KAMS080014692024

IN THE COURT OF PRINCIPAL SMALL CAUSES & SENIOR CIVIL JUDGE & M.A.C.T. AT MYSURU.

Presided Over by SRI AFTHAB.K

S.C./25/2024

Dated this the 20th day of June, 2026

Plaintiff/s:

State Bank of India,

A body Corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 having its head office at Mumbai and local head office at Bengaluru and a inter-alia branch at Ashoka road, Mysuru city represented by Principal officer and Chief Manager Sri. Sundaresh R.D.

(By Sri. C.R. Umashankara, Advocate)

Vs.

Defendant/s :

Sri. Harisha S/o. Kariyaiah,

Age: 32 years, R/at Hemmige village,

Hangodu hobli, Hunsur taluk,

Mysuru-571189.

(Exparte)

Date of Institution of Suit	08.04.2024
Nature of suit	Small Cause

Date of recording of evidence	02.04.2026		
Date on which judgment was pronounced	20.06.2026		
Total Duration	Years 2	Months 2	Days 12

<u>JUDGEMENT</u>

The suit is filed by the plaintiff praying that this Court be pleased to direct the Defendant to repay the sum of ₹.61,527/- along with interest at a rate of 12.10 % per annum from the date of suit till the date of realization of the amount.

2. ***<u>The factual matrix of the plaintiff's case unfolds as under</u>***:

The defendant herein approached the plaintiff bank seeking financial assistance under Xpress Credit Scheme to the tune of ₹.1,70,000/- and the loan for the said amount was sanctioned on 03.04.2021. Further the plaintiff bank even opened an account number 40113246564 in which debit and credit entries were made. The defendant who availed the loan under Xpress Credit Scheme even executed personal loan agreement, arrangement letter and other documents thereby agreeing to repay the loan with interest at the rate of 12.10 % p.a. compounded monthly. Further it was agreed that the amount along with interest shall be repaid in 36 months and EMI shall be ₹.5,655/-. Further the defendant had even agreed to be bound by variation in the rate of interest as revised by RBI. Further the defendant had even agreed to pay overdue interest at the rate of 2% per annum if he committed any default in paying the installment.

2.1. Further as the defendant committed default in repaying the loan amount, his account was classified as NPA. Further as on the date of the suit the Defendant is due to pay a sum of ₹.61,527/- which interest from 04.08.2023 to 07.04.2024 and other charges. Hence the suit seeking recovery of ₹.61,527/- along with interest at the rate of interest is 12.10 % compounded monthly rests from the date of suit till the date of realization together with such other costs pertaining to suit.

3. In response to the suit summons issued by this Court, the Defendant appeared through his counsel, but did not prefer to file his written statement; and hence the matter was posted for plaintiff's evidence.

4. The Assistant Manager of the plaintiff bank appeared before this Court and filed his affidavit and got marked as many as 5 documents which are marked as Ex.P1 to Ex.P5. Since the Defendant had not filed written statement, the cross examination of PW.1 was taken as nil and the matter was posted for arguments.

5. Heard the argument of counsel for Plaintiff.

6. After carefully analyzing the pleadings and claim of the plaintiff bank, the following points arise for my consideration are :

1. Whether the plaintiff proves that the Defendant had availed loan from the Plaintiff Bank to the tune of ₹.1,70,000/- under Xpress Credit scheme which was sanctioned by the plaintiff bank to the Defendant on 03.04.2021 ?

2. Whether the plaintiff is entitled to seek interest at the rate of interest is 12.10 % from the date of suit till the date of realization?

3. Whether the suit of the plaintiff is within time?

4. Whether the plaintiff is entitled for the reliefs sought?

5. What order or decree?

7. After carefully analyzing the pleadings, the evidence adduced both oral and documentary evidence and after carefully analyzing the arguments canvassed by the learned counsel for the plaintiff, this court answers the aforementioned points for consideration as under :

a. Point No. (i) : In the affirmative.

b. Point No. (ii) : Partly affirmative.

c. Point No. (iii) : In the affirmative.

d. Point No. (iv) : Partly affirmative.

e. Point No. (v) : As per the final orders,

for the following reasons.

REASONS

8. **POINT NO. (I) :**

At the very outset it would be incumbent upon this court to reassert the fact that the suit of the plaintiff is one seeking recovery of amount. In a suit of this nature, the endeavor of the Plaintiff must be to prove the transaction, i.e., the availment of personal loan by the defendant and eventual default in making payment to the bank and also that the debt is still due and no payment is made; and finally that it has approached the court within the period of Limitation. It is with these aspects in mind that this Court must analyze the documents on record. But before proceeding to discuss the evidence, it must be clarified that in this case, the Defendant has, though, appeared before this Court through counsel, but has not filed his written statement and the legal consequence of the same needs to be reasserted. Firstly Order VIII Rule 5(2) of CPC:

(2) Where ***the defendant has not filed a pleading****, it shall be lawful for the Court to pronounce judgment on the basis of the facts contained in the*

plaint, except as against a person under a disability, but the Court may, in its discretion, require any such fact to be proved.

Secondly Order VIII Rule 10 of CPC is perused it provides as under:

10. Procedure when party fails to present written statement called for by Court – Where any party from whom a written statement is required under Rule 1 or Rule 9 fails to present the same within the time permitted or fixed by the Court, as the case may be, the Court shall pronounce judgment against him, or make such order in relation to the suit as it thinks fit and on the pronouncement of such judgment, a decree shall be drawn up.

When the said provisions are read with Order XII Rule 6 (1) of CPC:

6. Judgment on admissions— (1) ***Where admissions of fact have been made either in the pleading or otherwise****, whether orally or in writing, the Court may at any stage of the suit, either on the application of any party or of its own motion and without waiting for the determination of any other question between the parties, make such order or give such judgment as it may think fit, having regard to such admissions.*

Further section 53 of Bharatiya Sakshya Adhiniyama provides that :

53. No fact need be proved in any proceeding which the parties thereto or their agents agree to admit at the hearing, or which, before the hearing, they agree admit by any writing under their hands, or which ***by any rule of pleading in force at the time*** *they are deemed to have admitted by their pleadings:*

Provided that the Court may, in its discretion, require the facts admitted to be proved otherwise than by such admissions.

Conjoint reading of the above provisions make it amply clear that if the Defendant does not file his written statement, in spite of having appeared through his counsel, then it is deemed that he has admitted the case of the plaintiff. Yet the Court has discretion to ask the plaintiff to prove its case, otherwise than by such admission.

9. In a suit of this nature the endeavor of the plaintiff is to firstly *prove the transaction* and secondly *to prove the liability of the Defendant*. Focusing on the first aspect of the matter which is regarding the proof of the transaction, when the records are perused it is clear that the plaintiff bank has led both oral and documentary evidence in support of its case. It is with these aspects in mind that this Court must analyze the documents on record. The Plaintiff in order to prove the loan transaction between the Plaintiff Bank and the Defendant, has examined its Assistant Manager as PW.1 and has produced the the original Xpress Credit application form and original personal loan agreement which are exhibited as Ex.P1 to 5.

10. The plaintiff by producing these documents in original has discharged the burden cast on it in this regard provisions of Section 94 of Bharatiya Sakshya Adhiniyama , provides as under:

> *94. When the terms of a contract, or of a grant, or of any other disposition of property, have been reduced to the form of a document, and in all cases in which any matter is required by law to be reduced to the form of a document, no evidence shall be given in proof of the terms of such contract, grant or other disposition of property, or of such matter, except the document itself, or secondary evidence of its contents in cases in which secondary evidence is admissible under the provisions hereinbefore contained.*

As such, this Court has no reason to disbelieve the case of the plaintiff which is not just supported by oral evidence but it is also supported by cogent documentary evidence which have remained un-contradicted. As such this Court should not have any impediment to hold that the plaintiff has proved the transaction and since there is no defence from the defendant regarding repayment, as such, ***this Court holds the Point No.1 in the affirmative.***

RATE OF INTEREST

12. **POINT No.(II):**

Before plunging to appreciate the evidence and law on this aspect, it is necessary to reassert that the plaintiff herein has claimed interest at the rate of *12.10 %from the date of suit till the date of realization on the suit amount.* As regards the interest payable from the date of transaction till the date of suit, the amount is determined along with interest as ₹.61,527/- and the same includes interest and other charges; and the Defendant has not questioned the amount arrived at with regard to interest payable by the Defendant. Hence, it can be presumed that the Defendant does not dispute the amount arrived at.

13. But the rate of interest to which the plaintiff is entitled from the date of suit till the date of decree and from the date of decree till realization, needs to be determined by this court. In this regard it is necessary to revisit the provisions of Civil Procedure Code especially the Section 34 of C.P.C which speaks about grant of interest at three stages :

i) Interest from the date of transaction to date of suit.

ii) Interest pendente lite and

iii) Subsequent interest

Interest *from the date of transaction to date of suit:* which shall be for the period commencing from date on which the transaction was entered into and continues till the date when the suit was filed and the same is already determined by the plaintiff and the same is not objected to by the defendant.

14. **Interest *pendente lite:*** From the date of suit till the date of decree, the interest claimed is at the rate of *12.10% from the date of suit till the date of realization on the suit amount* from the date of suit till the date of realization. It would be worthwhile to revisit Section 34 of the CPC which provides that rate of interest from the date of suit till the date of decree *must be reasonable*. But as regards the interest payable from the date of suit till the date of decree, when Ex.P1 to 5 are analyzed more particularly the Ex.P3 it is mentioned that the rate of interest is fixed at *12.10% compounded monthly rests and 2% penal interest.* Hence, even the rate of interest that can be awarded from the date of suit till the date of decree is to be the rate of interest which is *12.10% p.a.* and it is hereby clarified that the interest of 12.10% p.a. shall be on the principal sum and not on the amount adjudicated by this Court along with the interest rate.

15. This brings the discussion to the rate of interest that can be awarded from the date of decree till the date of realization. In this regard Section 34(1) provides specifically as under:

> *Where and in so far as a decree is for the payment of money, the Court may, in the decree, order interest at such rate as the Court deems reasonable to be paid* ***on the principal sum*** *adjudged, from the date of the suit to the date of the decree, in addition to any interest adjudged on such principal sum for any period prior to the institution of the suit, with further interest at such rate not exceeding six per cent per annum as the Court deems reasonable on such principal sum from the date of the decree to the date of payment, or to such earlier date as the Court thinks fit.*
>
> *Provided that where the liability in relation to the sum so adjudged had arisen out of a commercial transaction, the rate of such further interest may exceed six percent, per annum, but shall not exceed the contractual rate of interest or where there is no contractual rate, the rate at which moneys are lent or advanced by nationalised banks in relation to commercial transactions.*

Explanation II.—For the purposes of this section, a transaction is a commercial transaction, if it is connected with the industry, trade or business of the party incurring the liability.

15. It is amply clear that the loan is availed by the Defendant is personal loan. Hence, the rate of interest that can be awarded by this Court cannot exceed 6% hence this Court deems it fit to award the rate of interest at 6% p.a. from the date of decree till the date of realization and the interest awarded is on the principal sum due and not on the decreetal amount.

16. ***Hence, Point No.II is answered partly in the affirmative and it is clarified that the plaintiff is entitled to recover the sum of ₹.61,527/- (Rupees Sixty One Thousand Five Hundred Twenty and Seven Only) along with interest at the rate of 12.10 % per annum on the principal sum from the date of suit till the date of decree and the plaintiff shall also be entitled for interest at the rate of 6 % per annum on the principal sum from the date of decree till the date of realization.***

17. **Point No.(III):-**

The next aspect of the matter is regarding the limitation, in this regard it is relevant to note that though the loan was availed on 03.04.2021, as per term No.4 of Ex.P3 arrangement letter the defendant had agreed to repay the amount in 36 equated installments which makes it obvious that the last installment was due in the month of 03.04.2024 and the suit is instituted on 08.04.2024 as such the suit is well within time and ***hence Point No. III is held in the affirmative and the suit of the plaintiff is held to be in time.***

18. **Point No.(IV):-**

In view of the findings of this Court on Point No.(I) to (III), this Court deems it fit to hold that the plaintiff is though entitled for recovery of the sum of ₹.61,527/- interest at the rate of 12.10 % per annum on the balance of principal sum from the date of suit till the date of decree and further the plaintiff shall be entitled for interest at the rate of 6 % per annum from the date of decree till the date of realization on the principal sum. ***Hence Point No.(IV) is answered partly in the affirmative.***

19. **POINT No (V):**

Before this court proceeds to pass the final order, it becomes incumbent to discuss about the costs. In the present case considering the facts and circumstances of the case, it would be just to award costs of the suit to the plaintiff. Further in view of the finding of this court on Issue No. I to IV, this court proceeds to pass the final order passed as under:

ORDER

"The suit of the Plaintiff is partly decreed with costs.

It is held that the defendant are amount due a sum of ₹.61,527/- (Rupees Sixty One Thousand Five Hundred Twenty and Seven Only) as on the date of suit to the Plaintiff Bank and it is clarified that the said sum includes the balance of principal amount and interest.

It is hereby held that the plaintiff is entitled for interest at the rate of 12.10 % p.a. on the balance of principal sum from the date of suit till the date of decree.

It is further held that the plaintiff is entitled for interest at the rate of 6% p.a. on the balance of

principal sum from the date of decree till the date of realization.

Further it is clarified that the suit costs includes the miscellaneous expenses incurred by the plaintiff as mentioned in the plaint.

Draw decree accordingly."

(Dictated to the stenographer, computerized by her, corrected and then pronounced by me in the open court, this the 20th day of June, 2026)

(AFTHAB.K)
Prl. Judge, Court of Small Causes
& MACT, Mysuru

ANNEXURE:

Witnesses examined for plaintiff		
PW.1	-	Sri. Umesha M.C.

Documents marked for plaintiff		
Ex.P1	-	Authorization letter
Ex.P2	-	Original Xpress credit application form
Ex.P3	-	Arrangement letter
Ex.P4	-	Original personal loan agreement
Ex.P5	-	Account statement pertaining to defendant

Witnesses and documents examined for defendant		
	NIL	

(AFTHAB.K)
Prl. Judge, Court of Small Causes
& MACT, Mysuru