

IN THE MAGISTRATES' COURT OF ABIA STATE OF NIGERIA.
IN THE SMALL CLAIMS COURT, ABA ZONE.
BEFORE HIS WORSHIP, U. J. YOUNG-DANIEL (ESQ) CHIEF MAG. GRD 1.
THIS 8TH DAY OF JULY, 2025.

SCC/AB/467/25

BETWEEN:

MR. CHIMA CYRIL OKORO ----- CLAIMANT

VS

EMEKA JAPHET NWABUZOR ----- DEFENDANT.

Claimant Present.

Defendant Absent.

Appearances: Oji O. Anya Esq appears for the Defendant.

No Representation for the Claimant.

MATTER IS FOR JUDGMENT.

JUDGMENT.

Claimant by his Demand Notice of *Form SCA1* claims from the Defendant the sum of ~~₦1,540,000.00~~ *(One Million, Five Hundred and Forty Thousand Naira)* being debt arising from Simple Loan Agreement entered with the Defendant. Defendant filed a Defence as is contained in *Form SCA5* to the effect that he does owe the Claimant as claimed. Nevertheless, Claimant in proof of his Claim testified that the said sum as claimed is of debt in a business transaction with the Defendant. Claimant testified that he and the Defendant had an Agreement in respect of the sum of ~~₦3,540,000.00~~ and to that effect, Defendant gave him a Title Deed to his property. Claimant further testified that the business transaction ought to have lasted for (3) three months, however that he extended it to the 28th Day of December, 2024 on the basis of his relationship with the Defendant as friends. Claimant testified that he paid the Defendant the sum of ~~₦3,000,000.00~~ (Three Million Naira) and then after the end of December 2024, Defendant paid him the sum of ~~₦540,000.00~~ (Five Hundred and Forty Thousand Naira) and pleaded with him to allow him another three months so he could pay him the balance sum of ~~₦3,540,000.00~~ and he accepted, however, demanded that the Defendant sign a Fresh Agreement to that effect in regard to developing new terms and conditions into their previous Agreement but the Defendant did not comply. Nevertheless, Claimant testified that the extra three months demanded by the Defendant expired and the Defendant only paid him the sum of ~~₦540,000.00~~ and demanded to be granted another three

months and Claimant refused on the basis that the initial or extra three months granted the Defendant, he refused to sign a fresh agreement in regard to fresh terms and conditions which are not part of their first agreement. However, Claimant testified that after two weeks of the expiration of the three months extra period, he refused to renew another three months for the Defendant, Defendant paid him the sum of ₦2,000,000.00 (Two Million Naira) and thereafter Defendant had refused to complete the balance sum telling him that he will complete the balance at his own time. Claimant tendered *Exhibits A, B, C, D, E, F, G, H* which are of the transfer payments of the sum of ₦3,000,000.00 to the Defendant and payments to the Claimant by the Defendant to liquidate the debt. Also the Agreement titled *Simple Loan Agreement* is marked *Exhibit J* and concluded his evidence in chief and was cross examined to the fact that the Loan Agreement as contained in *Exhibit J* is to the sum of ₦3,540,000.00 (Three Million, Five Hundred and Forty Thousand Naira). However, he gave the Defendant the sum of ₦3,000,000.00 (Three Million Naira) which Claimant admitted is a fact. Claimant in his further cross examination accepted and or admitted that the Defendant had paid him the total sum of ₦3,080,000.00 (Three Million, Eighty Thousand Naira) and that he is still with the Defendant Title document and thus concluded the cross examination of the Claimant and his proof of Claim. Defendant in proof of his Defence testified that the Claimant granted him the loan sum of ₦3,000,000.00 (Three Million Naira) and tendered *Exhibit K, L, M, N, and O* of the receipts of payments to him of the sum of ₦3,000,000.00 (Three Million Naira) by the Claimant and transaction receipts of payments to the Claimant in liquidating the loan, however, testified that he did not pay the Claimant on time, as when due and concluded his testimony and was cross examined by the Claimant to the fact of what the sum of ₦540,000.00 as contained in *Exhibit J* of Loan Agreement of the sum of ₦3,540,000.00 is all about, for what purpose and Defendant stated that the Agreement as contained in *Exhibit J* was to the effect that the Claimant will give him the loan sum of ₦3,540,000.00, however, Claimant only granted him the sum of ₦3,000,000.00 as contained in *Exhibit A*. Defendant in his further cross examination stated that the Agreement as contained in *Exhibit J* is to last for three months, however, that he did not pay the Claimant as when due hence Defendant did not pay the Claimant the complete sum of ₦3,540,000.00, as agreed at three months as such it delayed his business plan. Claimant cross examined to the fact that the sum of ₦540,000.00 making it the sum of ₦3,540,000.00, is interest after three months of the Agreement. However, that the Defendant did not liquidate the whole sum till after six months when the Defendant paid him the sum of

₦1,080,000.00 thereafter, after two months Defendant paid him the sum of ₦2,000,000.00 and that till date of the Agreement is nine months yet the Defendant has not liquidated the balance sum of the loan of ₦1,000,000.00 and its interest of ₦540,000.00 hence the sum of ₦1,540,000.00 as claimed. However, Defendant responded that what the Claimant is stating aforestated is not a fact rather, that it was the Agreement as contained in *Exhibit J* that the Claimant grant him the loan sum of ₦3,540,000.00, and not that the sum of ₦540,000.00 is an interest therein and thus concluded the Defendant proof of Defence. This Court has considered all that are before it including *Exhibits A to O* of transfers of the principal sum repayments to that effect and the Agreement between parties titled *Simple Loan Agreement*. Claimant testified that so far, Defendant has liquidated to him the total sum of ₦3,080,000.00 (Three Million Eighty Thousand Naira) remaining the balance sum of ₦1,540,000.00 (One Million, Five Hundred and Forty Thousand Naira) of balance of the sum of the loan and interest. However, parties agreed that it was only the sum of ₦3,000,000.00 that was granted the Defendant as contained in *Exhibit A*. However, Claimant is alleging that the sum of ₦540,000.00 is of interest to be paid him by the Defendant accruing to the loan sum of ₦3,000,000.00. However, this Court states that the Claimant testimony to that fact of interest to be paid is of the sum of ₦540,000.00 is not a fact. *Exhibit J* of the Loan Agreement Clause (1) states Loan Agreement – The lender agrees to lend to the borrower the principal sum of ₦3,540,000.00 only and in accordance with the terms set forth below. (2) Interest – No interest is charged on the principal sum loaned to the borrower. Provided that the borrower shall keep to terms set out in this Agreement. This Court states that by the aforestated terms the Claimant is to give the Defendant out the loan sum of ₦3,540,000.00, however, gave him the sum only of ₦3,000,000.00 and to this fact, Claimant did not completely fulfill the terms of the Agreement. Also, clause 2 or condition 2 states to the effect or fact that the loan is interest free provided that the Defendant/borrower keeps to terms set out in this Agreement. Nevertheless, Defendant accept the fact that he did not pay the loan as when due, however, there is no other clause or terms to the Agreement as in *Exhibit J* as to next step to follow after there is a default as in the instant case. There was no amount agreed by parties as contained in *Exhibit J* to the effect what sum or amount to pay within a period of default hence the situation of default in repayment as when due and what sum to pay to that effect was not captured in *Exhibit J* except that clause 8 on Amendment states to the fact that the Agreement may be amended or modified only by a written Agreement duly signed by both the borrower and the lender. However, special note is taken of clause 4 on repayment

to the fact that the borrower has the right to repay all or any part of the loan at any time without repayment penalty or premium of any kind. Indeed this Court states that clause 4 takes care of the issue of interest and repayment circumstance to the effect that the borrower/Defendant has the right to repay all or any part of the loan at any time without pre-repayment penalty or premium of any kind. By the foregoing clause 4, it is clear that parties agree that the Defendant repayment time is of no sense or importance in the repayment of the loan hence, Claimant has no basis claiming for interest of any sum whatsoever as he is claiming in this Claim against the Defendant. This Court states that the reason for the clause 4 of repayment terms of no time period and without penalty or premium at default of payment at a period of 3 months is to the fact that the Claimant was granted the Title Document to the Defendant property hence there was no terms as to interest on the loan and then Defendant is to pay back the loan at any time without attracting any interest, penalty or premium to that effect. In conclusion, this Court states that there was no interest sum as in the sum of ₦540,000.00 as alleged by the Claimant. Further, the sum of ₦540,000.00 is the sum of the loan which the Claimant defaulted to grant the Defendant. Also, it is the terms of the Agreement that the Defendant pay the loan at his will any time without repayment penalty or premium. Also, Claimant was granted the security to the loan of the Defendant Title Deed hence the sum of interest in this transaction is not the terms and condition between parties. Therefore, this Court states that the Defendant so far has liquidated to the Claimant the loan sum as borrowed of the sum of ₦3,000,000.00 by the payment to the Claimant the sum of ₦3,080,000.00 (Three Million, Eighty Thousand Naira) even over paying by the sum of ₦80,000.00 (Eighty Thousand Naira). Therefore, Defendant is not owing the Claimant as claimed. In the circumstance, this Claim is hereby struck out. There is no Order as to cost.



U. J. YOUNG-DANIEL (ESQ)

CHIEF MAG. GRD 1.

08/07/25.

NWANOSIKE PATRICK C.

*Head Registrar
SCC Aba Zone*