KAMS610051862022

IN THE COURT OF THE PRL.CIVIL JUDGE AND JMFC., AT PERIYAPATNA

-:P R E S E N T:-

Sri.YOGESHA M.R.,BA.LLB.,
PRL.CIVIL JUDGE AND JMFC.,
PERIYAPATNA.

Dated this the ***02nd day of APRIL, 2026.***

OS.No.337/2022

PLAINTIFF/S : CANARA BANK,
(A Government of India undertaking)
A Banking Company constituted and functioning under the Banking Companies (Acquisition and Transfer of Undertakings) Act – 1970, having its Head office at 112, J.C.Road, Bangalore – 560001, with its various Branches working throughout the country one such Kittoor Branch, Bettadapura Hobli, Periyapata Taluk, Mysuru District.
Represented by its Branch Manager.

*(Represented by Sri.**SMP.**, Adv)*

V/s

DEFENDANT/S : **1.** Adarsh D, 26 yrs,
S/o Devaraju,

2. Devaraju, 59 yrs,
S/o late Annegowda
(Co-obligant/parents),

The Defendants are R/at
Bettegowdanakoppalu village,
Bettadapura Hobli,
Periyapatna Taluk,
Mysuru District.
*(Represented by Sri.**KDS.,** Adv)*

Date of Institution of suit	:	**28.09.2022**
Nature of the suit	:	**MONEY SUIT**
Date of commencement of recording of evidence	:	**23.03.2023**
Date on which Judgment was pronounced	:	**02.04.2026**
Total Duration	:	**YEAR/S MONTH/S DAY/S** **03 06 06**

Digitally signed by YOGESH M R
Location: PRL.CIVIL JUDGE AND JMFC., PERIYAPATNA.

(YOGESHA M.R)
PRL.CIVIL JUDGE AND JMFC.,
PERIYAPATNA.

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

The suit is for recovery of 3,82,075/- with interest at the rate of 9.25 % per annum.

2. ***The brief facts of the plaintiff's case is that***;

(a). The defendant No.2 is the father of the defendant No.1. The defendants jointly approached the plaintiff-Bank vide application No.4349651160004 for the financial assistance for studying B.E. Civil Engineering Course at K.V.G. Collage of Engineering, Sullia and has borrowed a sum of Rs.3,26,000/- under the Loan Account No.4349651000014. As per the terms and conditions stipulated on loan agreement, the defendants have executed the Education Loan Agreement and Agreement Cum Deed of Hypothecation on 23.09.2016 and agreed to pay interest at 9.25% per annum and the aforesaid rate of interest is varying from time to time. The defendants further agreed to repay the aforesaid loan amount availed with interest and incidental charges within a period of 240 monthly instalment and penal interest at the rate of 2%, if the defendants are failed to repay the same within the stipulated period.

(b). The defendant No.2 being the parent/co-obligant/guarantor has also executed Educational Loan Agreement and Agreement Cum Deed of Hypothecation and also executed a sworn affidavit agreeing to the terms and conditions of loan agreement along with defendant No.1 on the same date. As on 02.09.2022, the outstanding principle amount is Rs.3,52,690 and interest accrued on the said amount is Rs.23,385/- and legal notice charges is Rs.1,000/-. Hence as on the date of filing of the suit, the total outstanding balance amount is Rs.3,82,075/-. *Hence, this suit.*

3. After registration of suit; summons was issued to the defendants. The defendant No.1 and 2 appeared through their counsel and filed written statement from denying the plaint averments.

4. <u>The brief facts of the written statement of the defendant No.1 and 2 is as follows:-</u>

(a). The suit filed by the plaintiff-Bank is not maintainable either under law or on facts. The defendants have not borrowed any educational loan from the plaintiff-Bank and also not executed loan documents. The defendant No.2 only borrowed an agricultural loan. However, the plaintiff-Bank by concocting documents filed this suit. *Hence, prayed to dismiss the suit with exemplary cost.*

5. On the basis of the above pleadings, this court has framed the following issues;

I S S U E S

1. *Whether the plaintiff's Bank proves that, the defendants have borrowed a loan amount of Rs.3,26,000/- on 23.09.2016 from the plaintiff's Bank by executing necessary loan documents in favour of plaintiff-Bank ?*

2. *Whether the plaintiff's Bank further proves that, the defendants are due in total sum of Rs.3,82,075/- as on the date of the suit ?*

3. *Whether the plaintiff's Bank is entitled for the reliefs as sought for ?*

4. *What order or decree?*

6. To prove the case, the plaintiff-Bank examined its Branch Manager by name Abheshek R as PW1 and adduced as many as 17 documents as per Ex.P1 to P17. On the other hand, the defendant No.2 examined himself as DW.1, but not adduced any documents from their side.

7. Heard the arguments and perused the material available on record.

8. On the basis of the materials available on record, this court answered above issues as under;

ISSUE No.1 & 2	:	**AFFIRMATIVE**
ISSUE No.3	:	**PARTLY AFFIRMATIVE**
ISSUE No.4	:	As per final order

for the following;

-: R E A S O N S :-

ISSUE No.1 & 2 :

9. Since this issues are interrelated to each other, they are taken up together in order avoid to repetition of facts and better appreciation of evidence.

10. The plaintiff Bank asserted that; defendants availed loan subject to terms and conditions of bank by executing documents. In the case at hand, the initial burden of proof is on the plaintiff-Bank. To discharge the burden; plaintiff Bank's Manager filed affidavit evidence reiterating plaint averments. The defendants jointly approached the plaintiff-Bank for the financial assistance for studying B.E. Civil Engineering Course at K.V.G. Collage of Engineering, Sullia and has borrowed a sum of Rs.3,26,000/- under the Loan Account No.4349651000014. The defendants further agreed to repay the aforesaid loan amount availed with interest and incidental charges within a period of 240 monthly installment. The defendant No.2 being the parent/co-obligant/guarantor has also executed Educational Loan Agreement and Agreement Cum Deed of Hypothecation and also executed a sworn affidavit agreeing to the terms and conditions of loan agreement along with defendant No.1 on the same date. As on 02.09.2022, the outstanding principle amount is Rs.3,52,690 and interest accrued on the said amount is Rs.23,385/- and legal notice charges is

Rs.1,000/-. Hence as on the date of filing of the suit, the total outstanding balance amount is Rs.3,82,075/-.

11. To justify verbal evidence, the plaintiff-Bank relied on the documents Ex.P1 to P17. Ex.P1 Loan Application Dated 23.09.2016. Ex.P2 Sanction Memorandum dated 23.09.2016. Ex.P3 Agreement Dated 23.09.2016. Ex.P4 Educational Loan Agreement Dated 23.09.2016. Ex.P5 Agreement Cum Deed of Hypothecation Dated 23.09.2016. Ex.P6 Statement of Account Dated 02.09.2022. Ex.P7 Swearing Affidavit executed by the Student and Co-obligant Dated 09.08.2016. Ex.P8 Admission order to Professional Colleges dated 04.08.2016. Ex.P9 Expenditure certificate Dated 04.08.2016. Ex.P10 RTC Extract in respect of Sy.No.147/9. Ex.P11 Letter evidencing execution of Documents dated 23.09.2016. Ex.P12 Certificate of Loan papers obtained. Ex.P13 Legal

Notice dated 08.09.2022. Ex.P14 & 15 Two Postal Receipts. Ex.P16 & 17 Two Unserved RPAD Postal Covers.

12. The learned counsel for the defendants not cross examined the PW.1. The defendant No.2 examined himself as DW.1. The learned counsel for the plaintiff-Bank cross examined the DW.1. The DW.1 in his cross examination deposed that;

> "ಸಾಕ್ಷಿಗೆ ನಿಪಿ-1 ನ್ನು ತೋರಿಸಿ ಅದರಲ್ಲಿ ನಿಮ್ಮ ಹಾಗೂ ನಿಮ್ಮ ಮಗನ ಫೋಟೊ ಇವೆ ಎಂದರೆ, ಹೌದು. "
>
> "ನಿಪಿ-1 ನೀವು ಕೆನರಾ ಬ್ಯಾಂಕಿನಲ್ಲಿ ನಿಮ್ಮ ಮಗನ ವಿದ್ಯಾಭ್ಯಾಸಕ್ಕಾಗಿ ಶಿಕ್ಷಣ ಸಾಲ ಪಡೆಯಲು ಅರ್ಜಿ ಎಂದರೆ ಸರಿ "
>
> "ನಿಪಿ-1 ರಲ್ಲಿ ನಿಮ್ಮ ಹಾಗೂ ನಿಮ್ಮ ಮಗನ ಸಹಿ ಇವೆ ಎಂದರೆ ಸರಿ "

"ನಿಪಿ-2 ಸಾಲ ಮಂಜೂರಾತಿ ಮೆಮೊರಂಡಮ್ ನಲ್ಲಿ ನಿಮ್ಮ ಹಾಗೂ ನಿಮ್ಮ ಮಗನ ಸಹಿ ಇವೆ ಎಂದರೆ ಸರಿ "

"ನಿಪಿ-3 ಅಗ್ರಿಮೆಂಟ್ ನಲ್ಲಿ ನಿಮ್ಮ ಹಾಗೂ ನಿಮ್ಮ ಮಗನ ಸಹಿ ಇವೆ ಎಂದರೆ ಸರಿ "

"ಶಿಕ್ಷಣ ಸಾಲ ಅಗ್ರಿಮೆಂಟ್ ಗೆ ಸಹ ನೀವು ಹಾಗೂ ನಿಮ್ಮ ಮಗ ಸಹಿ ಹಾಕಿದ್ದೀರಾ ಎಂದರೆ ಸರಿ. ಸಾಕ್ಷಿ ಮುಂದುವರಿದು ನಾವು ಸಾಲ ಪಡೆದಿರುವುದು ಸತ್ಯ, ನಾವು ಕಟ್ಟಲು ತಯಾರಿದ್ದೇವೆ, ನಮಗೆ ಸ್ವಲ್ಪ ಕಡಿಮೆ ಮಾಡಿಕೊಡಬೇಕು. ಮಗನಿಗೆ ಕಿಡ್ನಿ ಸ್ಟೋನ್ ಆಗಿ ಅಪರೇಶನ್ ಆಗಿ ಅವನು ಕೆಲಸ ಮಾಡಲು ಈಗ ಆಗುತ್ತಿಲ್ಲ, ಆದ್ದರಿಂದ ಯಾವುದೇ ನೌಕರಿಗೆ ಹೋಗಿಲ್ಲ. "

13. The DW.1 admitted the Ex.P1 to 3 and admitted the availment of the Educational loan from the plaintiff-Bank. Therefore, the oral and documentary evidence made available by the plaintiff-Bank is remained unchallenged.

The genuineness and admissibility of documents stated supra are not in dispute. There is no reason to doubt or disbelieve said documents, which have presumptive value. Thus, the factual matrix remained intact. Thus plaintiff-Bank successfully demonstrated that; the defendants availed loans and failed to repay the same as agreed upon. Therefore, the plaintiff- Bank is entitled for the recovery of said amount. *Hence, this court answered the Issue No.1 and 2 in the **Affirmative.***

<u>ISSUE NO.3 :-</u>

14. The plaintiff-Bank stated that; defendants have agreed to repay the loan amounts with interest at the rate of 9.25 % per annum on Rs.3,26,000/-. However by considering the rate of interest prescribed by the Reserve Bank of India and other Nationalized Banks and in view of the decision of Hon'ble Supreme Court of India in "**AIR SC 2001 3095 between Central Bank of India V/s**

Ravindra", in my opinion, the rate of interest charged at 9.25 % per annum is highly exaggerated. Taking into consideration of circumstances of the case and the purpose of loan, this court feels that plaintiff-Bank is entitled for a simple interest at the rate of 6% p.a.

15. The time period for filing a suit for money recovery is 3 years from the date when the cause of action arises. The aforesaid loan was sanctioned to the defendants on 23.09.2016 as per Ex.P2. The Ex.P4 is the Educational Loan Agreement and as per the repayment conditions, there shall be repayment holiday for both principal and interest during the study period and the repayment shall start one year after completion of the course or after six month of getting employment/job whichever is earlier.

16. As per the Expenditure certificate, the defendant No.1 admitted to 2nd year B.E.(Civil Engineering) at K.V.G.College of Engineering on 04.08.2016 and the tenure of the course is three years i.e., 03.08.2019. The repayment shall start one year after completion of the course i.e., 04.08.2020. The time period for filing a suit for money recovery is 3 years and commencing from 04.08.2020. The Legal Notice was issued by the plaintiff-Bank as per Ex.13 on 08.09.2022 to the defendants calling upon them to repay the aforesaid amount within 7 days from the date of receipt of the said notice. The present suit was instituted on 28.09.2022. Therefore, the suit was filed with stipulated period.

17. In Educational loan matters, banks and courts must adopt a humanitarian approach because, these loans are meant to assist the students who lack financial support. Moreover, charging penal interest or interest-on-interest from those facing financial strain is arbitrary. As on the date of suit, the defendants are liable to pay a sum of Rs.3,82,075/-. The educational loan's primary purpose is social welfare rather than commercial profit. Therefore, the plaintiff-Bank is entitle for interest at the rate of 6% per annum on the principal loan amount from the date of suit. *Hence, this court answered the Issue No.3 in the* ***Partly Affirmative.***

ISSUE NO.4:-

18. In view of the above discussions, this court proceeds to pass the following;

ORDER

The suit is decreed in part with cost.

The Plaintiff-Bank is entitled for recovery of Rs.3,82,075/- from defendants.

Further, the Plaintiff-Bank is entitled for the interest at the rate of 6% per annum on principal loan amount from the date of suit, till its realization.

Draw decree accordingly.

(Dictated to the Stenographer directly on the computer, typed and transcribed by him and corrected and then pronounced by me in the open Court on this the ***02nd day of APRIL, 2026****)*

Digitally signed by YOGESH M R
Location: PRL.CIVIL JUDGE AND JMFC., PERIYAPATNA.

(YOGESHA M.R)
PRL.CIVIL JUDGE AND JMFC.,
PERIYAPATNA.

-: A N N E X U R E S :-

List Of Witnesses Examined On Behalf Of Plaintiff:-

PW.1	:	ABHESHEK R

List Of Documents Marked On Behalf Of Plaintiff:-

Ex.P1	:	Loan Application Dated 23.09.2016
Ex.P2	:	Sanction Memorandum dated 23.09.2016
Ex.P3	:	Agreement Dated 23.09.2016
Ex.P4	:	Educational Loan Agreement Dated 23.09.2016
Ex.P5	:	Agreement Cum Deed of Hypothecation Dated 23.09.2016
Ex.P6	:	Statement of Account Dated 02.09.2022
Ex.P7	:	Swearing Affidavit executed by the Student and Co-obligant Dated 09.08.2016
Ex.P8	:	Admission order to Professional Colleges dated 04.08.2016
Ex.P9	:	Expenditure certificate Dated 04.08.2016
Ex.P10	:	RTC Extract in respect of Sy.No.147/9
Ex.P11	:	Letter evidencing execution of Documents dated 23.09.2016
Ex.P12	:	Certificate of Loan papers obtained
Ex.P13	:	Legal Notice dated 08.09.2022

Ex.P14&15: Two Postal Receipts

Ex.P16&17: Two Unserved RPAD Postal Covers

List Of Witnesses Examined On Behalf Of Defendants:-

DW.1 : DEVARAJU

List Of Documents Marked On Behalf Of The Defendants: Nil

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(YOGESHA M.R)
PRL.CIVIL JUDGE AND JMFC.,
PERIYAPATNA.