KAMS010090002023

TITLE SHEET FOR JUDGMENTS IN ORIGINAL SUITS

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

Dated this the 1st day of August, 2026

PRESENT

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

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Com.O.S./333/2023

Plaintiff: **CANARA BANK,**
(E-Syndicate Bank)
A Bank Constituted and functioning under the State 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 K.R. Circle, Mysuru. Represented by its duly constituted Attorney and Manager Smt. Resmy B.S. W/o. Regukumar S. aged about 54 years.

(By Sri B.T. Sreekantegowda, Advocate)

Vs.

Defendant: **Sri Dayananda M.V.**
Aged about 44 years, S/o. K. Vasu, Merchant, Shop No.331, Devaraja

Market, Mysuru-570001.

(By Sri K.C. Ravindra, Advocate)

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Nature of the Suit	:	Money Suit		
Date of filing of the Suit	:	16.12.2023		
Date of pronouncing of Judgment	:	01.08.2026		
Duration of Suit	:	Year/s	Month/s	Day/s
		02	**07**	**15**

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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.4,77,412-62 with interest at the rate of 11.75% p.a. from 01.10.2023 compounded monthly till realization and also for costs.

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

Plaintiff is a Canara Bank functioning under the Banking Companies Act, 1970. On the application dated 25.12.2019 of the defendant plaintiff bank has sanctioned term loan of

Rs.4,00,000/- on 27.12.2019 after got executing hypothecation agreement in its favour. Defendant has agreed to repay the loan amount in 60 equated monthly installments of Rs.8,776/- commencing from 31.01.2020 along with interest at the rate of 10.75% per annum compounded monthly and over due rate of interest at 2% per annum. At the beginning the defendant has repaid the monthly instalment. Thereafter he has failed to repay the same as agreed. Inspite of repeated requests by the plaintiff bank, defendant has failed to repay it and hence plaintiff bank has issued registered notice. The defendant has executed letter of revival on 08.04.2022 acknowledging the debt, but even after execution of revival letter, defendant has not repaid the loan amount. Hence, plaintiff bank has issued legal notice dated 08.08.2023 asking him to repay the entire outstanding balance, but he has not repaid the same. As per the loan account maintained by the plaintiff bank, as on 30.09.2023 defendant is due of Rs.4,76,412-62. By adding typing and miscellaneous charges of Rs.1,000/-, the total amount due from the defendant is Rs.4,77,412-62. Hence, this suit.

3. The defendant has appeared through his counsel and filed written statement stating that he has availed loan from

Syndicate Bank and subsequently it was merged with plaintiff Bank and that he had pygmy deposit account at Syndicate Bank. Further he has denied execution of composite hypothecation agreement and averred that he has never executed any document in favour of plaintiff bank. It is averred that he was repaying the loan amount promptly, but due to circumstances beyond his control he could not keep up his repayment schedule. He has also denied execution of revival letter and denied liability as averred in the plaint. It is averred that due to Covid -19 Pandemic he was forced to close his business for more than 4 months. Further he had also suffered huge loss in the business and his younger brother has brutally attacked him by pouring boiling oil on him and attempted to kill him on 01.03.2021 and hence, almost one year he could not carryout his business. In this regard SC. No.216/2022 is pending against his brother. Plaintiff bank has collected CGTMSE fee of Rs.5,428/- on 13.02.2020, Rs.1,368/- on 29.05.2020, Rs.9,200/- on 20.02.2021, Rs.5,000/- on 02.03.2022, Rs.5,856/- on 02.03.2022 and Rs.3,931/- on 08.03.2023 by debiting the same from his account. The plaintiff bank has also deducted insurance premium charges of Rs.295/- on 28.09.2020, Rs.2,466/- on 03.03.2021, Rs.2,955/- on

03.03.2022 and Rs.3,109/- on 14.03.2023 from his account. Plaintiff bank has received Rs.1,27,263/- on 18.03.2024 from CGTMSE committee in respect of default payment and hence, plaintiff bank can claim only balance amount from the said CGTMSE committee. Though plaintiff bank is entitled for CGTMSE and insurance amount, come up with this false case and hence, prayed to dismiss the suit.

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

ISSUES

1) **Whether the plaintiff proves that in the loan transaction of the defendant with the plaintiff bank (earlier Syndicate Bank), there is outstanding balance of Rs.4,76,412-62 payable by the defendant?**

2) **Whether the defendant proves that he has not executed letter of revivals as stated?**

3) **Whether the defendant proves that the plaintiff has not adjusted the payments made and amount received from CGTMSE Committee in the loan account?**

4) **Whether the plaintiff is entitle for the reliefs prayed in the suit?**

5) What decree or order?

5. The plaintiff bank has examined its Senior Manager as P.W.1 and got marked Ex.P.1 to P.8. On the other hand, defendant was examined himself as DW.1 and got marked Ex.D.1 to D.6.

6. Heard the arguments of both sides.

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 Negative**
Issue No.3	::	**In the Negative**
Issue No.4	::	**Partly in the Affirmative**
Issue No.5	::	As per final order for the following:

REASONS

8. **Issues No.1 to 4 :-** 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, on the application dated 25.12.2019 of the defendant, plaintiff bank has sanctioned term loan of Rs.4,00,000/- on 27.12.2019 after got executing necessary loan documents in its favour. Defendant has agreed to

repay the same in 60 equated monthly installments of Rs.8,776/- commencing from 31.01.2020 along with interest at the rate of 10.75% per annum compounded monthly and over due rate of interest at 2% per annum. Inspite of repeated requests by the plaintiff bank, defendant has failed to repay loan outstanding and hence plaintiff bank has issued registered notice. The defendant has executed letter of revival on 08.04.2022 acknowledging the debt, but even after execution of revival letter, defendant has not repaid the loan amount. Hence, plaintiff bank has issued legal notice on 08.08.2023. Despite issuance of legal notice, defendant has not repaid the loan outstanding.

10. In order to corroborate the case of plaintiff Bank, its Senior Manager has reiterated plaint averments in his chief affidavit and got marked the documents at Ex.P.1 to P.8.

11. The defendant has denied the borrowing of loan from Syndicate Bank and also denied the execution of documents i.e., composite hypothecation agreement and other documents in favour of the plaintiff bank. But in the course of cross examination of DW.1, he has admitted that Ex.P.1 is the loan application given by him and Ex.P.2 is the loan sanction letter of

Syndicate Bank. With regard to borrowing of loan of Rs.4,00,000/- he has admitted the execution of Ex.P.3 in favour of plaintiff bank and also agreed that loan amount was deposited to his bank account as per Ex.P.4 receipt.

12. The defendant has further contended that after the merger of Syndicate Bank with the Canara Bank, no documents have been executed between plaintiff bank and the defendant. In this regard the learned advocate for defendant drew the attention to evidence of PW.1 and has argued that, in order to file this suit, Ex.P.5 has been fabricated, which fact has been admitted by the PW.1. In the evidence highlighted by learned advocate for defendant PW.1, found admitted that after the merger of Syndicate Bank with Canara Bank, no documents were executed between the bank and the defendant and that Ex.D.1 is the internet down loaded copy.

13. It is relevant to note here that, DW.1 has admitted in his evidence that he has signed Ex.P.5 during Covid-19. Hence, it is pertinent to reproduce the said evidence of DW.1, which runs thus:-

> **"**ಈಗ ತೋರಿಸಿದ **letter of Revival** ನಲ್ಲಿ ನನ್ನ ಸಹಿ ಇದೆ**.** ಅದು ನಿಪಿ**.5.** ಅದರಲ್ಲಿರುವ ನನ್ನ ಸಹಿಯನ್ನು ನಿಪಿ**.5(**ಎ**)** ಎಂದು

ಗುರುತಿಸಲಾಯಿತು. ಸಾಕ್ಷಿ ಮುಂದುವರೆದು ಹೇಳುತ್ತಾರೆ ಸದರಿ ಸಹಿಯನ್ನು ಕೋವಿಡ್ ಇದ್ದಾಗ ಮಾಡಿದ್ದೇನೆ".

14. When Syndicate Bank merged with Canara Bank, then Syndicate Bank fully steps into the shoes of Canara Bank. Then all rights, assets and liabilities and responsibilities of original lending bank are legally transferred to the new unified entity. It is important to note here section 9 of the banking companies (Acquisition and transfer of undertakings) Act, 1970, which empowers the Central Government, after consultation with the Reserve Bank of India to frame legal schemes for restructuring management and amalgamation of Nationalized Banks. It serves as the primary legislative anchor that allows the Government to merge public sector banks such as Syndicate Bank and Canara Bank. Hence, aforesaid argument of learned advocate for the defendant does not hold good.

15. It is also contended by the defendant that, during Covid-19 there was storage of grocery worth Rs.4,00,000/- and due to Covid-19 he was forced to close the business. Hence, he had suffered great loss and all the groceries were perished.

16. However, during the course of cross examination of DW.1, he has admitted that he has no documents to show that

he had grocery worth Rs.4,00,000/- during Covid–19 and it was perished since kept in the storage and that no letters were addressed to bank communicating the said fact, but DW.1 has given explanation that same was not intimated because during the said period his brother had poured boiling oil on him and hence, he had suffered burn injuries and was hospitalized. In this regard DW.1 has produced photographs, medical documents, wound certificate and also the criminal case records i.e., charge sheet filed in Crime No.28/2021 of Nazarbad Police Station. Though these criminal documents corroborate the case of defendant, same are in no way help the defendant, because there is no proper intimation to the plaintiff bank during the said period and that no evidence put-forth before the Court to show that there is such scheme to exempt him from repaying the loan amount.

17. It is important to note here that, there is an insurance as well as CGTMSE Scheme, which has been admitted by the defendant. But according to defendant, under CGTMSE Scheme Rs.1,27,263/- has been deposited to his loan account and he has paid insurance premium of Rs.295/- on 28.09.2020, Rs.2,466/- on 03.03.2021, Rs.2,955/- on 03.03.2022 and

Rs.3,109/- on 14.03.2023 as per Ex.P.8 and also paid CGTMSE fee on various dates amounting to Rs.30,783/- and hence, balance has to be received by the plaintiff Bank from CGTMSE committee. But PW.1 Manager of the Bank has denied the same and deposed that as per rule defendant has to pay the balance loan amount and there is no such benefits as contended by the defendant under the rule. When question was put to DW.1, as though amount has been credited under CGTMSE scheme, he liable to pay entire loan amount, he has expressed ignorance about the same. The said portion in the evidence of DW.1, runs thus:-

> "ಬ್ಯಾಂಕಿನ ನಿಯಮದ ಪ್ರಕಾರ **CGTMSE** ಹಣ ಲೋನ್ ಖಾತೆಗೆ ಬಂದರೂ ಕೂಡಾ ಬ್ಯಾಕಿನವರು ನಾನು ಕಟ್ಟಬೇಕಾದ ಎಲ್ಲಾ ಹಣವನ್ನು ನಾನು ಪಾವತಿ ಮಾಡಬೇಕು ಎಂದರೆ ನನಗೆ ಗೊತ್ತಿಲ್ಲ".

18. However, DW.1 has further deposed that, without his consent amount has been adjusted from his account to the loan account and hence, he is not liable to repay the same. In view of the discussion made supra, above contentions of the defendant cannot be considered.

19. It was also argued by learned advocate for the defendant that, letter of revival is not within the limitation and

hence, suit is not maintainable, but as per loan sanction letter Ex.P.2, loan was sanctioned on 27.12.2019 and within 3 years revival letter Ex.P.5 has been executed by the defendant. Thereafter within 3 years, suit has been filed. Therefore, above argument of learned advocate for defendant also does not hold good.

20. It is pertinent to note here that, defendant has admitted the loan transaction. As said supra, even if Syndicate Bank is merged with Canara Bank, he is liable to repay the same to the Bank. As per the loan account maintained by the plaintiff bank at Ex.P.8, as on 30.09.2023 loan outstanding is Rs. 4,76,412-62. By adding typing and miscellaneous charges of Rs.1,000/- the total amount due from the defendant is Rs.4,77,412-62.

21. Though plaintiff has claimed suit amount with interest at the rate of 11.75% p.a. from 01.10.2023 compounded monthly, 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.4,77,412-62 with interest @ 9% per annum, from the date of suit till realization, from the defendant.

22. In view of the above discussion, proceed to answer Issue No.1 **in the affirmative, Issue No.2 and 3 in the negative and Issue No.4 partly in the affirmative.**

23**.** **Issue No.5:-** 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.4,77,412-62 (Rupees four lakh seventy seven thousand four hundred and twelve, paise sixty two 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 tab, typed the same by the Stenographer-III on Computer and after corrections, pronounced by me in open Court on this the **1st day of August, 2026**)

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

: **ANNEXURE** :

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

P.W.1	::	Shivamurthy S

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

Ex.P.1	::	Loan application
Ex.P.2	::	Letter of sanction
Ex.P.3	::	Composite hypothecation agreement
Ex.P.3(a)	::	Signature of DW.1
Ex.P.4	::	Receipt
Ex.P.5	::	Letter of revival
Ex.P.6	::	Office copy of Legal notice
Ex.P.7	::	Unserved RPAD cover
Ex.P.7(a)	::	Notice
Ex.P.8	::	Statement of accounts

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

P.W.1	::	Dayananda M.V.

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

Ex.D.1	::	Loan account Statement
Ex.D.2	::	8 Photographs
Ex.D.3	::	Letter to Canara Bank
Ex.D.4	::	Charge sheet
Ex.D.5	::	7 Photographs
Ex.D.6	::	Wound Certificate with documents

Prl. District & Sessions Judge,
Mysuru.

USHARANI

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