

KAMS080005592025



**IN THE COURT OF PRINCIPAL SMALL CAUSES & SENIOR
CIVIL JUDGE & M.A.C.T. AT MYSURU.**

Presided Over by SRI AFTHAB.K

S.C./11/2025

Dated this the 7th day of March, 2026

Plaintiff/s:

Sri. C.S. Veerendraswamy S/o. Somashekarappa,
Age: 46 years, R/at No.724, 1st cross,
Basavanagudi, Hebbal 1st stage, Metagalli post,
Mysuru-570016.

(By Sri. K.S. Umesha, Advocate)

Vs.

Defendant/s :

M/s Fujipure Textiles House Pvt. Ltd.,
represented by its proprietor:
Sri. Vasudevan S/o. Thiru N. Narayanaswamy,
No.8(2), 215/20, Lingaa Goundar street, West,
Mahesh Tower, Oddakadu, Tiruppur.
Pin-641602, Mobile: 9244443388

(In-person)

Date of Institution of Suit	12.02.2025
Nature of suit	Small Causes
Date of recording of evidence	17.01.2026
Date on which judgment was pronounced	07.03.2026

Total Duration	Years	Months	Days
	1	0	23

JUDGMENT

The plaintiff has filed this suit against the defendants seeking recovery of sum of ₹.28,153/- which includes interest at a rate of 24% per annum from the date of transaction till the date of filing of the suit along with future interest at the rate of 24% per annum from the date of institution of the suit till the date of realization of the amount from the defendant in the interest of justice and equity.

2. The factual matrix of the plaintiff's case unfolds as under:

The plaintiff is the proprietor of Cooling Sewing Threads and Yarns. The plaintiff purchased the Tube Winding machine from the defendant and the defendant entered into an agreement with the plaintiff to supply raw material to the plaintiff and inturn purchase the threads produced by the plaintiff from the said machine. Further the plaintiff produced threads worth of ₹.26,560/- from the said machine and dispatched the same to the defendant; and the defendant issued cheque bearing No.000295 dated 20.08.2024 drawn on Kotak Mahindra Bank, Park Avenue, Tirpur, Coimabtoe for a sum of ₹.26,560/- and requested the plaintiff to present the said cheque for encashment on the date mentioned on the cheque.

2.1 Further the plaintiff presented the cheque for encashment through its banker i.e., HDFC bank Ltd., Saraswathipuram Branch, Mysuru on 20.08.2024 but the cheque was returned dishonored with a shara "*Funds Insufficient*" on 21.08.2024. Further when the plaintiff approached the defendant and brought the dishonor of cheque to the notice of the

defendant, the defendant requested the plaintiff to re-present the said cheque for encashment on 29.08.2024 and even this time the cheque came to be returned dishonored with a shara "*Funds Insufficient*". Further when approached by the plaintiff, the defendant once again requested the plaintiff to re-present, accordingly the plaintiff re-presented the said cheque for encashment on 01.10.2024 and even this time the cheque came to be returned dishonored with a shara "*Funds Insufficient*".

2.2. Further the plaintiff brought the said fact to the notice of the defendant, the defendant informed the plaintiff that the amount will be remitted within 15 days, but even after 15 days the defendant did not have sufficient balance in his bank account to honor the cheque. Further as the attitude of the defendant changed and the plaintiff understanding that the defendant issued the cheque deliberately despite being fully aware that there were insufficient funds in his bank account and with the sole intention of enriching himself at the cost of the plaintiff, as such the plaintiff got issued a legal notice dated 15.11.2024 by way of RPAD calling upon defendant to pay the cheque amount, which came to be served on the defendant and yet the defendant failed to make any efforts to repay the amount nor did he issue any reply. Hence the plaintiff has approached this court by filing the present suit seeking recovery of a sum of ₹.26,560/- from the defendant along with interest at the rate of 24% p.a. from the date of transaction till the date of realization.

3. In response to the summons issued by this court, the defendant placed appearance and Sri. NPK advocate filed memo of appearance. But thereafter the said counsel did not file his vakalath and there was no representation for the defendant. Hence the defendant was treated as

contesting the petition in person. Since the defendant did not file his written statement, the matter was posted for plaintiff's evidence.

4. In order to discharge the burden cast on him, the plaintiff examined himself as PW.1 and got marked documents as Ex.P1 to Ex.P6 and plaintiff's evidence stage was closed. Since the defendant did not file his written statement, the cross examination of PW.1 was taken as nil and the matter was posted for arguments.

5. Heard the argument of counsel for Plaintiff.

6. After carefully analyzing the pleadings and claim of the plaintiff, the following points arise for my consideration are :

- (i) *Whether the plaintiff proves that the defendant is due a sum of ₹.28,153/- as on the date of the suit?*
- (ii) *Whether the plaintiff is entitled for interest at the rate of 24% per annum ?*
- (iii) *Whether the plaintiff is entitled for the relief as sought for?*
- (iv) *What order or decree?*

7. After carefully analyzing the pleadings, the evidence adduced both oral and documentary evidence and after carefully analyzing the arguments canvassed by the learned counsel for the plaintiff, this court answers the aforementioned points for consideration as under :

- 1. *Point No. (i) : In the affirmative.*
- 2. *Point No. (ii) : Partly affirmative.*
- 3. *Point No. (iii) : Partly affirmative.*
- 4. *Point No. (iv) : As per the final orders,
for the following reasons.*

REASONS

8. **POINT NO. (I) and (II):**

At the very outset it becomes incumbent upon this court to clarify that though this court has framed two separate points for consideration, but the point No.1 casts a burden on the plaintiff to prove that as on the date of suit the defendant was due to pay the suit amount which includes interest whereas the point No.2 deals with the aspect of interest claimed by the plaintiff. Since the plaintiff has sought interest at the rate of 24 % from the date of institution of the suit till the date of realization, the discussion of Point No.1 would certainly involve the discussion on whether or not the plaintiff is entitled to claim interest and what is the rate of interest to which the plaintiff is entitled. Needless to state the discussion on point No.1 and 2 would certainly involve appreciation of the same document and evidence. It is for this reason that this court deems it fit to take up both these points for common discussion so that there is no unwarranted repetition of facts and evidence; and also to ensure that evidence is appreciated in the right perspective.

9. It would be incumbent upon this court to reassert the fact that the suit of the plaintiff is one seeking recovery of amount. In a suit of this nature the endeavor of the Plaintiff must be to prove that indeed the defendant is due to pay the suit amount to the plaintiff. It is with these aspects in mind that this Court must analyze the documents on record. But before proceeding to discuss the evidence, it must be clarified that in this case, the defendant though appeared through counsel and the learned counsel even filed memo of appearance, but thereafter the learned counsel did not file power and hence it is deemed that the defendant is contesting the suit in person and the legal consequence of the same needs

to be reasserted. Firstly Order VIII Rule 5(2) of CPC:

*(2) Where **the defendant has not filed a pleading**, it shall be lawful for the Court to pronounce judgment on the basis of the facts contained in the plaint, except as against a person under a disability, but the Court may, in its discretion, require any such fact to be proved.*

Secondly Order VIII Rule 10 of CPC is perused it provides as under:

10. Procedure when party fails to present written statement called for by Court – Where any party from whom a written statement is required under Rule 1 or Rule 9 fails to present the same within the time permitted or fixed by the Court, as the case may be, the Court shall pronounce judgment against him, or make such order in relation to the suit as it thinks fit and on the pronouncement of such judgment, a decree shall be drawn up.

When the said provisions are read with Order XII Rule 6 (1) of CPC:

*6. Judgment on admissions— (1) **Where admissions of fact have been made either in the pleading or otherwise**, whether orally or in writing, the Court may at any stage of the suit, either on the application of any party or of its own motion and without waiting for the determination of any other question between the parties, make such order or give such judgment as it may think fit, having regard to such admissions.*

Further section 53 of Bharatiya Sakshya Adhiniyam provides that :

*53. No fact need be proved in any proceeding which the parties thereto or their agents agree to admit at the hearing, or which, before the hearing, they agree admit by any writing under their hands, or which **by any rule of pleading in force at the time** they are deemed to have admitted by their pleadings:*

Provided that the Court may, in its discretion, require the facts admitted to be proved otherwise than by such admissions.

Conjoint reading of the above provisions make it amply clear that if the defendant, in spite of having appeared, does not file the written statement, then it is deemed that he admits the case of the plaintiff. Yet the Court has discretion to ask the plaintiff to prove its case, otherwise than by such admission.

10. In a suit for recovery of money the documents showing the transaction gain relevance. But before plunging to appreciate the documentary evidence available on record, it would necessary to revisit the pleadings so as to ascertain the case of the plaintiff. The result of the said exercise, it can be ascertained that the case of the plaintiff is that the plaintiff has delivered yarn worth of ₹. 26,560/- to the defendant, but the defendant issued cheque towards payment of the said amount. So it is necessary to see as to how the plaintiff has sought to prove the said contentions.

11. In this regard the plaintiff has examined himself as PW.1 and has reiterated the plaint averments on oath and has even produced Ex.P-1 to 6 of which Ex.P1 is the vital document as it is the cheque purportedly executed by the defendant and Ex.P2 to 4 are the bank endrosemments whereby it was informed to the plaintiff that the Ex.P1 was dishonored for want of sufficient funds in the account of the defendant on all three occasions. Further it is relevant to note that the defendant has neither appeared nor filed any pleadings denying the issuance of Ex.P1 cheque by him. Further the fact that Ex.P6 reveals that the Ex.P5 notice was duly served on the defendant but he did not choose to issue any reply and the defendant did not bother to appear before the court would suffice to hold

that the defendant does not dispute the genuineness of Ex.P1 nor does he dispute the fact that Ex.P1 was issued by him and it pertains to his bank account. So there the burden now shifts on the defendant to show as to under what circumstances the Ex.P1 came to be issued by defendant which the defendant have not sought to demonstrate.

12. It is relevant to note that the plaintiff has produced the original cheque as Ex.P1 and the mere production of the document in Original cheque which is marked at Ex.P1 would suffice as proof of transaction in view of the clear provisions of Section 91 of the Indian Evidence Act, which provides that :

91. When the terms of a contract, or of a grant, or of any other disposition of property, have been reduced to the form of a document, and in all cases in which any matter is required by law to be reduced to the form of a document, no evidence shall be given in proof of the terms of such contract, grant or other disposition of property, or of such matter, except the document itself, or secondary evidence of its contents in cases in which secondary evidence is admissible under the provisions hereinbefore contained.

This goes to show that the plaintiff has proved the execution of Ex.P1. Now that this court has held that the plaintiff has proved that Ex.P1 was executed by defendant and where the document is a negotiable instrument, the plaintiff would get the benefit of a few presumptions especially under Section 118 (a), (b) and (g) of Negotiable instruments Act and the said presumptions would stand in support of plaintiff's case and the same are reiterated hereunder:

118. Until the contrary is proved, the following presumptions shall be made:—

(a) of consideration – that every negotiable instrument was made or drawn for consideration, and that every such instrument, when it has been accepted, indorsed, negotiated or transferred, was accepted, indorsed, negotiated or transferred for consideration;

(b) as to date — that every negotiable instrument bearing a date was made or drawn on such date;

(g) that holder is a holder in due course — that the holder of a negotiable instrument is a holder in due course:

So *firstly* the word used is *shall* so this court shall have to presume that the cheque was issued for consideration mentioned therein and date mentioned therein and *secondly* that the plaintiff is the holder in due course; which would also mean that the burden of proving anything contrary and rebut the said presumptions is on the defendant. This view taken by the court is supported by the following decisions rendered by the Hon'ble Apex Court in *Mallavarapu Kasivisweswara Rao V/s Thadikonda Ramulu Firm and others* reported in 2008(2) CCC 381 (SC) and *Bharat Barrel and Drum Manufacturing Company V/s Amin Chand Pyarelal* reported in 1999(3) CLJ 783. Further as already observed the defendant has not let in any cogent evidence to rebut the said presumptions as such the presumption under Section 118 of N.I. Act stands.

13. The defendant against whom the relief is sought has not filed his written statement before the court to dispute the plaint averments as such the contention of the plaintiff has remained unchallenged and uncontradicted. Furthermore the plaintiff has also reiterated the very same facts in his affidavit filed in lieu of examination-in-chief and even these facts stated on oath have remained unchallenged, as such this Court should not have any impediment to rely upon the same.

14. To sum up the plaintiff by producing Ex.P1 which is supported by oral evidence PW.1 which is further supported by reluctance on the part of the defendant to issue reply to Ex.P5 notice or to appear before this court moves this court to hold that the plaintiff has discharged the burden cast on him. Needless to state this Court has no reason to disbelieve the case of the plaintiff which is not just supported by oral evidence but it is also supported by cogent documentary evidence which have remained un-contradicted.

15. Now coming to the suit amount, it is clear that the amount arrived at by the plaintiff is ₹.28,153/- and the same includes interest at the rate of 24 % per annum from 20.08.2024 till 12.02.2025 and further the plaintiff has sought future interest at the rate of 24% per annum. But when *Section 80 of Negotiable Instruments act* is perused, it provides that *when the rate of interest is not specified in the instrument, the interest shall be awarded at the rate of 18% p.a.* But the crucial point to be noted is that the interest at the rate of 18% p.a. can be awarded *from the date at which the same ought to have been paid* by the party or until such date *after institution of the suit* to recover the said amount as Court directs. So even here after institution to suit the rate of interest that can be awarded is the discretion of the Court.

16. In this case, the plaintiff has determined the amount payable as interest from the date of transaction till the date of institution of the suit which is calculated as ₹.1,593/- by calculating the same at the rate of 24%, which cannot be accepted as the plaintiff is entitled for interest at the rate of 18% only. Similarly as regards the interest payable by the defendant from the date of the suit till the date of realisation. In view of the

discussion made in the foregoing paragraph of this judgment, the rate of interest that can be awarded from the date of suit till the date of judgment is determined as 18% per annum. As regards the rate of interest to which the plaintiff is entitled from the date of decree till date of recovery, Section 34 of CPC should bind this Court. It is necessary to add that Section 34 of C.P.C speaks about grant of interest at three stages :

- i) *Interest from the date of transaction to date of suit.*
- ii) *Interest pendente lite* and
- ii) *Subsequent interest*

Interest pendente lite: which shall be for the period commencing from date of suit till date of decree, the same is determined as 18%, as sought for by the plaintiff.

Subsequent interest : which is for the amount due as on the date of decree along with interest and for the period commencing from the date of decree to the date of realization. In this regard Section 34(1) provides specifically as under:

Where and in so far as a decree is for the payment of money, the Court may, in the decree, order interest at such rate as the Court deems reasonable to be paid on the principal sum adjudged, from the date of the suit to the date of the decree, in addition to any interest adjudged on such principal sum for any period prior to the institution of the suit, with further interest at such rate not exceeding six per cent per annum as the Court deems reasonable on such principal sum from the date of the decree to the date of payment, or to such earlier date as the Court thinks fit.

So the two restrictions are that the rate of interest cannot exceed 6 %, in case of any transactions which *are not commercial transactions* and the

interest that is to be awarded *shall be* on the principal sum and not on the sum adjudicated. Since the transaction here is a commercial transaction and the interest that is to be awarded shall be on the principal sum and can exceed 6 % per annum; and the reasonable rate of interest would be 7 % from the date of decree till the date of realization and the interest payable shall be on the balance amount which is ₹.26,560/-.

17. In view of the reasons assigned above this court finds no hesitation in holding that the plaintiff is entitled to recover ₹.26,560/- along with interest at the rate of 18% per annum from the date of transaction till the date of decree and the interest payable by the defendant from the date of decree till the date of realization of the amount would be 7% per annum and the interest payable shall be on the principal sum of ₹.26,560/-. This apart the plaintiff is also held entitled for suit costs, however the plaintiff shall not be entitled for interest on the suit costs. In view of the reasons assigned above this court finds no hesitation in holding *Point No.1 and Point No.2 are answered as partly affirmative.*

18. **Point No.(iii):**

The plaintiff has sought recovery of a sum of ₹.28,153/- along with interest at the rate of 24 % per annum on the principal sum of ₹.26,560/- from the date of the suit till the date of realization. As regards the same, in view of the finding point for consideration No.1 and 2 it is held that the defendant is due a sum of ₹.26,560/- to the plaintiff and the defendant shall pay the same along with interest at the rate of 18 % per annum from 20.08.2024 till the date of decree and the defendant is also liable to pay interest at the rate of 7 % per annum from the date of decree till the date of realization of the amount and this apart the plaintiff is entitled for suit costs. It is further clarified that the plaintiff shall not be entitled for

interest on the suit costs. *In view of the reasons assigned above this court finds no hesitation in holding Point No.3 as partly affirmative.*

19. **Point No.(IV):**

In view of the findings of this Court on Point No.1 to 3, this Court deems it fit to hold that the plaintiff is only entitled for part relief. Hence, even this Point is answered partly in the affirmative.

“ORDER”

“The suit of the Plaintiff is partly decreed with costs.

It is hereby declared that Defendant is due a sum of ₹.26,560/- (Rupees Twenty Six Thousand Five Hundred and Sixty Only).

Further it is declared that the Defendant shall pay interest at the rate of 18 % per annum on the ₹.26,560/- (Rupees Twenty Six Thousand Five Hundred and Sixty Only) to Plaintiff for the period commencing from 20.08.2024 till the date of decree.

Further the Defendant shall pay interest at the rate of 7 % per annum on the ₹.26,560/- (Rupees Twenty Six Thousand Five Hundred and Sixty Only) to Plaintiff for the period commencing from date of decree till the date of realization of the amount.

Draw decree accordingly."

(Dictated to the stenographer, computerized by her, corrected and then pronounced by me in the open court, this the 7th day of March, 2026)

(AFTHAB.K)

Prl. Judge, Court of Small Causes
& MACT, Mysuru

ANNEXURE:

Witnesses examined for plaintiff		
PW.1	-	Sri. C.S. Veerendraswamy

Documents marked for plaintiff		
Ex.P1	-	Original cheque
Ex.P2 to 4	-	Endorsements
Ex.P5	-	Copy of legal notice
Ex.P6	-	Postal acknowledgment card

Witnesses examined and documents marked for defendant		
	NIL	

(AFTHAB.K)

Prl. Judge, Court of Small Causes
& MACT, Mysuru