KAMS010069512025

TITLE SHEET FOR JUDGMENTS IN ORIGINAL SUITS

IN THE COURT OF THE PRINCIPAL DISTRICT AND SESSIONS JUDGE AT MYSURU

Dated this the 3rd day of August, 2026

PRESENT

Smt. Usharani, **B.A.(Law) LL.B.**,
Prl. District & Sessions Judge,
Mysuru.

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Com.O.S./245/2025

Plaintiff: **CANARA BANK,**
A Bank constituted and functioning under the Banking Companies (Acquisition and Transfer of undertakings) Act, 1970, having its head Office at No.112, J.C. Road, Bengaluru 560002. Having number of branches and one such branch at Nanjumalige Branch, Lakshmipuram, Mysuru.
Represented by its duly constituted Attorney and Senior Manager Sri Sandeep Kumar H.R. S/o. Late Sri Ramesh Kumar H.S., aged about 37 years.

(By Smt. Rashmi H.P., Advocate)

Vs.

Defendant:	**M/s. Dhanalakshmi Provision Store,** Represented by Proprietor Sri Dharmesh S., S/o. Sri Siddanayaka, No.223, Nayakara Beedi, Marballi Village and Post, Jayapura Hobli, Mysuru-570 008. Mobile No.9739097526.

(By Sri Basavaraju M, Advocate)

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Nature of the Suit	:	Money Suit		
Date of filing of the Suit	:	06.09.2025		
Date of pronouncing of Judgment	:	03.08.2026		
Duration of Suit	:	Year/s	Month/s	Day/s
		00	**10**	**27**

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(Usharani)
Prl. District & Sessions Judge,
Mysuru.

JUDGMENT

This suit has been filed by the plaintiff, Canara Bank, against the defendant, for recovery of Rs.6,52,867/- with interest at the rate of 11.50% p.a. and penal interest at 2.36%

per annum compounded monthly from the date of suit till realization and also for costs.

2. **The brief averments of the plaint are as under:-**

Plaintiff is a Canara Bank constituted and functioning under the Banking Companies Act, 1970, having its branch office at Mysuru. On the application of defendant, Proprietor of M/s. Dhanalakshmi Provision Store, plaintiff bank has sanctioned Over Draft Limit of Rs.4,00,000/- on 10.02.2022 under MSME OD Scheme, for the purpose of starting a provision store. In this regard defendant has executed cash credit agreement in favour of the plaintiff bank. Defendant has executed pronote in favour of plaintiff bank and agreed to pay interest at the rate of 9.15% p.a. as per prime lending rate, raising or falling therewith from time to time compounded monthly and overdue rate of interest at 2% p.a. Further, on the application of defendant, plaintiff bank has renewed and enhanced the OD-OCC limit to Rs.6,00,000/- on 06.05.2023. In this regard, defendant has executed pronote for Rs.2,00,000/- along with supplemental agreement in favour of plaintiff bank, thereby hypothecated the assets and created a first charge in favour of plaintiff bank and agreeing to repay the same along with interest at the rate of 11.50% p.a. as per prime lending rate, raising or falling therewith from time to time and overdue rate of interest at 2% p.a. After availing the aforesaid loan amount, defendant has failed to adhere to the terms of documents and he did not regularized the repayment schedule inspite of repeated requests and issuance of registered notice and committed default. Hence, plaintiff bank has issued legal notice on 20.01.2025 calling the defendant to repay the loan outstanding. Despite issuance of legal notice, defendant has failed to comply with the terms of legal notice. As per the loan account maintained by the plaintiff bank as on 1.01.2025 defendant is due of Rs.6,45,367/-. By adding legal notice charges of Rs.2,500/- and typing and miscellaneous charges of Rs.5,000/-, the total amount due from the defendant is Rs.6,52,867/-. Hence, this suit.

3. The defendant has appeared through his counsel and filed written statement stating that suit is not maintainable either in law or on facts. False cause of action has been created. The defendant has admitted the borrowing of loan of Rs.4,00,000/- under MSMEOD Scheme on 10.02.2022. Thereafter started running Dhanalakshmi Provision Store at Jayapura Hobli, Marballi Village and was paying EMI regularly. During 2022-2023 there

was Covid-19 and hence, he had suffered loss in the business and hence he could not pay the EMI. Defendant is liable to pay only Rs.2,00,000/- to the bank, but the bank has charged an exorbitant rate of interest and classified the amount as 'overdue,' thereby highlighted the interest component more than the principal amount. The plaintiff bank has not stated in the plaint about EMI paid by the defendant during 2022 to 2024. Defendant is liable to pay only Rs.2,00,000/- and even today he is ready to repay the same. Therefore, prayed to dismiss the suit.

4. On the above pleadings, the following issues were framed:

ISSUES

1) Whether the plaintiff bank proves that, defendant has borrowed Over Draft Limit facility of Rs.4,00,000/- on 10.02.2022, under MSME OD Scheme for the purpose to start a Provision Store, agreeing to repay the same along with interest at the rate of 9.15% p.a. and overdue rate of interest at 2% p.a.?

2) Whether the plaintiff bank proves that, it has enhanced OD-OCC limit loan from Rs.4,00,000/- to Rs,6,00,000/- on 06.05.2023 for the sake of renewal, agreeing to repay the same along with interest at 11.50% p.a. and overdue rate of interest at 2% p.a.?

3) Whether the plaintiff bank is entitled for the relief sought for?

4) What decree or order?

5. The plaintiff bank has examined its Divisional Manager as P.W.1 and got marked Ex.P.1 to P.18. Defendant has not led any oral or documentary evidence.

6. Heard the arguments.

7. Based on the available materials on record, proceed to answer the above issues as follows:

Issue No.1	::	**In the Affirmative**
Issue No.2	::	**In the Affirmative**
Issue No.3	::	**Partly in the affirmative**
Issue No.4	::	As per final order for the following:

REASONS

8. **Issues No.1 to 3 :-** These issues are taken up together in order to avoid repetition of facts and question of law.

9. The case of plaintiff Bank is that, defendant has availed Over Draft Limit of Rs.4,00,000/- on 10.02.2022, under MSME OD Scheme for the purpose of starting a Provision Store by executing necessary documents in its favour and agreeing to

repay the same along with interest at the rate of 9.15% p.a. and overdue rate of interest at 2% p.a. Further on the application of defendant, plaintiff bank has renewed and enhanced OD-OCC limit loan from Rs.4,00,000/- to Rs,6,00,000/- on 06.05.2023 and agreeing to repay the same along with interest at 11.50% p.a. and overdue rate of interest at 2% p.a.

10. In order to corroborate the case of plaintiff Bank, its Divisional Manager has reiterated plaint averments in his chief affidavit and got marked the documents at Ex.P.1 to P.18.

11. The defendant has admitted the borrowing of loan of Rs.4,00,000/- under MSMEOD Scheme on 10.02.2022 and has averred that after availing the aforesaid loan amount, he has started running Dhanalakshmi Provision Store at Jayapura Hobli, Marballi Village and was paying EMI regularly. One more contention of the defendant is that, during 2022-2023 there was Covid-19 and hence, he had suffered loss in the business and hence he could not pay the EMI. Therefore, he is liable to pay only Rs.2,00,000/- to the bank, but the bank has charged an exorbitant rate of interest. Further plaintiff bank has not stated in the plaint regarding EMI paid by the defendant during 2022 to 2024 and even today he is ready to repay Rs.2,00,000/- to the

plaintiff bank. But, defendant has not cross examined PW.1 on any of the points raised in his defence and has neither produced oral nor documentary evidence to consider the same.

12. It is pertinent to note here that, available materials show that on the application Ex.P.1 of the defendant dated 10.02.2022 and on the request letter Ex.P.2 for OD facility, plaintiff bank has sanctioned overdraft facility of Rs.4,00,000/- on the same day for the purpose of starting a Provision Store as per Ex.P.3 sanction memorandum. Defendant has executed Ex.P.5 cash credit agreement in favour of the plaintiff bank, under which defendant has hypothecated the assets purchased out of bank finance as security for loan facility. Defendant has executed Ex.P.6 pronote on 11.2.2022 for Rs.4,00,000/- promising to pay the said amount on demand with interest at 2.25% per annum above/below the ongoing marginal cost lending rate (RCCR) at present being 6.90%. By executing Ex.P.7 letter of proprietorship, defendant has informed that he is trading under the name and style of M/s. Dhanalakshmi Provision Store and he is the sole Proprietor of the same. The document at Ex.P.10 letter of renewal shows that on the request of defendant, plaintiff bank has enhanced overdraft limit from

Rs.4,00,000/- to Rs.6,00,000/- by renewing the same as per Ex.P.11 sanction memorandum. By executing ExP.12 supplemental agreement dated 06.05.2023 defendant has hypothecated the assets and created a first charge in favour of plaintiff bank and agreeing to repay the same along with interest at the rate of 11.50% p.a. and overdue rate of interest at 2% p.a. Defendant has executed Ex.P.13 pronote on 6.5.2023 for Rs.2,00,000/- promising to pay the said amount on demand with interest at 11.50% per annum. Plaintiff has produced Ex.P.18/non starter report issued by District Legal Service Authority, Mysuru, which shows that inspite of efforts to settle the matter, defendant has not shown any interest.

13. According to plaintiff bank, defendant has not repaid the loan amount inspite of repeated requests and issuance of Ex.P.15 legal notice dated 20.01.2025 and the same was served to defendant as per Ex.P.16 postal acknowledgment. The P.W.1 has produced Ex.P.17 statement of account with respect to loan transaction, which shows outstanding balance as on 1.1.2025 is Rs.6,45,367-18.

14. In view of the above discussions, it is clear that defendant has availed Over Draft Limit of Rs.4,00,000/- from the

plaintiff bank on 10.02.2022 and at his request plaintiff bank has enhanced OD-OCC limit loan from Rs.4,00,000/- to Rs,6,00,000/- on 06.05.2023 and now defendant is due of Rs.6,52,867/-, which includes legal notice charges of Rs. 2,500/- and typing and miscellaneous charges of Rs.5,000/-.

15. Though plaintiff has claimed suit amount with interest at the rate of 11.50% per annum and penal interest at 2.36% per annum compounded monthly, from the date of suit till realization, by considering the interest prevailing and keeping in view Section 16 of Commercial Courts Act and Section 34 of CPC, I opine it is proper to award interest at the rate of 9% per annum from the date of suit, till realization. Hence, plaintiff bank is entitled for recovery of Rs.6,52,867/- with interest @ 9% per annum, from the date of suit till realization, from the defendant.

16. In view of the above discussion, proceed to answer Issue No.1 and 2 **in the affirmative** and Issue No.3 **partly in the affirmative.**

17**.** **Issue No.4:-** In view of the discussion made supra, proceed to pass the following:

ORDER

Suit of the plaintiff Bank is partly decreed with costs.

The defendant is liable to pay Rs.6,52,867/- (Rupees six lakh fifty two thousand eight hundred and sixty seven only) to the plaintiff, with interest at the rate of 9% per annum from the date of suit, till realization.

Draw decree accordingly.

(Dictated to laptop, typed the same by the Stenographer-III on Computer and after corrections, pronounced by me in open Court on this the **3rd day of August, 2026**)

(Usharani)
Prl. District & Sessions Judge,
Mysuru.

: ANNEXURE :

1) **Witnesses examined on behalf of plaintiff**:

P.W.1 :: Sathish Kumar R

2) **Documents exhibited on behalf of plaintiff**:

Ex.P.1	::	Loan application
Ex.P.2	::	Request for OD facility
Ex.P.3	::	Sanction Memorandum
Ex.P.4	::	Specimen signature card
Ex.P.5	::	Cash credit agreement

Ex.P.6	::	Pronote
Ex.P.7	::	Letter of proprietorship
Ex.P.8	::	NF-373
Ex.P.9	::	Annexure
Ex.P.10	::	Letter of renewal
Ex.P.11	::	Sanction Memorandum
Ex.P.12	::	Supplement agreement
Ex.P.13	::	Pronote
Ex.P.14	::	Stock statement
Ex.P.15	::	Office copy of Legal notice
Ex.P.16	::	Postal acknowledgment
Ex.P.17	::	Statement of accounts
Ex.P.18	::	PIMS

3) **Witnesses examined on behalf of defendant**

NIL

4) **Documents exhibited on behalf of defendant**:

NIL

Prl. District & Sessions Judge,
Mysuru.

USHARANI

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Date: 2026.08.04 17:44:06 +0530