MHDH040008802023

Presented on : 15.12.2023

Registered on : 15.12.2023

Decided on : 03.08.2026

Duration : **02 07 19**

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IN THE COURT OF JOINT CIVIL JUDGE JUNIOR DIVISION AT DONDAICHA, TAL. SHINDKHEDA, DIST. DHULE

(Presided over by: R.D.Pawar)

R.C.S.No.51/2023

Exhibit No.45

State Bank of India,

Branch – Dondaicha, through Branch Manager,

Abhay Kumar Zha

Age: 50 years, **Occupation**: - Service,

Address: Bharatiya State Bank of India,

Branch – Dondaicha, Dist. Dhule ...**Plaintiff**

VERSUS

1. Rishikesh Subhash Chaudhari,

Age: 24 years, **Occupation**: - Service,

2. Subhash Pundalik Chaudhari,

Age: 53 years, **Occupation**: - Agriculturist,

Address: 1 Jogshelu, Tal. Shindkheda, Dist. Dhule.

Adrress : 2 No.14, Vidya Nagar, Dondaicha, Tal. Shindkheda, Dist. Dhule **...Defendants**

Appearance : Shri. N. P. Ayachit, Advocate for plaintiff.

Shri. A. D. Patil, Advocate for defendants.

JUDGMENT

(**Delivered on 03rd Day of August, 2026**)

The present suit has been instituted by the plaintiff Bank for recovery of an amount of Rs. 4,55,512/- (In word rupees Four Lakhs Fifty-Five Thousand Five Hundred and Twelve Only) from the Defendants.

The plaintiff's case in brief:

02. The Plaintiff is a nationalized bank established under the Act of 1955 and is engaged, in accordance with the applicable rules and regulations, in activities such as granting loans, accepting deposits, and recovering loan amounts. The defendants are residents of Jogshelu and are presently residing at Dondaicha. Defendant no. 1 has obtained a degree in Hotel Management and is presently employed. Defendant no. 1 intended to pursue a Hotel Management degree at Pune and, for the purpose of paying the requisite educational fees, required financial assistance. Accordingly, the defendants submitted an application to the plaintiff Bank for obtaining an educational loan of Rs. 3,61,500/- along with the necessary documents. After due verification of the relevant documents, the loan amount was sanctioned in the name of defendant no. 1 and credited to Loan Account No. 37259126673, and the sanctioned amount was disbursed directly to the educational institution of defendant no. 1.

03. The plaintiff bank further submitted that, as per the terms of the loan, after completion of the academic year, the loan amount was to be repaid in 120 monthly instalments of Rs. 4,778/- each. After completing his educational course, defendant no. 1 secured employment with a good salary; however, the defendants failed to repay the loan amount. Consequently, the said loan account of the defendants was classified as a Non-Performing Asset (NPA). Despite receiving notices issued from time to time through the plaintiff's legal counsel and despite having agreed to clear the outstanding dues, the defendants failed to make the repayment. Therefore, the plaintiff bank has prayed that this Court be pleased to pass a decree directing the defendants jointly and severally to pay an amount of Rs. 4,55,512/- along with interest from the date of classification of the account as NPA, as per the contractual rate, and further that the costs of the suit be awarded in favour of the plaintiff bank and recovered from the defendants.

Defendant's contentions:

04. Defendants appeared in the suit and defendant no.1 has filed written statement at Exh.14/B. Thereafter, defendant no.2 has filed pursis at Exh. 38 and adopted written statement which is filed by the defendant no.1 at Exh.14/B. The defendants denied all the averments made in the plaint. Defendants contended that, the suit filed by the plaintiff bank is barred by limitation. The levy of interest by the plaintiff bank is contrary to the applicable rules and regulations. The plaintiff bank has failed to implead necessary parties to the suit. It is further contended that, the plaintiff bank has suppressed the true and material facts, thereby attracting the doctrine of suppression of material facts. The plaintiff bank has also violated the rules governing recovery of loans, particularly the rules applicable to educational loans. As per the applicable guidelines, in the case of an educational loan up to Rs. 4,00,000/-, the plaintiff bank cannot hold the parents liable; however, the bank has acted in contravention of these guidelines.

05. They further contended that, no prior notice was issued to them before filing the suit. The plaintiff bank has also violated the rules relating to the moratorium period. The defendants had, from time to time, requested the bank to reset/restructure the loan, but the plaintiff bank failed to consider or act upon such requests. The plaintiff bank has no valid cause of action to file the present suit. Accordingly, the defendants have prayed that the plaintiff bank be directed to pay compensatory costs of Rs. 50,000/- to the defendants, and that the suit filed by the plaintiff bank be dismissed with costs.

06. The following issues are framed by me and recorded my findings thereon:

Sr. No.	Issues	Findings
1.	Whether the plaintiff Bank proves that, educational loan of Rs.3,60,000/- was sanctioned and disbursed to the defendants?	**Affirmative**
2.	Whether the plaintiff Bank proves that, defendants have agreed to pay installment of amount of Rs.4778/- per month from 25/10/2017 for total period of 120 months?	**Affirmative**
3.	Whether the plaintiff bank proves that, defendants defaulted in payment and an amount of Rs. 4,55,512/- is outstanding and due against defendants?	**Partly Affirmative**
4.	Whether the plaintiff bank is entitled to recover an amount of Rs. 4,55,512/- and interest on from the date when the account has became Non Performing Assets (NPA) from	**Partly Affirmative**

	defendants?	
5.	Whether the defendants proves that, they never obtained loan from the plaintiff bank?	**Negative**
6.	Whether the suit is barred by limitation?	**Negative**
7.	Whether the defendants proves that, the suit is bad for no cause of action?	**Negative**
8.	Whether the suit is bad for non-joinder of necessary parties?	**Negative**
9.	Whether the defendants are entitled for compensatory cost of Rs.50,000/- from plaintiff and defendants as claimed?	**Negative**
10.	Upon whom the cost of suit is to be saddled?	**As per final order**
11.	What order and decree?	**Suit is partly decreed with costs.**

Evidence led by the plaintiff and defendants -

06. In support of the claim, the plaintiff bank has examined his legal representative Branch Mangar Nilesh Ganesh

Mayekar as PW-1 by filing affidavit in lieu of examination-in-chief at Exhibit no.15. Plaintiff bank closed his evidence by filing pursis at Exh. 35. The plaintiff bank relied upon following documents-

Exh.19/PW-1	Copy of Bank Statement of the loan account of defendant No.1 bearing No.37259126673.
Exh.20/PW-1	Loan Requirement Application of defendants.
Exh.21/PW-1	Loan Agreement.
Exh.22/PW-1	Agreement (Annexure C)
Exh.23/PW-1	Change Letter Agreement.
Exh.24/PW-1	Affidavit.
Exh.25/PW-1	Arrangement Letter for term loan under Education Loan Scheme.
Exh.26/PW-1	Annexure – I
Exh.27/PW-1	Notice which is sent by the plaintiff bank to the defendants.
Exhs.28 and 29/PW-1	Acknowledgments (total 02)
Exh.30/PW-1	Certificate of Bankers Book Evidence Act, Section 2-A(B)
Exh.31/PW-1	Copy of the Loan Account of the defendants bearing No.37259126673.

07. The defendants have examined defendant no.2 Subhash Pundalik Chaudhari as DW-1 by filing affidavit in lieu of examination-in-chief at Exh. 37. Closed evidence by filing pursis at Exhibit no.39. The defendants have not filed any documentary evidence to support their contentions.

08. Perused. Heard learned Advocate for the plaintiff and Ld. Advocate for the defendants.

09. The Ld. Advocate for the plaintiff submitted that, the plaintiff bank has established its case prima-facie before this Court through its documentary evidence. The plaintiff bank has also proved that, the defendant no. 1, despite completing his education through the loan obtained from the plaintiff bank and securing gainful employment, has failed to repay the loan amount. Therefore, the plaintiff has prayed that the claim be decreed in accordance with the reliefs sought in the plaint.

10. The Ld. Advocate for the defendants contended that, it was incumbent upon the plaintiff bank to comply with the prescribed rules and procedures for the recovery of the loan. However, prior to filing the present suit, the plaintiff bank did not issue any notice to the defendants. The plaintiff bank has arbitrarily determined and charged the loan amount according to its own discretion. The claims and statements made by the plaintiff bank in the suit are neither reasonable nor lawful, and are therefore illegal. Hence, it is prayed that the suit filed by the plaintiff be dismissed with costs and that an order be passed directing the plaintiff to pay compensation to the defendants for the loss suffered by them.

REASONS

Issue no.01 and 02: -

11. The issues no. 01 and 02 are interlinked with each other hence discussed together to avoid repetition as both the issues cast initial burden on the plaintiff. Considering the overall averments made by the plaintiff bank, it becomes necessary to closely examine the evidence placed on record by the plaintiff. At the outset, upon perusal of the copy of the statement/details of the bank account of defendant no. 1 at Exh. 19, it appears that the plaintiff bank had, from time to time, disbursed loan amounts to the bank account of defendant no. 1 aggregating to a total sum of Rs. 3,60,000/-. Further, at Exh. 20, the loan application is produced on record, which indicates that the defendants had applied for the loan subject to compliance with the terms and conditions prescribed by the plaintiff bank. Moreover, the documents at Exh. 21 to 26 demonstrate that the defendants had executed agreements in favour of the plaintiff bank undertaking repayment of the loan amount. Therefore, prima-facie it appears that, the plaintiff bank had disbursed the loan amount to the defendants.

12. Upon careful perusal of the paragraph no.5 (REPAYMENT) of the Exh.25 (agreement letter for term loan under education loan scheme), it appears that the defendants have executed the said document in favor of the plaintiff bank to facilitate repayment of the loan in 120 EMI of Rs.4,778.00/-.

However, it is also evident from the bank account details on Exh. 19 of defendant no. 1 that, the defendants have not actually repaid the plaintiff bank's whole loan. Accordingly, I record my answers in the affirmative with respect to issues no. 1 and 2.

Issue no.03: -

13. The plaintiff bank has filed the details of the loan account of defendant no. 1 as Exhibit No. 19. The said account statement pertains to the period from 25/10/2017 to 23/10/2023. It shows that the closing balance as on 21/11/2022 was Rs. 4,55,512/-. Similarly, the plaintiff bank has also submitted the details of defendant no. 1's loan account as Exhibit no. 31, which covers the period from 01/01/2011 to 09/06/2025. The said account statement reflects a closing balance of Rs. 1,56,255.15/-. On 21/11/2022, Defendant No. 1's loan account showed a balance of Rs. 4,55,512/-, and as on 29/12/2023, the closing balance was Rs. 5,36,255.65/-. Thereafter, on 29/12/2023, an amount of Rs. 2,56,000.50/- appears to have been deducted from the loan account.

14. The legal representatives of the plaintiff bank have contended that the said deducted amount was not paid by the defendants but represents the claim amount of the Non-Performing Asset (NPA) account. However, the plaintiff has proved that the said amount was credited in loan account of defendant no.1 under Central Government Credit Guarantee Fund Scheme for education loan. Subsequently, on 06/05/2025, the defendant appears to have paid Rs. 1,24,000/- to the plaintiff Bank, as reflected in the loan account statement. Accordingly, while considering the claim, it is important not merely to examine the outstanding balance of the plaintiff bank at the time of filing the suit, but rather to consider the amount presently due from the defendant to the plaintiff bank as of today. Taking into account the loan account details at Exh. 31, it appears that as of 06/05/2025, the principal along with interest amounts to Rs. 4,12,255.65/- due from the defendant to the plaintiff bank. Therefore, it would not be just or appropriate to allow the claim in a lump sum based solely on the amount prayed for in the plaint. Therefore, the plaintiff bank has not satisfactorily proven with strong evidence that, the defendants failed to repay Rs. 4,55,512/-. Accordingly, in view of the evidence available on record, it would be just and proper to allow a claim of Rs. 4,12,255.65/- along with interest thereon. Consequently, I answer issue no. 3 in partly affirmative.

Issue no.04: -

15. In response to Issue no. 3, since I have recorded a partly affirmative finding, and as discussed therein, the plaintiff bank is required to recover Rs. 4,12,255.65/- from the defendants, it would be appropriate to direct the defendants to pay only the sum of Rs. 4,12,255.65/- along with interest thereon to the plaintiff bank. Therefore, I answer issue no. 4 in partly affirmative.

Issue no.05: -

16. Although, the defendants have denied the statements made in the plaint under Exh. 14, it is, nevertheless, clearly acknowledged and admitted by defendant no.2 that, the plaintiff bank, approved the loan, and disbursed the same to the concerned institution, and that the defendants executed the necessary documents in favor of the plaintiff bank. It is further admitted that, the education of defendant no. 1 was completed from the loan obtained from the plaintiff bank. Therefore, the assertion that the defendants did not take a loan from the plaintiff bank is without merit. Accordingly, I record a negative finding in response to issue no. 5.

Issue no.06: -

17. Upon a comprehensive review of the claim, it appears that the plaintiff bank had sanctioned an educational loan to defendant No. 1 for the purpose of his education on 25/10/2017, under Exh. 25. A perusal of Article 19 of the Schedule under the Indian Limitation Act, 1963, reveals that: "*A loan is recoverable for the amount of money lent, and the period prescribed for filing a suit for the recovery of such loan shall be three years from the date the loan becomes due*."

18. Accordingly, cause of action arose on 21/11/2022 when the account became NPA. Therefore, the limitation period shall be reckoned from the date when account became NPA i.e., 21/11/2022. However, the plaintiff instituted the present suit on 15/12/2023, which is within the prescribed period, it is thus established that the present suit has been filed within time. Accordingly, I answer issue no. 06 in negative.

Issue no.07: -

19. Based on the evidence available on record, it is evident under Exh. 25 that, the plaintiff bank approved an educational loan for the purpose of defendant no. 1's education and, from time to time, made payments directly to the concerned institution where defendant no. 1 was pursuing studies. It is further apparent that, the defendants facilitated the necessary documentation in favor of the plaintiff bank. Moreover, in accordance with the agreement executed between the plaintiff bank and the defendants, the defendants have defaulted in repaying the loan obtained from the plaintiff bank. The plaintiff bank has also demonstrated that it filed the suit before the Court with valid and sufficient cause. Therefore, the assertion of the defendants that the plaintiff bank approached the Court without any valid cause is devoid of merit. Accordingly, I I answer issue no. 07 in negative.

Issue no.08: -

20. Upon perusal of the documents filed on record, it appears that although the plaintiff bank had sanctioned a loan for the education of defendant no. 1, defendant no. 2 is also included as a co-applicant. The loan application marked as Exh. 20 bears the photographs and signatures of both defendants, and the other agreements filed in the suit also contain the signatures of defendant no. 2 as a co-applicant. Further, the affidavit marked as Exh. 24 has also been executed by defendant no. 2. Accordingly, the present suit suffers from a defect of necessary parties, and the submissions of these defendants are also without merit. Therefore, I answer issue no. 08 in negative.

<u>Issue no.09: -</u>

21. In its cross-examination, defendant no. 2 has admitted that a loan was obtained by defendant no. 1 from the plaintiff bank. Further, it has been established that the plaintiff bank filed the claim within the limitation period, citing sufficient cause and including the necessary parties. Accordingly, it would not be appropriate to award compensatory costs to the defendants from the plaintiff bank. Therefore, I answer issue no. 09 in negative.

<u>Issue no.10 and 11: -</u>

22. In pursuance of the evidence filed at Exh. 15, the witness produced on behalf of the plaintiff bank was subjected to cross-examination by the Ld. Counsel representing the defendants. During such cross-examination, the witness stated that “the transaction relating to the educational loan pertains to the year 2017 and I do not have personal knowledge about the same.” He further stated that “since I do not have direct knowledge, I cannot say whether the defendants had taken a loan from the plaintiff bank or in what manner the said loan was obtained.” However, the witness subsequently stated that “complete information regarding the said loan process is available with the then Branch Officer who was in-charge at that time.” Therefore, it is evident that, the said witness was not holding an authorized position in the plaintiff bank at the time when the loan was sanctioned, and hence it was not necessary for him to possess personal knowledge of the transaction. Nevertheless, on the basis of the documents available on record, it clearly appears that, the plaintiff bank had disbursed the loan amount to the loan account of defendant no. 1.

23. Furthermore, to substantiate his statements, defendant no. 2 has filed his affidavit of evidence on record as Exh. 37. During the cross-examination conducted by the plaintiff bank, defendant no. 2 has stated that in the year 2017, his son, Rishikesh, was admitted to D.Y. Patil College of Hotel Management, and for the purpose of paying the college fees, he had applied to the State Bank for a loan as per application at Exh. 20. He further stated that, the loan he requested was disbursed by the plaintiff bank directly to defendant no. 1 for payment of fees to D.Y. Patil College of Hotel Management. After the loan was sanctioned, he and his son, Rishikesh, personally visited the bank and credited the amount to the plaintiff bank under Exhs. 21 to 26. Rishikesh is presently employed in Pune and receives a salary from his employment. The education of Rishikesh has been fully completed from the loan obtained from the plaintiff bank.

24. Since defendant no. 2 has expressly admitted that, the defendants obtained a loan from the plaintiff bank for the education of defendant no. 1, the repayment of such loan also constitutes a moral obligation of the defendants. Therefore, there exists no reason to disbelieve the statements made by the plaintiff bank in its claim.

25. In view of aforesaid discussion, I hold that the plaintiff is entitled for recovery an amount of Rs.4,12,255.65/- only along with interest thereon from the date of 21.11.2022 (date of N.P. A. account). Therefore, the suit is required to be partly decreed with costs. Costs shall be saddled on defendants. Hence, I proceed to pass following order -

ORDER

1. The suit is partly decreed with costs.

2. The defendants shall pay to the plaintiff bank, within a period of three months from the date of this order, the sum of Rs. 4,12,255.65/- (in word Four Lakh Twelve Thousand Two Hundred Fifty-Five and Sixty-Five Paise only). Further, the defendants shall also pay interest thereon to the plaintiff bank at the rate of 10.00% per annum from 21/11/2022 until the entire amount is fully realized.

3. Decree be drawn up accordingly.

   (The judgment was pronounced in open court.)

Sd/-

Dondicha (R.D.Pawar)
Date: 03.08.2026 Jt. Civil Judge Jr. Division, Dondaicha.