

KADG010046142022



Presented on : 05-12-2022

Registered on : 05-12-2022

Decided on : 28-03-2026

Duration : 03years, 03months, 23days.

**IN THE COURT OF
PRL DISTRICT AND SESSIONS JUDGE DAVANGERE AT
DAVANGERE,**

Presided Over by SMT. VELA D.K.

Com.O.S./100/2022

Plaintiff : -

STATE BANK OF INDIA, A Corporation incorporated under the State Bank of India Act, 1955, having its Central Office at Madam Cama Road, Nariman Point, Bombay, a Local Head Office at No.65, St., Marks Bangalore and also amongst its several branches one at P.B, Road, Harihara, represented by its Chief Manager Sri. P.H, Krishna Kishor S/o P. Sathyanarayana, Aged 42 years, R/o Davanagere.

Mail ID: sbi4011@sbi.co.in-

VERSUS

Defendant/s: -

Smt. Ayesha Banu Abdul Khayum A
W/o Abdul Khayum, Aged about : 44 years
R/o D.No. 375/3, Jubliwell Road, Davanagere

Plaintiff By: Sri. V.R.K., Advocate,

Defendant By: Sri. M.R.C., Advocate.

Date of institution of the Suit :	05.12.2022		
Nature of the suit (suit on pronote, suit for declaration and possession suit for injunction, etc) :	Money suit		
Date of commencement of recording of evidence:	22.10.2025		
Date on which the Judgment was pronounced:	28.03.2026		
Total duration	Year/s 03	Month/s 03	Day/s 23

**Principal District & Sessions Judge,
Davanagere.**

JUDGMENT

1. The plaintiff-bank has filed this suit against the defendant for recovery of ₹.4,04,232/- with interest at the rate of 12.70% per annum compounded monthly rests, till the date of realisation.

2. The brief facts of the case : -

That on 19.12.2017 the defendant had approached them for loan of Rs.4,90,000/- for her business purpose. The loan was sanctioned under MC-TL SBF to the defendant who had executed the necessary documents on 20.12.2017. In this regard, the defendant had executed Hypothecation agreement and related documents. The defendant had agreed to repay the loan in 53 equal monthly instalments of Rs.12,025/- commencing from 20.06.2018 on interest at Rs.10.70% per annum to be compounded monthly. After execution of the documents consisting of letter of agreement and loan-cum-Hypothecation agreement, plaintiff bank sanctioned loan to the defendant vide account No.37371696067 and the loan amount was used for business purpose. There were some periodical repayments but the defendant had not reimbursed the loan as agreed. The defendant had not adhered to the repayment schedule and had become defaulter. The rate of interest was enhanced to 12.07% p.a. The defendant had failed to repay the amount due and hence on 23.04.2020 the defendant had executed revival letter by accepting the liability and sought for recovery of loan. Once there has been defaulting account, it will be classified as NPA and the interest will not be charged on the account. But the liability to pay interest remains. Since the account of the defendant was classified as NPA on 31.03.2021, the rate of interest was

enhanced to 12.70% p.a. compounded monthly. As on the date of filing of the suit, amount due has been Rs.4,04,231.91 and redounded off to Rs.4,04,232/-. The plaintiff bank had initiated to take steps to recover the said loan amount from the defendant availed for the business purpose and moved an application under Section 12(1)(c) of the Commercial Courts Act 2015 before the District Legal Services Authority, which was numbered as PIMS No.63/2022. The said matter was closed as the defendant had not come forward to settle the matter and hence, the plaintiff has been constrained to file the above suit.

3. In the Written Statement the defendant has contended that, on executing necessary documents, recovery of loan commenced from 20.06.2018. The specific contention of the defendant has been that the plaintiff bank to have created a letter of arrangement and loan-cum-hypothecation agreement to have taken signature of the defendant on some blank documents while sanctioning the loan, without the consent of the defendant. Signatures of the defendant on the blank papers are said to have been taken and used for the purpose of the above suit. On account of CORONA, in the year 2019 there was said to be loss in the business of the defendant and that is said to be closed and the defendant said to have become unemployed, balance loan amount in the account of the defendant was Rs.1,41,489/-and that the suit to be barred by

limitation. Hence, the defendants by denying the other averments in the plaint has sought for dismissal of the suit.

4. My predecessor-in-office had framed the following issues :-

I S S U E S

1. Whether the defendant proves that the plaintiff bank while executing the loan documents, took or signatures on so many blank papers ?
2. Whether the suit is barred by limitation ?
3. Whether plaintiff-bank is entitled for the suit claim?
4. What order or decree?

5. In order to prove its case the plaintiff bank got examined its Manager as PW.1 and identified the documents as Ex.P.1 to 5. Thereafter my predecessor in office has discarded the evidence of PW.1 on 22.10.2024. Thereafter, the affidavit for chief examination of another Manager of the plaintiff bank was filed as PW.2 and Ex.P.1 to 5 were identified and got marked. The defendant has not adduced any evidence in the present case.

6. The findings on the above points are as under :-

Point No.1 : In the Negative,

Point No.2 : In the Negative

Point No.3 : In the Affirmative,

Point No.4 : As per final order for the

following,

7. Heard arguments.

8. The findings on the above issues are as under :-

Issue No.1: In the Negative,

Issue No.2: In the Negative,

Issue No.3: In the Affirmative,

Issue No.4: As per final order
for the following :-

REASONS.

9. **Issues No.1** : - It is the case of the plaintiff bank that, the defendant had obtained loan of Rs.4,90,000/- from the plaintiff bank on executing the documents viz., loan arrangement, loan-cum-hypothecation agreement dated 20.12.2017. The loan was said to be in the product No.MC-TL SBF under the loan account bearing No.37371696067. On account of default in the repayment of the loan amount, it was classified as NPA on 31.03.2021 with the liability to pay the ongoing interest. The defendant had failed to

repay the due amount and interest the rate of liable to be paid by the defendant is 12.70 p.a. compounded monthly. Even though the defendant in the written statement has admitted about the sanction of the loan by the plaintiff bank, the specific contention taken up has been that there were signatures of the defendant obtained on the certain blank papers and said documents have been used by the plaintiff bank to file the above suit. In order to establish this aspect, firstly the defendant has not adduced any evidence before the court. In spite of the evidence adduced by the Manager of the plaintiff bank as per PW.2, said witness has not been cross examined by the defendant in the present case. The proceedings in the present case, go to show that the affidavit for chief-examination by the plaintiff bank Manager as per PW.2 was filed on 11.12.2025 and thereafter the matter was posted for cross-examination of PW.1. There was no cross examination of PW.1 and examination of defendant was taken as nil vide order dated 03.03.2026. Sufficient opportunity has been provided to the defendant to establish their contention as contended in the written statement, but the defendant has not chosen to cross examine the PW.1 nor the defendant got examined. Such being the case, there is lack of evidence before the court. Hence this issue is answered in the Negative.

10. Issue No.2: The date of sanction of loan is 19.12.2017 and the EMI commenced from 20.06.2018 and further the loan account of the plaintiff was classified as NPA on 31.03.2021. The suit has

been filed within 3 years from 20.12.2017 as per the averments made in the plaint. The defendant had executed letter of revival dated 23.04.2020. On 31.03.2021 loan was classified as NPA, application for settlement was filed before DLSA on 06.09.2022 and that the application came to be closed on 17.12.2022. The above suit has been filed on 01.12.2022. The revival letter has been produced before the court as per Ex.P.3 and the signature of the defendant has been marked as Ex.P.3(a) and this is dated 23.04.2020, which is within 3 years from the date of the sanction of the loan on 20.12.2017. Thereafter the proceedings have taken place before the DLSA and non-starter has been issued on 17.10.2022. Hence, the contention of the defendant that the suit is barred by limitation cannot be accepted and does not survive for consideration. There are no documents produced that are contravened to the documents produced by the plaintiff. Hence as discussed above, this issue is answered in the Negative.

11. Issue No.3 : The defendant has admitted for having borrowed the loan of Rs.4,90,000/- and execution of the documents on 20.12.2017. In this regard, the plaintiff bank has produced letter of arrangement at Ex.P.1, agreement of loan-cum-hypothecation marked at Ex.P.2, revival letter Ex.P.3, statement of accounts of the loan account of defendant as Ex.P.4 and closure balance of the account computer print out as per Ex.P.5. Thus it means that the PW.2 has in terms of the averments of the plaint produced the documents at Ex.P.1 to 5. This evidence of PW.2 has remained

unchallenged in the present case. Further, the defendant has not stepped into witness box to prove any of the averments made in the against the plaintiff bank. As per plaint the amount due by the defendant as on 26.11.2022 has been as follows :

Sl. No.	Details	Amount in Rs.
a	Amount due as on 26.11.2022 as per closure balance sheet	327506..19
b	Accrued interest up to 26.11.2022(As per closure balance sheet)	73859..00
c	Accrued penalty internet up to 26.11.2022	366..00
e	Miscellaneous + DLSA Charges	2,500..00
	Total	404232.91

12. In the absence of any documents contraverting the averments of the plaint as well as the documents the plaintiff is entitled to the relief sought for. The rate of interest has been clearly rate din Ex.P.1, to be 2.75% p.a. margin above. The present rate of interest i.e., 10.70% p.a. calculated at monthly rests. Hence there is supporting documents about rate of interest and that has not been controverted in the present case in any manner. Hence, this issue is answered in the Affi rnative.

13. Issue No.4 : In view of the reasons on Points No.1 to 3, I proceed to pass the following :

ORDER

The suit of the plaintiff-bank is decreed with costs.

The plaintiff-bank is entitled for recovery of suit claim of ₹.4,04,232 (Rupees Four Lakhs Four Thousand Two Hundred and Thirty Two only) from the defendant with current and future interest at the rate of 12.70% p.a. compounded monthly from the date of suit till the date of realization.

Draw decree accordingly.

(Dictated to the Stenographer, computerised by her, transcript corrected, revised, signed and then pronounced in the Open Court dated this the 28th day of March, 2026)

(VELA.D.K)
Prl., District & Sessions Judge,
Davangere.

ANNEXURE

LIST OF WITNESSES EXAMINED FOR PLAINTIFF:-

- PW-1: Prasanna Kumar, Manager, SBI Harihar
PW-2: Shivaraj Palathy S/o Palathya Chandra Naik

LIST OF DOCUMENTS MARKED FOR PLAINTIFF:-

- Ex.P1 : Letter of Arrangement,
Ex.P1(a) : Signature of defendant
Ex.P.2 : Loan-cum-hypothecation agreement
Ex.P.2(a) : Signature of defendant
Ex.P.3 : Revival letter
Ex.P.3(a) : Signature of defendant
Ex.P.4 : Account extract
Ex.P.5 : Closure Balance

LIST OF WITNESSES EXAMINED FOR DEFENDAN -

-Nil-

LIST OF DOCUMENTS MARKED FOR DEFENDANT -

-Nil -

**Prl.,District & Sessions Judge,
Davangere.**