**E- file**
MHSN020014692024

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| Received on | : | 20/04/2024 |
| Registered on | : | 20/04/2024 |
| Decided on | : | 31/07/2026 |
| Duration | : | 02 Yrs. 03 Ms.11Ds. |
| | | **Exh.No.10** |

**IN THE COURT OF III$^{rd}$ JOINT CIVIL JUDGE SENIOR DIVISION, SANGLI.**
(Presided over by Pravin A. Jagdale)

**SUMMARY CIVIL SUIT NO.40/2024**

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| UNION BANK OF INDIA<br>Branch at – Civil Hospital, Sangli.<br>Tal.Miraj Dist.Sangli<br>Through Branch Manager<br>Shri.Mahesh Bhanudas Jadhav<br>Age – 38 yrs., Occ. Service.<br>C/o. Union Bank of India,534,<br>Civil Hospital Road, Sangli. | **Plaintiff** |
| **VERSUS** | |
| Swapnil Ashok Pawar<br>Age – 38 yrs., Occ. Business.<br>R/o. Vijaya Apartment, Block No.15/15<br>Willingdon College, Sangli,<br>Tal.Miraj Dist.Sangli. | **Defendant** |

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Shri.L.D.Dindore – Learned Advocate for Plaintiff.
Ex-parte against Defendant.

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**JUDGMENT**
(Delivered on 31/07/2026)

This is a summary suit filed under Order XXXVII of Code of Civil Procedure, 1908 for recovery of Rs.1,73,000/-.

**Brief facts of the case :-**

(2). The plaintiff-bank is registered under Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its registered office at 239, Vidhan Bhavan Marg, Nariman Point, Mumbai. It has a branch at Civil Hospital, Sangli Tal.Miraj Dist.Sangli. The defendant on 03/09/2019 approached plaintiff-bank for having a business loan of Rs.2,00,000/-. The plaintiff bank on considering the application and documents of the defendant, on 04.09.2019 sanctioned a loan of Rs.1,95,000/-. The defendant executed the necessary documents for securing the loan such as promissory note, hypothecation agreement, letter of continuity and balance confirmation letter. The defendant agreed to pay rate of interest 09.25% per annum at that time with monthly rest or such other rate as bank may prescribed from time to time upon interest rate with monthly rests for value received and penal charges at the rate of 2%, if the installments are not paid in time. The defendant no.1 became defaulter and was unable to repay the loan installments in time. Therefore, the loan account of the defendant on 14.03.2024 become non performing asset (N.P.A). The plaintiff-bank issued notice on 22.11.2023 and called upon the defendants to repay the loan amount, but the same was not complied with. Hence, the plaintiff/bank is constrained to file the present suit.

(3). The defendant is duly served with summons as per Order XXXVII Rule 2(2) through "N" Step on dated 08/07/2024. The photocopy of the same is uploaded in CIS. The defendant in spite of the same failed to cause any appearance. Therefore, the matter came to proceed exparte further under Order XXXVII Rule 2(3) of Code of Civil Procedure, 1908. Furthermore, Rule 20 of Order XXXVII of CPC plaintiff is entitled for judgment.

(4). Heard learned advocate for the plaintiff at length. He has filed written notes of argument. None present on behalf of the defendant.

(5). considering the contentions mentioned in the plaint, the following points arise for determination, to which findings are given along-with suitable reasoning thereto:

| Sr.No. | POINTS | FINDINGS |
|---|---|---|
| 1. | Whether the plaintiff-bank is entitled to recover amount of Rs.1,73,000/- from the defendant along-with interest at the rate of 09.25 % p.a. and also penal interest 2% p.a as prayed for? | Partly in the affirmative Rs.1,66,164.13/- |
| 2. | What order and decree ? | Suit is partly decreed. |

## R E A S O N S

**AS TO POINT NO.1 & 2 :-**

(6). The summary suit is maintainable being filed on the basis of written contract (loan agreement) along-with the promissory note and Debit Balance Confirmation. The plaintiff-bank, in support of it's contentions, filed copy of power of attorney issued by plaintiff-bank dated 29/01/2016 at Exh.3/1, copy of loan application dated 03/09/2019 at Exh.3/2, copy of loan sanction letter at Exh.3/3, copy of account extract before N.P.A. along-with 65-B certificate at Exh.3/4, copy of Demand Promissory Note at Exh.3/5, copy of Hypothecation Agreement at Exh.3/6, copy of letter of continuity at Exh.3/7, Copy of debit Balance Confirmation as on 25/11/2022 at Exh. 3/8. Copy of notice dated 25.11.2023 (Ex.3/9), acknowledgment card (Ex.3/10) and statement of account (from 02.11.2023 to 14.03.2024) Ex.3/11 along with certificate u/s 65B of Evidence Act, 1872.

(7). Learned advocate for plaintiff Bank relying upon Sub-rule 3 of Rule 2 of Order 37 of Code of Civil Procedure argued that, as defendants failed to enter an appearance, the allegations and the contentions made in the plaint shall be deemed to be admitted and plaintiff Bank, therefore, entitled to a decree for sum mentioned in the plaint/summons with interest and costs.

(8). The relationship between plaintiff and defendant as lender and borrower, is not disputed. Similarly, it is also not disputed that, defendant had taken a loan of Rs.1,95,000/- from plaintiff/bank. In support of the said loan account, the defendant had executed certain documents i.e. Exh.3/2 to Exh.3/8 in favour of plaintiff/bank. On the perusal of all these documents, it is established that, the defendant had taken a loan of Rs.1,95,000/- on dated 03.09.2019. The defendant failed to repay the loan amount by installments and the account become Non-Performing Asset (NPA) on 02.11.2023.

(9). It is important to note that, there is no law mandating that a plaintiff must issue a demand notice before instituting a suit for recovery of money. In this respect reliance can be placed upon the judgment of Honourable Gujarat High Court in the case of **Jay Ambe Insdustries Propritor Shri Dineshkumar Bajranglal Bajranglal Somani Vs. Granet Specialty Paper Ltd- Gujarat** (2022) 01 GUJ CK 0013. In the case at hand the defendant executed Debit Balance Confirmation on 25/11/2022 and the suit is field on 20/04/2024 which is within limitation. The plaintiff was therefore not bound to issue demand notice before institution of the suit.

(10). The aforesaid documents clearly goes to show that, the defendant had taken a loan of Rs.1,95,000/- from plaintiff/bank and was not able to repay the same. The statement of loan account bearing no.470706440000013 supported with certificate under Section 65-B Indian Evidence Act, 1872, ranging from 04-09-2019 to 13-03-2024 is filed at Exh.3/4. Those documents clearly establish that, the defendant is liable to pay the outstanding amount with interest as agreed to the plaintiff. The entire evidence of the plaintiff remained unchallenged.

(11). On the basis of the documents on record and an affidavit appended with the plaint and failure of defendant to enter an appearance, plaintiff Bank is entitled for the decree on admission. No reason appearing to deny the suit claim summarily.

(12). Ld. Advocate for the plaintiff argued that as on the date of the suit Rs. 1,66,164.13/- was due for the defendant, on 29.02.2024, when the account was classified as NPA. Hence, the further interest was applied and its separate account has been maintained by the plaintiff/bank, as per the Guidelines of the RBI. Hence, Exh.3/11 supports the statement of the plaintiff in this regard. However, the other charges which are stated in the paragraph No. 10 of the plaint is not supported by any documentary evidence or its details are not given in the plaint and evidence. Hence, Rs. 6,835.87/- is not granted to the plaintiff. Hence, the plaintiff is entitled to recover the amount of Rs.1,66,164.13/-.

(13). Ld. Advocate for the plaintiff states that as on today, the interest is 8.70% p.a and considering the additional 2% penal interest, the effective interest is applied as Rs.9.60% per anuum. In view of clause 8(a) of Hypothecation (Good) Agreement Ex.3/6 submission is accepted. Even, this rate is more than constructed rate but within rate after application of 2% penal interest.

(14). Plaintiff has claimed an interest at rate of ₹9.25% per annum with 2% penal interest on default to repay the amount of the loan. However, the plaintiff has not stated what was the rate of interest at the time of filing the suit and on the date when the suit is filed in the Court. As per clause No.8A of the agreement(Exh.3/6), the plaintiff is entitled to vary the rate of interest as per directions issued by the Reserve Bank of India as well as Central Government. However, at the time of presentation of the suit or till he applied interest upon the debt, what was the rate of interest is not stated by the plaintiff in his Plaint. Ld. advocate for the plaintiff in course of argument, as well as, in a written argument submits that the rate of interest as on today is 8.70% per annum plaintiff bank was entitled to apply 2% additional interest on default therefore now the rate of interest is 9.60% per annum.

(15). At this juncture, I have gone through the provision of section 34 of CPC. This provision confers discretionary power upon the court to award interest during pending the litigation as well as post decree interest. In present case, the plaintiff is a nationalised bank. Therefore, it is bound to apply the rate of interest as per directions issued by the Reserve Bank of India. Hence, the submission of learned advocate for the plaintiff as to rate of interest can be considered. Furthermore, it is as per the rate which is mentioned in the agreement executed between the parties. Even the statement of account, on which plaintiff is relied upon, has not shown the rate of interest and therefore, at this juncture, the interest communicated by the Ld. advocate for the plaintiff is considered.

(16). It was the duty of the plaintiff to state the rate of interest on which he closed the account and present the suit in a court. However, that fact has not been stated and therefore, at this juncture, the rate of interest informed by Ld. advocate for the plaintiff is considered and accordingly I answer that plaintiff is entitled to recover the sum ₹1,66,164.13/- at the rate of 9.60% per annum from the date of filing the suit till it's a realization.

(17). Thus, plaintiff Bank succeeded in proving that, the amount under the loan receipt is recoverable and defendant failed to repay the same. Thus, plaintiff Bank is entitled for the decree, as prayed for. Consequently, Therefore, I answer the point No. 1 partly in affirmative and accordingly and in answer to point No.2, I proceed to pass following order.

## ORDER

(1). The suit is partly decreed with costs.

(2). Defendant do pay an amount of Rs.1,66,164.13/- (One Lakh Sixty-six Thousand One Hundred Sixty-four and thirteen paise only) with interest @ 9.60 % per annum to the plaintiff/bank from the date of the suit till its actual realization with costs.

(3). Decree be drawn up accordingly.

PRAVIN ARJUN JAGDALE Digitally signed by PRAVIN ARJUN JAGDALE Date: 2026.08.01 17:24:34 +0530

Sangli (Pravin A. Jagdale)
Date:-31/07/2026. 3rd Jt. Civil Judge Sr. Dn., Sangli.

## CERTIFICATE

I affirm that, the contents of this P.D.F. file are same, word to word as per the original Judgment.

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| Name of Stenographer | : | Swati V. Kadam |
| Court | : | 3rd Jt. Civil Judge Sr.Dn., Sangli |
| Date | : | 31.07.2026 |
| Judgment signed by the Presiding Officer on | : | 01.08.2026 |
| Judgment uploaded on | : | 01.08.2026 |