction, the PW1 Marked the following documents for his support. Application form given by the defendants were marked as Ex.A1. Letter of arrangement was marked as Ex.A2. Hypothecation agreement executed by the defendant was marked as Ex.A3. Revival Letter executed by the defendant was marked as Ex.A4. Revival Letter executed by the defendant was marked as Ex.A5. Revival Letter executed by the defendant was marked as Ex.A6. Revival Letter executed by the defendant was marked as Ex.A7. Statement of Account was marked as Ex.A8. Voter ID of the 2nd defendant was marked as Ex.A9. Considering that the plaintiff is the Bank, the documents is taken admissible in evidence as per the Bankers Book Evidence Act.

6.4. This Court carefully perused the plaint, PW1's proof affidavit and Ex.A1 to A9. The plaintiff Bank sanctioned the above loan of Rs.3,30,000/- to the defendants on the basis of application form for Education Term loan of Ex.A1 and after the sanctioning the loan, the defendants have executed the necessary documents of Letter of arrangement, Revival letters executed by the defendants and on perusal of Ex.A8 it could be seen that the defendants did not repay the loan as agreed by them. The Ex.A1 to Ex.A9 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.A9 documents were proved the loan transaction and the existing liability of the suit claim against the defendants.

6.6. In this case the defendants remained Ex-party and they have not appeared before this court and have not chosen to file any written statement refusing the allegation made in the plaint. There is no contra evidence on behalf of the defendants to reject the claim of the plaintiff. 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 with cost. The plaintiff is entitled to recover the suit amount of Rs.8,15,965/- 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 to the principal amount from the defendants.

Dictated to the Steno typist and typed by her in Computer, printed, corrected and pronounced by me in open court on this the 20th day of March 2025.

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

Plaintiff 's side witnesses:

P.W.1. Tmt. Umamaheswari

Plaintiff 's side Exhibits

Ex.A1	10.08.2011	Application Form given by the defendants	Original
Ex.A2	10.12.2011	Letter of arrangement	Original
Ex.A3	10.12.2011	Hypothecation agreement executed by the defendants	Original
Ex.A4	09.08.2014	Revival letter executed by the defendant	Original
Ex.A5	03.08.2017	Revival letter executed by the defendant	Original
Ex.A6	18.07.2019	Revival letter executed by the defendant	Original
Ex.A7	06.07.2021	Revival letter executed by the defendant	Original
Ex.A8	02.04.2024	Statement of Account	Certified Copy
Ex.A9	----	Voter ID of the 2nd defendant	Self-Attested

Defendant side witnesses and documents:- **NIL**

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