**IN THE COURT OF THE I ADDITIONAL CIVIL JUDGE ( JUNIOR DIVISION): NELLORE**

**Present: - Sri P. BHARADWAJA**

I Addl. Civil Judge ( Junior Division), Nellore

Monday, the Eleventh day of March, 2024

**O.S No. 916 /2022**

Between:

Union Bank of India, Erstwhile Corporation Bank,
Muthukur Branch, represented by its Branch
Manager …… Plaintiff

And

1. Pamula Sujatha, W/o. Srinivasulu,
2. Pamula Srinivasulu, S/o. Venkaiah

Both are residents of Dammayapalem Village,
Muthukur Mandal.

3. Modem Ramachandra Reddy, S/o. Krishna Reddy, resident of D.No.16/3/509, Ramurthy Nagar, Nellore. ….. Defendants

This suit coming on 04.03.2024 for final hearing before me in presence of Sri. Sk. Yasdani, Advocate for Plaintiff and the defendants remained ex-parte and the matter having stood over for consideration till to-day, this Court delivered the following :-

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

1. The plaintiff bank – M/s. Union Bank of India represented by its Branch Manager filed the present suit for recovery of an amount of Rs.2,00,903 ( Rupees Two Lakhs Nine Hundred and Three only) which is due by the defendants.

2. The brief averments of the plaint are that:

The loan is actually disbursed by Corporation Bank, Muthukur Branch. Later, Corporation Bank got merged with Union Bank of India as per the gazette GSR.154(E) issued by the Central Government dated 04.03.2020. The 1st defendant applied for Crop loan and executed all the necessary documents and the loan of Rs.2,80,000/- ( Rupees Two Lakhs Eighty

Thousand only) was disbursed to her on 22.05.2017 under account number 56038100871341. The agreed rate of interest is 10.35 % and the interest is subject to change from time to time as per the norms fixed by Reserve Bank of India. Defendants 2 and 3 stood as guarantor for the loan by executing all the necessary documents. The 1st defendant was irregular in making payments and later, committed default in payment of the loan installments. However, she executed acknowledgment of debt on 10.05.2020. Later, she did not respond to the legal notice got issued by the Plaintiff bank on 16.05.2022. As per the records, the 1st defendant is due to pay an amount of Rs.2,00,903 ( Rupees Two Lakhs Nine Hundred and Three only) to the Plaintiff bank as on 30.06.2021. Defendants 2 and 3 are equally liable to pay the amount as they stood as guarantors for the loan. Hence, the Plaintiff bank filed the present suit.

3. Defendants 1 and 2 did not appear before the court in spite of receiving summons. Hence, they were set exparte on 06.07.2023. As summons could not be served on the 3rd defendant through regular means, service of summons by way of publication in local daily is ordered. On such publication, as the 3rd defendant failed to appear before court, he was set ex-parte on 17.11.2023 and the case is posted for Plaintiff side evidence.

4. During the course of ex-parte evidence, the branch manager of the Plaintiff bank deposed evidence as P.W.1 and got marked Exs.A1 to A8 documents. Ex.A1 is the application for agriculture credit short term loan dated 22.05.2017. Ex.A2 is the credit sanction intimation dated 22.05.2017. Ex.A3 is the demand promissory note dated 22.05.2017. Ex.A4 is the hypothecation agreement dated 22.05.2017. Ex.A5 is the guarantee agreement dated 22.05.2017. Ex.A6 is the acknowledgment of debt dated 10.05.2020. Ex.A7 is the office copy of legal notice dated 16.05.2022 along with postal receipts. Ex.A8 is the attested copy of statement of account.

5. Heard the learned counsel for the Plaintiff.

6. Now the point for determination is:

"Whether the Plaintiff bank is entitled for recovery of loan amount as prayed for?

**Point :**

7. PW-1 who is working as Manager of the plaintiff bank has filed his chief examination affidavit and he reiterated the contents of the plaint. He deposed that the 1st defendant availed crop loan for an amount of Rs.2,80,000/- by executing Ex.A1 to Ex.A4 documents and and that she failed to comply with the repayment schedule and that she did not repay the amount except executing Ex.A6 on 10.05.2020. He further deposed that the 1st defendant is due to pay an amount of Rs.2,00,903 ( Rupees Two Lakhs Nine Hundred and Three only) to the Plaintiff bank as on 30.06.2021 and that she is also liable to pay the interest amount at a contract rate. He further deposed that defendants 2 and 3 stood as guarantors for the loan by executing Ex.A5 and that their liability is co-extensive to that of 1st defendant. The evidence of PW.1 remained unchallenged as the defendants remained exparte. The evidence of PW.1 and the documents filed by him clearly goes to show that the 1st defendant made default in repayment of the loan taken from the plaintiff bank. The limitation to file the present suit is saved by virtue of Ex.A6 acknowledgement of debt executed by 1st defendant. Considering the evidence on record, this court is of considered opinion that the Plaintiff bank is entitled for recovery of loan amount as prayed for. As the Plaintiff bank is a commercial entity and as the 1st defendant failed to show that she is entitled for reduction of interest rate, the bank is entitled for claiming interest at contract rate. Defendants 2 and 3

being guarantors are jointly and severally liable to pay the suit amount along with 1st defendant. This point is answered in favour of the plaintiff and against the defendants.

8. In the result, the suit is decreed with costs for a sum of Rs.2,00,903 ( Rupees Two Lakhs Nine Hundred and Three only). As the plaintiff bank is a commercial entity and as the loan transaction is a commercial transaction, the Plaintiff bank is entitled for interest up to the contractual interest rate till the date of realization. As per Ex.A7, the rate of interest at the time of filing of suit is 10.35 % P.A. Considering the facts of the case, this court is inclined to grant subsequent interest at the rate of 7 % PA from the date of suit till the date of realization.,

*Prepared, corrected and pronounced by me in open Court, on this the 11th day of March, 2024.*

**Sd/-P.BHARADWAJA,**
**I Addl. Civil Judge ( Junior Division),**
**Nellore.**

| **Plaintiff** | **Appendix of Evidence** | **Defendant** |
|---|---|---|
| | Witnesses Examined for | |
| PW-1: J. Ramudu | | -None- |

**Documents Marked**

| | |
|---|---|
| Ex.A1: Application for agriculture credit short term loan dated 22.05.2017. | -Nil- |
| Ex.A2: Credit sanction intimation dated 22.05.2017. | |
| Ex.A3: Demand promissory note dated 22.05.2017. | |
| Ex.A4: Hypothecation agreement dated 22.05.2017. | |
| Ex.A5: Guarantee agreement dated 22.05.2017. | |
| Ex.A6: Acknowledgment of debt dated 10.05.2020. | |
| Ex.A7: Office copy of legal notice dated 16.05.2022 along with postal receipts. | |
| Ex.A8: Attested copy of statement of account. | |

**Id/-PBJ,**
**I A C J ( Jr.D),**

**// True copy //**

**I Addl. Civil Judge ( Junior Division),**
**Nellore.**