

KAMS710010352025



**IN THE COURT OF I ADDITIONAL CIVIL JUDGE
AND JMFC AT T.NARASIPURA**

Dated this the 7th day of March 2026

Present: **Smt.Niveditha N., B.A.L., LL.B, LL.M.,**
I Additional Civil Judge & JMFC., T.Narasipura.

O.S./118/2025

Plaintiff

: State Bank of India,
Bannur Branch, T.Narasipura Taluk,
Mysuru District.
Represented by its Branch Manager,
Sri.Badu Singh Bunuly.
(By Sri.K.S.S., Advocate)

V/s

Defendant

Smt.Divyashree.P,
D/o Late Papanna.K.P,
Aged about 27 years,
R/at Kethupura Village, Sosale
Hobli, T.Narasipura Taluk, Mysuru

District.

(Ex-parte)

Nature of the Suit : Money Suit

Date of the commencement : 24/02/2026
of recording of the evidence

Date on which the judgment : 07/03/2026
was pronounced

Total duration	Years	Months	Days
	00	10	26

JUDGMENT

1. Relief: The plaintiff bank has filed this suit for recovery of Rs.1,35,795/- from the defendant along with cost and current interest at the rate of 10.55% per annum from the date of suit till date of realization and award such other reliefs.

2. The epitome of the plaintiff's case is as follows:

a. The case of the plaintiff's bank is that, the plaintiff bank is a body corporate constituted under the State Bank of India Act 1955 and carrying on banking business and having its Central Office at Bombay and Local Head office and represented by its Branch Manager.

b. Further, the defendant is the daughter of Papanna.K.P S/o Puttaswamy. The defendant is borrower and her deceased father stands as guarantor. The defendant has approached the plaintiff bank to sanction loan of Rs.2,06,000/- under education loan scheme for her studies of MBA course at GSS College, Metagalli, Mysore. After considering the loan application and other documents, on 10/01/2019 the plaintiff bank sanctioned education loan of Rs.2,06,000/- to the defendant. Further, they have executed the Agreement for Term Loan for education and Guarantee Agreement on 14/01/2019 and agreed to repay the loan amount with interest at the rate of Rs.10.5% p.a. and also agreed to pay additional penal interest at the rate of 2% above base rate applicable to the default amount as per calculated and compounded by the bank. The loan sanctioned for a period of 60 monthly installments.

c. Further, the father of the defendant stood as guarantor and executed Guarantee Agreement and the defendant had executed Loan Agreement in favour of the plaintiff bank. After completion of MBA course of the defendant, inspite of repeated demands, the defendant has paid the

loan amount. Hence, the plaintiff bank got issued legal notice dated 17/09/2024 by RPAD to the defendant and her father. The said notice served on the defendant in person. The notice sent to the father of the defendant is returned with a share that Party Dead. After service of notice also, the defendant has not replied for the same nor has repaid the loan amount. There is an outstanding balance of Rs.1,35,795/- with interest. Hence, prays to decree the suit.

3. After institution of the suit, summons has been issued to the defendant. Though summons has been duly served on defendant, she failed to appear before the court and contest the suit. Hence, she placed ex-parte.

4. Now the following points are arises for my consideration:

1. Whether the plaintiff's bank proves that, the defendant has borrowed loan of Rs.2,06,000/-?
2. Whether the plaintiff's bank proves that, the defendant is liable to pay Rs.1,35,795/- along with the current and future interest as sought in the case?

3. What order or decree?
5. The plaintiff's bank in order to substantiate its case, examined the Branch Manager of the plaintiff's bank as P.W.1 and got marked 10 documents as per Ex.P1 to 10.
6. Heard arguments of the plaintiff bank and perused materials available on record.
7. My findings on the above points are as follows:
 - Point No.1 : In the Affirmative,
 - Point No.2 : In the Partly Affirmative,
 - Point No.3 : As per final orders, for the following:

REASONS

8. Point No.1: The plaintiff's bank has filed this suit for recovery of Rs.1,35,795/- along with present and future interest at the rate of 10.55% p.a and cost of the suit.

9. In order to prove the case, the Branch Manager of the plaintiff's bank has filed the affidavit by reiterating the averments made in the plaint and examined as P.W.1 and got marked 10 documents as Ex.P1 to 10. Ex.P1 is the loan application submitted by the defendant before the

plaintiff bank. Ex.P2 is the arrangement letter for term loan under education loan schemes. Ex.P3 is the loan agreement executed by the defendant in favour of the plaintiff bank. Ex.P4 is the loan cum hypothecation agreement executed by the defendant in favour of the plaintiff bank. Ex.P5 is the letter issued by defendant to the Assistant General Manager, SBI, Chamarajanagara dated 14/01/2019 agreeing to the terms and conditions of the plaintiff bank. Ex.P6 legal notice dated 17/09/2024 issued by the counsel for the plaintiff bank in favour of the defendant and her deceased father. Ex.P7 is the postal receipt. Ex.P8 is the postal acknowledgment. Ex.P9 is the RPAD Cover, Ex.P10 is the statement of account of the defendant.

10. On perusal of the documents, it discloses that the defendant has applied for education loan for the amount of Rs.2,06,000/- and the plaintiff bank sanctioned the loan on 10/01/2019. The plaintiff and defendant have entered into Agreement cum hypothecation deed, wherein the plaintiff bank has sanctioned the credit facility of Rs.2,06,000/- at the rate of interest at 10.55% per annum on terms and conditions of the bank and is repayable in

60 equal monthly installment. Ex.P5 is the acknowledgment of liability dated 14/01/2019 and Bank statement in respect of non payment of loan amount and the defendant is liable to pay a sum Rs.1,35,795/-.

11. The oral and documentary evidence available on record are corroborates with each other and clearly established that, the plaintiff bank granted a loan of Rs.2,06,000/- for education of defendant and defendant has with drawned the said loan amount through her account. In this regard, the defendant has executed loan agreement cum hypothecation deed wherein the it appears that, on requisition of defendant, the plaintiff bank has sanctioned a loan of Rs.2,06,000/- for education of defendant and the defendant has agreed to the terms and conditions of the above sanction amount and also there is a execution of hypothecation Agreement in between the plaintiff bank and defendant in respect of loan amount of Rs.2,06,000/- and which is payable in 60 equal monthly installments. Further, the bank has issued legal notice to the defendant as per Ex.P6.

12. But, the defendant has failed to repay the loan amount with agreed interest under the above said documents. The defendant has not tender herself before the Court to rebut the evidence of plaintiff's bank. He was placed Ex-parte. Thus, the evidence of PW1 and documentary evidence are remained unchallenged. In the present case, though the defendant received summons from the Court, she failed to appear before the Court and contest the suit. When the evidence of plaintiff is remained unchallenged, whatever the evidence given on oath of the Court has to be considered as contended by the plaintiff bank.

13. In the present case, though the defendant has knowledge about the notice being served upon her, she failed to appear and contest the suit. Therefore, under these backgrounds, an adverse inference has to be drawn against her. When the evidence of plaintiff given on oath before the Court is not controverted by the defendant in any manner, this Court do not find any reason to disbelieve the evidence of plaintiff's bank. Therefore, plaintiff bank is entitled to recover the same from

defendant. Accordingly this Court answers Point No.1 in the Affirmative.

14. Point No.2: The plaintiff's bank has filed the suit for recovery of the loan amount of Rs.1,35,795/- from the defendant. As per the loan documents, the bank incorporated the stipulation in the loan documents executed by the defendant that, the bank would change the interest rates as per the norms of the bank. Therefore, the bank claimed total interest at the rate of 10.55% p.a in respect of said Loan.

15. On perusal of loan documents it is found that, the defendant agreed to repay the said loan as per the terms and conditions of the plaintiff bank. But, the plaintiff's bank did not take proper and timely action against the defendant even though the defendant failed to pay the loan amount within the stipulated period.

16. Further, the loan is of 2019 and the defendant has been irregular in repayment. But inspite of it the plaintiff's bank has failed to take action timely. Therefore, heavy interest accrued on the principal amount.

Therefore, as per the facts and circumstances of the present case, this Court is of the opinion that, charging 6% interest per annum compounded at monthly rests on amount due would be proper. The defendant did not challenge the evidence of the plaintiff.

17. Therefore, there should be no hesitation to accept the unchallenged evidence on record. Accordingly, this Court hold that, the plaintiff's bank is entitled for the interest at the rate of 6% p.a. compounded at monthly rests on the due amount from the date of filing of the suit till realization. **Accordingly this Court answers Point No.2 in the Partly Affirmative.**

18. Point No.3: In view of the above answer and reasons on Point No.1 and 2, this Court proceeds to pass the following;

ORDER

The suit of the plaintiff's bank is partly decreed with cost.

The defendant is directed to pay to the plaintiff's bank a sum of Rs.1,35,795/- (Rupees one lakh thirty

five thousand seven hundred and ninety five) along with interest at 6% p.a., from the date of filing of suit till realization.

Draw decree accordingly.

[Dictated to the Stenographer, transcript typed by her corrected, initialed and pronounced by me in the open Court on this the 7th day of March 2026)

**I Addl., Civil Judge and JMFC.,
T.Narasipura**

ANNEXURE

List of witnesses examined on behalf of plaintiff:

PW 1 : Bhanu Prakash.V.L

List of documents exhibits on behalf of plaintiff:

- Ex.P 1 : Loan application
- Ex.P 2 : Arrangement letter
- Ex.P 3 : Loan Agreement
- Ex.P 4 : Loan cum hypothecation agreement
- Ex.P 5 : Anexure-I
- Ex.P 6 : Legal notice dated 17/096/2024
- Ex.P 7 : Postal receipt
- Ex.P 8 : Postal acknowledgment
- Ex.P 9 : RPAD cover
- Ex.P 10 : State of account

List of witnesses examined on behalf of defendant:

- Nil --

List of documents exhibited on behalf of defendant:

- Nil --

**I Addl., Civil Judge and JMFC.,
T.Narasipura**

(Judgment pronounced in open court vide separate order)

ORDER

The suit of the plaintiff's bank is partly
decreed with cost.

OS.118/2025

The defendant is directed to pay to the plaintiff's bank a sum of Rs.1,35,795/- (Rupees one lakh thirty five thousand seven hundred and ninety five) along with interest at 6% p.a., from the date of filing of suit till realization.

Draw decree accordingly.

**I Addl.Civil Judge & JMFC.,
T.Narasipura.**