Presented on : 05-02-2024
Registered on : 06-02-2024
Decided on : 03-08-2026
Duration: 2 years 5 months 28 days.

IN THE COURT OF SENIOR CIVIL JUDGE & JMFC., JEWARGI.

PRESENT:- Smt. Tayyaba Sultana, B.A., LL.B.,
Senior Civil Judge & JMFC.,
Jewargi.

Dated this the 3rd day of August-2026

ORIGINAL SUIT No.25/2024

PLAINTIFF:-

State Bank of India Incorporated in India under State Bank of India Act, 1955 having its central office at Mumbai and a local head office at Bangalore and Branch office at Jewargi, Taluk Jewargi, District Kalaburagi, represented in this proceeding by Branch Manager Sir. Amreesh G. Teganoor More, Age: 38 years.

[By Sri T. K., Advocate]

//Versus//

DEFENDANT:

Basawaraj S/o Somarajya,
Age: 42 years,
R/o Shakapur,
Taluk Jewargi, District Kalaburagi.

[Exparte]

Date of institution of the Suit	06-02-2024
Nature of the suit	Recovery of money.
Date of commencement recording of evidence	19-06-2026
Date on which the judgment was pronounced	03-08-2026
Total duration	2 years, 5 months, 28 days.

(Smt.Tayyaba Sultana)
Senior Civil Judge & JMFC,
Jewargi.

::J U D G M E N T::

1. Plaintiff bank has filed the present suit for recovery of money of Rs.7,75,007/- along with interest @ 10.60% per annum from the defendant.

2. **The brief facts of the plaintiff's case as under**:

State bank of India incorporated in India under State Bank of India Act, 1955 having its Central Office at Mumbai and a local Head Office at Bangalore and Branch Office at Jewargi, Taluk Jewargi, District Kalaburagi who is authorized to sign the plaint and depose to the facts of the case vide regulation No.76 and 77 of SBI. General Regulation notified in Central Gazette 26-09-1959. On the application filed by defendant for Term Loan under Xpress Credit scheme, the plaintiff Bank on 18-11-2020 sanctioned and disbursed term loan of Rs.6,30,000/- to defendant in A/c No.39811993555. The particulars of disbursement of loan amount by the plaintiff bank to the defendant is specifically shown in the statement of account.

3. It is further case of the plaintiff that, the defendant on 18-11-2020 executed Arrangement letter and Personal loan agreement and agreed to repay the loan with interest in 72 equated monthly installments of Rs.11,863/- each, first installment payable on or after 01-12-2020 and the subsequent installments on or before the same date of each succeeding month thereafter, till the entire loan is fully repaid with interest and other unpaid penalty, costs, charges and expenses. Further the defendant who was serving a Lineman in GESCOM department executed

irrevocable letter of authority on 18-11-2020 authorizing his sum of Rs.11,863/- every month beginning from December-2020 and credit the same to his loan account till liquidation and the employer has also assured the plaintiff to deduct the amount from the salary of defendant.

4. It is further case of the plaintiff that, the defendant also agreed to pay interest at the rate of 10.60% p.a. on daily reducing balance at monthly rests. The rate of interest was valid for the entire tenor of the loan. Further in the event of default in payment of any installment or any irregularity in the loan account, the defendant also agreed to pay the penal interest at the rate of 2.00% p.m. over the stipulated interest rate with monthly rests charges for the irregular amount and overdue period. The defendant was not regular in repaying the installments as agreed by him and due to the irregularities in repayment, the loan account of defendant became NPA. The defendant is in due of Rs.7,75,007/- as on 20-12-2023 in A/c No.39811993555 as detailed below.

1. The amount outstanding as on 30/10/2023 is	:	Rs.6,54,872-00
2. Accrued interest as on 20/12/2023 is	:	Rs.1,02,128-00
3. Penal interest is	:	Rs.18,007-00
4. Thus total outstanding due as on 20/12/2023 is:		Rs.7,75,007-00

5. It is further case of the plaintiff that, the statement of account is annexed to the plaint. This is the value of the suit for the purpose of jurisdiction. As per RBI Rules uncharged interest is not appearing in Computer generated statement of account. Therefore it is calculated separately. The plaintiff Bank several times requested the defendant to pay its dues, sent notices to the defendant and his employer and on 28-07-2023 the plaintiff has also issued a legal notice through its advocate, inspite of receipt of the notice, the defendant is not cared to repay the dues, as such the plaintiff bank is constrained to file this suit for recovery of money against the defendant with future interest as claimed in the prayer column. Hence this suit.

6. It is further case of the plaintiff that, the above facts constitute the claim for suit. The cause of action arose on 18-11-2020 when the plaintiff bank disbursed the loan amount to defendant and when the defendant has executed loan documents and when defendant failed to pay the installments as and when it fell due and on 28-07-2023 when the plaintiff has issued legal notice. The immediate cause of action arose in the first week of January 2024 when the defendant failed and neglected to repay dues of plaintiff bank. With these pleadings the plaintiff bank prayed for decree the suit.

7. After service of summon, the defendant did not appear before the Court and hence he was placed Exparte.

8. The Branch Manager of the plaintiff bank has been examined as PW.1 and produced 8 documents, as per Ex.P1 to Ex.P.8.

9. Heard the arguments.

10. The points arise for my consideration are as under:

::POINTS ::

1. Whether the plaintiff bank proves that the defendant has borrowed loan of Rs.6,30,000/-, but not repaid the loan with agreed interest, as such liable to pay a sum of Rs.7,75,007/- as prayed for?

2. Whether the plaintiff bank is entitled for the relief as claimed in the plaint?

3. What order or decree?

11. My answers to the above Points are as here under:

ANSWERS

POINT No.1	**:**	**In Affirmative**
POINT No.2	**:**	**In Partly Affirmative**
POINT No.3	**:**	**As per final order for the following**

:: R E A S O N S ::

12. **POINT No.1** : It is the specific case of the plaintiff-bank that, the application filed by defendant for Term Loan under Xpress Credit scheme, the plaintiff Bank on 18-11-

2020 sanctioned and disbursed term loan of Rs.6,30,000/- to defendant in A/c No.39811993555. The particulars of disbursement of loan amount by the plaintiff bank to the defendant is specifically shown in the statement of account.

13. It is further claim of the plaintiff that, the defendant on 18-11-2020 executed Arrangement letter and Personal loan agreement and agreed to repay the loan with interest in 72 equated monthly installments of Rs.11,863/- each, first installment payable on or after 01-12-2020 and the subsequent installments on or before the same date of each succeeding month thereafter, till the entire loan is fully repaid with interest and other unpaid penalty, costs, charges and expenses. Further the defendant who was serving a Lineman in GESCOM department executed irrevocable letter of authority on 18-11-2020 authorizing his sum of Rs.11,863/- every month beginning from December-2020 and credit the same to his loan account

till liquidation and the employer has also assured the plaintiff to deduct the amount from the salary of defendant.

14. It is further claim of the plaintiff that, the defendant also agreed to pay interest at the rate of 10.60% p.a. on daily reducing balance at monthly rests. The rate of interest was valid for the entire tenor of the loan. Further in the event of default in payment of any installment or any irregularity in the loan account, the defendant also agreed to pay the penal interest at the rate of 2.00% p.m. over the stipulated interest rate with monthly rests charges for the irregular amount and overdue period. The defendant was not regular in repaying the installments as agreed by him and due to the irregularities in repayment, the loan account of defendant became NPA.

15. It is further claim of the plaintiff that, the statement of account is annexed to the plaint. This is the value of the suit for the purpose of jurisdiction. As per RBI Rules uncharged interest is not appearing in Computer

generated statement of account. Therefore it is calculated separately. The plaintiff Bank several times requested the defendant to pay its dues, sent notices to the defendant and his employer and on 28-07-2023 the plaintiff has also issued a legal notice through its advocate, inspite of receipt of the notice, the defendant is not cared to repay the dues, as such the plaintiff bank is constrained to file this suit for recovery of money against the defendant with future interest as claimed in the prayer column. Hence this suit.

16. It is further claim of the plaintiff that, the above facts constitute the claim for suit. The cause of action arose on 18-11-2020 when the plaintiff bank disbursed the loan amount to defendant and when the defendant has executed loan documents and when defendant failed to pay the installments as and when it fell due and on 28-07-2023 when the plaintiff has issued legal notice. The immediate cause of action arose in the first week of

January 2024 when the defendant failed and neglected to repay dues of plaintiff bank.

17. The Branch Manager of the plaintiff-bank has been examined as P.W.1 by reiterating the plaint averments. He has deposed about the sanction of loan to the defendant and defendant failed to pay the installments and neglected to repay dues of the plaintiff bank.

18. The plaintiff-bank has produced the documents at Ex.P.1 to Ex.P.7. Among them Ex.P-1 is the Xpress Credit Loan Application. Ex.P.2 is the Arrangement letter. Ex.P.3 is personal loan agreement. Ex.P.4 is the Irrevocable letter of authority. Ex.P.5 is the Legal Notice to Basavaraj S/o Somaraya. Ex.P.6 is the postal receipt. Ex.P.7 is the certified copy of Statement of Account of defendant from 18-11-2020 to 27-12-2023. Ex.P.8 is the endorsement issued by Sub post master, Jewargi.

19. On perusal of the documents it is clear that the defendant availed the Xpress credit loan from plaintiff bank and

agreed to repay the loan with interest but defendant failed to repay the loan amount with interest. It could be seen the bank statements from 18-11-2020 to 27-12-2023 shows that, total due was Rs.6,54,872/-, Inspite of service of summons the defendant did not appear before the Court and not contested the suit. There is no any reason to disbelieve the case of the plaintiff. Therefore, this Court is of the opinion that the plaintiff-bank has proved the point No.1. Accordingly, **I proceed to answer Point No.1 in Affirmative.**

20. **POINT No.2**: As discussed above the plaintiff has proved the advancing of the loan to the defendant and the existence of outstanding loan amount from the defendant as on the date of suit. As such, the plaintiff-bank is entitled to recover the dues from the defendant with reasonable interest. The plaintiff–Bank has sought for interest @ 10.60% + 2% Penal interest per annum on the outstanding dues from the defendant. The defendant took loan for State Bank of India i.e., Xpress credit loan.

Considering the facts and circumstances I am of the opinion that it is just and proper to award interest @ 10.60% per annum from the date of suit till its realization. **Hence, I proceed to answer point No.2 in the Affirmative.**

21. **POINT No.3** : As discussed above suit of the plaintiff is required to be decreed. There is no reason to refuse the cost. Hence I proceed to pass the following:

O R D E R

The suit of the plaintiff is hereby decreed.

Considering the nature of loan, no order as to costs.

The defendant is liable to repay the amount of Rs.7,75,007/-, to the plaintiff-Bank with interest @ 10.60% per annum from the date of suit till its realization.

In the event of default by the defendant, plaintiff Bank is at liberty to take steps in accordance with law.

Draw decree accordingly.

(Dictated to the Stenographer directly on computer, corrected by me and then pronounced by me in open court on this the 3rd day of August, 2026).

(SMT. TAYYABA SULTANA)
Sr. Civil Judge & JMFC,
Jewargi

ANNEXURE

List of witnesses examined on behalf of the Plaintiff:

P.W.1 : Manjunath B. Anwarkar S/o Basavaraj.

List of exhibits marked on behalf of the Plaintiff:

Ex.P.1	:	Xpress Credit Loan Application.
Ex.P.2	:	Arrangement Latter.
Ex.P.3	:	Loan Agreement.
Ex.P.4	:	Latter of Irrevocable.
Ex.P.5	:	Legal Notice.
Ex.P.6	:	Postal receipt.
Ex.P.7	:	Account Statement.
Ex.P.8	:	Endorsement issued by Sub Post Master, Jewargi.

List of witnesses examined on behalf of the Defendant:

- Nil -

List of exhibits marked on behalf of the Defendant:

- Nil -

Senior Civil Judge & JMFC
Jewargi.