KACB310055832021

IN THE COURT OF THE PRL CIVIL JUDGE AND J.M.F.C., CHINTAMANI

PRESENT: SMT.SHAKUNTHALA. R. BA.,LLB., LLM.
PRL.CIVIL JUDGE AND JMFC, CHINTAMANI

DATED THIS THE 02nd DAY OF JUNE- 2026

O.S. 283/2021

Plaintiff : Canara Bank,
By its Branch Manager and
P.A Holder ,
Sri. Binoy Krishna.
Branch Manager,
Canara Bank, Chintamani.

(By Sri.M.L.G., Adv.)

V/s

Defendants : 1) Sri. Srinivasa,
S/o Ramaiah,
Aged about 38 years
Prop Sri. Venkateswara Condiments
Chelur Road,
Chintamani Town-563125.

R/at Ward No. 16,
Sriram Nagara,
Bengaluru Road,
Chintamani Town-563125.

(Defendant placed Exparte)

<table>
<tr><td>Date of institution of the suit</td><td colspan="3">01.10.2021</td></tr>
<tr><td>Nature of the suit</td><td colspan="3">Money suit</td></tr>
<tr><td>Date of the commencement of recording of the evidence</td><td colspan="3">30.04.2026</td></tr>
<tr><td>Date on which the Judgment was Pronounced</td><td colspan="3">01.06.2026</td></tr>
<tr><td rowspan="2">Total Duration</td><td>Year/s</td><td>Month/s</td><td>Day/s</td></tr>
<tr><td>04</td><td>08</td><td>01</td></tr>
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(Smt.Shakunthala. R)
Prl. Civil Judge & JMFC.,
Chintamani.

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

Suit filed for recovery of sum of ₹2,72,762-97/- with interest current and future at the rate of 8.60% p.a with penal interest at 2% p.a.

2. Brief facts of plaintiff's case is that the defendant approached the plaintiff bank for loan for financial assistance for the purpose of improvement of business. The plaintiff bank has granted loan to the defendant to the extent of Rs 3,00,000/- on 27.06.2017. In consideration of the loan availed by the defendant, the defendant has executed necessary documents infavour of the plaintiff bank agreeing among other conditions to repay the loan amount in equated monthly installments of Rs. 6,400/- commencing from 31.07.2017 together with interest at 1.25% the MCLR rate with minimum of 10% p.a to be compounded monthly for having value received. The defendant has agreed to pay penal interest at 2%p.a. further, the defendant stood for the loan sanctioned and executed guarantee agreement for the same, but he failed to comply the conditions of agreement. Hence this suit.

3. After service of of suit summon, the defendant has appeared before the court and he not filed written statement.

4. In order to prove his case, the plaintiff got himself examined as PW-1. The plaintiff has produced 7 documents in support of his case, which are marked at Ex.P-1 to P-8.

5. In order to prove the case of plaintiff, Manager of plaintiff bank examined as PW.1 and relied on 7 documents, which were marked as Ex.P1 to P8. Ex.P1 is the application for credit facilities to micro and small enterprises, Ex.P2 is the Process note. Ex.P3 is the letter of sanction Ex.P4 is the loan sanction letter, Ex.P5 is the Hypothecation agreement, Ex.P6 is the E- stamp , Ex.P7 is the letter of revival, Ex.P8 is the account statement.

6. Heard Sri. N.G., learned counsel for plaintiff and perused materials placed before the court.

7. By considering the oral and documentary evidence placed before the Court, above points answered as below:-

1) Does plaintiff proves that the defendant borrowed sum of ₹ 2,72,762-97/- ?

2) Does plaintiff is entitle for interest as claimed ?

3) What order or decree?

8. The points arise for consideration are:-

<u>Point No.1</u> : In the **Affirmative**

<u>Point No.2</u> : In the **Affirmative**

<u>Point No.3</u> : As per the final order for the following:-

<u>:: R E A S O N S ::</u>

9. <u>POINT No.1</u>:- Case of plaintiff is that, the defendants borrowed sum of ₹2,72,762-97/-, but she failed to repay the amount.

10. Branch Manager of plaintiff bank examined as PW.1. PW.1 in his examination in chief reiterated all the averments of plaint.Ex.P1 is the application for credit facilities to micro and small enterprises, Ex.P2 is the Process note. Ex.P3 is the letter of sanction Ex.P4 is the loan sanction letter, Ex.P5 is the Hypothecation agreement, Ex.P6 is the E- stamp , Ex.P7 is the letter of revival, Ex.P8 is the account statement.

11. This court has carefully perused the Ex.P1 to Ex.P8. Ex.P1 to Ex.P8 documents clearly reveals before the Court that, the Defendant by name Srinivasa has obtained the loan facility from the

Plaintiff-bank and stood as guarantor for the said loan facilities availed by defendant. On careful perusal of the Ex.P1 to Ex.P8 it clearly demonstrate that, they have executed necessary documents in-favour of the Plaintiff-bank and have obtained the loan from the Plaintiff-bank to an extent of Rs.2,72,762-97/-. The defendant had agreed to repay the above loan with present rate of interest at the rate of 10% p.a agreed to pay penal interest at 2% p.a in case of failure of paying installments over and above the agreed rate of interest in case of default in paying anyone of the loan installments,Evidence of PW.1 and documentary evidence relied by PW.1 remained unchallenged. After service of summons the defendant failed to contest the matter by filing their written statement. Attitude of the defendant inclines the court to draw adverse inference against them and leads the court to believe the version of PW.1, more than that, documents relied by PW.1 clearly establishes the case of plaintiff. For above discussion, this point answered in **Affirmative**.

12. **<u>POINT No.2</u>**:- Plaintiff pleaded that loan borrowed for education purpose by the defendants and documents relied by plaintiff also establishes this fact. Now, the next question is whether the plaintiff bank is entitled for interest at the rate of 8.60% per annum with penal interest at 2% p.a from the date of the suit till realization. It is pertinent to note that on perusal of the Ex.P2 and as per the pleadings in the plaint, the rate of interest agreed was 10%. The plaintiff bank has not placed any material before the court to show that, the defendant is liable to 8.60% per annum with penal interest at 2% p.a. Further it is pertinent to note that on perusal of Ex.P3, the loan agreement it is clear that the borrower undertake to pay interest at the rate of 8.60% per annum with penal interest at 2% per annum. As aforesaid the plaintiff bank as prayed for awarding interest at the rate of 8.60% per annum with penal interest at 2% p.a. It is pertinent to note that the defendants have borrowed the loan amount for the purpose of improvement of business.

Accordingly this court answers point No.2 ***in the affirmative.***

13. <u>POINT No.3</u>:- For the reasons assigned to above points resulted in following:-

<u>O R D E R</u>

Suit of the plaintiff is decreed with costs.

Defendant No.1 is directed to pay sum of ₹.2,72,762-97/-, within 6 months from date of this order.

Defendant is further directed to pay interest at rate of ₹8.60% p.a. for Rs. 2,72,762-97/-, from date of institution of suit till realization.

Draw decree accordingly.

(Dictated to the stenographer, transcribed and computerized by her, then corrected pronounced in the open court on this the **2**nd day of June-2026)

Sd/-
(Smt Shakunthala.R)
Prl.Civil Judge & JMFC.,
Chintamani.

<u>ANNEXURE</u>

I. List of witnesses examined by plaintiff :

PW.1 : Sri. Jithendrakumar Varma

II. List of documents exhibited by plaintiff:

Ex.P1	:	Application
Ex.P.2	:	Process note
Ex.P3	:	Letter of sanction
Ex.P4	:	Loan sanction letter
Ex.P5	:	Hypothecation agreement
Ex.P.6	:	E- stamp
Ex.P.7	:	Letter of revival
Ex.P8	:	Account statement.

III. List of witnesses examined by defendants:

-Nil-

IV. List of documents exhibited by defendants:

-Nil-

Sd/-

(Smt Shakunthala.R)
Prl. Civil Judge & JMFC.,
Chintamani.

(Judgment pronounced in the open court, vide separate order)

ORDER

Suit of the plaintiff is decreed with costs.

Defendant is directed to pay sum of ₹.2,72,762-97/-, within 6 months from date of this order.

Defendant is further directed to pay interest at rate of ₹8.60% p.a. for Rs. 2,72,762-97/-, from date of institution of suit till realization.

Draw decree accordingly.

Prl.Civil Judge and JMFC
Chintamani.