IN THE COURT OF THE FIRST ADDITIONAL DISTRICT JUDGE (PCR),
TIRUCHIRAPALLI.

Present: Tmt: P. Selva Muthu Kumari, M.L.
I Additional District Judge (PCR),
Tiruchirappalli.

Tuesday, the 21st day of November 2023

Original Suit No: 34/2022
in
(CNR No. TNTP010083142021)

Canara Bank,
Rep. by its Branch Manager,
Having its Branch office at
Thuvakudi,
Trichy-620 015. ... Plaintiff

/ Versus /

1. M/s. Sri Muthalamman Traders,
   Rep. by its Sole Proprietrix P. Muthalagi,
2. P. Muthalagi
3. S. Dhanabalan ...Defendants

This suit is coming on 31.10.2023 for final hearing before me in the presence of Thiru. D. Dhanapal, Advocate for the plaintiff and Thiru. Jeevanantham, Advocate for the 1 to 3 defendants and written statement not filed by the 1 to 3 defendants and 1 to 3 defendants called absent, set exparte and upon perusing the records and upon hearing the arguments of the plaintiff side and having stood over till this date for consideration, this court delivers the following…

JUDGMENT

1. **Prayer: -**

The plaintiff filed the suit under Order VII Rule 1 of C.P.C. for directing the defendants to pay the plaintiff the suit sum of Rs.10,35,155/- together with subsequent interest at the rate of 12.20% p.a. from the date of plaint till date of realization in respect of OCC Loan Account No.3314256000005 and for directing that the hypothecated stocks as detailed in the Schedule shall be sold and the sale proceeds shall be applied to the decree amount and for costs.

2. The brief averments of the plaint as follows: -

The Plaintiff is a Nationalized Bank having been incorporated under the Banking Companies (Acquisition and Transfer of undertakings Act 1970). The plaintiff has its Head office at No.112, J.C. Road, Bengaluru- 560002 and Branches all over the country, including one at Thuvakudi, having office at No.D/C1, Developed Plot Estate, Thuvakudi, Trichy-620 015, amongst other places. The Plaintiff Bank is now represented by its Branch Manager who is competent to sign and verify pleadings and conduct legal proceedings on its behalf under Order 29 Rule 1 of C.P.C. in 1908. The 1st defendant is the proprietorship, represented by the 2nd defendant and the 3rd defendant is the guarantor for the loan availed by the 1st defendant through the 2nd defendant. On 22.11.2013 the 1st defendant through the 2nd defendant, made a loan application with the Plaintiff Bank for availing a Micro & Small Enterprises (MSES) Scheme OCC loan. The plaintiff bank has sanctioned a Open Cash Credit limit upto Rs.5,00,000/- to the 1st defendant through the 2nd defendant in Loan Account No.3314256000005. In consideration of the loan amount being sanctioned and to secure the repayment of the said loan with interest, charges and other expenses. On 22.11.2013, the 1st defendant through the 2nd defendant had executed a letter for overdraft facility, Cash Credit Agreement and also executed a

Demand Promissory Note for a sum of Rs.5,00,000/-in favour of the plaintiff's Bank. The 1st defendant has executed the said demand promissory note infavour of the Plaintiff Bank promising to repay the same with interest at the rate of 12.20% with monthly rest or at such rates and rests as may be revised by the Bank from time to time and as per the Reserve Bank of India Guidelines varied from time to time. The 3rd defendant stands as the guarantor for the loan amount sanctioned and has executed Guarantee Agreement infavour of the plaintiff Bank on 22.11.2013 and thereby guaranteed for the due repayment of the loan amount to the plaintiff Bank with cost, interest and charges and binds them to repay the same. The 1st defendant through the 2nd defendant has apply for renewal of above said limits on 12.02.2015 and the same was renewed by the sanction letter dated 12.02.2015. And on 24.02.2015 the 1st defendant through the 2nd defendant had executed a Letter of Renewal. The 3rd defendant stands as the guarantor for the loan amount sanctioned as renewal and has executed Guarantee Agreement infavour of the plaintiff Bank on 24.02.2015 and thereby guaranteed for the due repayment of the loan amount to the plaintiff Bank with cost, interest and charges and binds them to repay the same. That the 1st defendant, through the 2nd defendant by admitting and acknowledging their liabilities and has executed letter of Acknowledgement of Debt and Security on 30.01.2018. On the basis of the loan documents executed by the 1st defendant through the 2nd defendant, the plaintiff Bank has allowed the defendants to operate the loan account. Though the defendants have agreed to repay the entire loan amounts as per the repayment schedule, the defendants have not kept their promise and become chronic defaulters. In other words, the defendants have not paid the amount as per the terms and conditions agreed by her in the above said loan Agreements. The cash credit account also not renewed by the defendants. Hence the all accounts were classified as NPA. That inspite of several reminder made by the Plaintiff Bank to the defendants she had neglected to pay the balance amount as promised. The said plaintiff bank had issued a lawyer notice to the defendant calling upon them to discharge the debt on 14.08.2021. After served the notice, the defendants have not repaid the loan amount. Hence, this suit is filed by the plaintiff. As per the loan account maintained by the plaintiff's in the ordinary and usual course of business still there is a balance of Rs. 10,35,155/- as on 07.08.2021. The Defendant is bound to pay the suit claim with contractual rate of interest with overdue interest till date of payment. The Defendants has given the Acknowledgement of Debt on 30.01.2018 in the Cash Credit Loan. The defendant is bound to pay the suit claim with contractual rate of interest with overdue interest till date of payment. Due to Covid -19 Pandamic the Hon'ble Supreme Court has excluded the period from 15.03.2020 to till date as per the order in Suo Motu Writ Petition (Civil) No.3/2020. Hence this suit filed within the prescribed period of limitation.

3. The 1 to 3 defendants called absent and remained exparte.

4. Point for consideration is, whether the plaintiff is entitled the suit claim as prayed for?

5. In order to prove the suit claim, the Plaintiff Mr. J. Joe Xavier Deepak was examined as P.W.1 and Ex. A.1 to Ex. A.18 were marked.

6. **Point for discussion: -**

6.1. Heard. This court carefully perused the plaint, oral, documentary evidence and materials on record.

6.2. PW-1 has reiterated the averments stated in the plaint. The plaintiff has proved its case by oral and documentary evidence. The plaintiff is entitled to and the defendants are liable to pay Rs.10,35,155/- with 12.20% interest from date of plaint till date of realisation in OCC Loan A/c.No.3314256000005 within a month. On failure the plaintiff is entitled to sale of hypothecated stocks as per law. The suit is decreed with costs.

This Judgment is directly dictated to the Typist and computerized by her, corrected and pronounced by me in the open court on this the 21st day of November 2023.

P SELVA MUTHU KUMARI
Digitally signed by P SELVA MUTHU KUMARI
Date: 2023.11.21 11:25:44 +0330

1st Additional District Judge (PCR),
Tiruchirappalli.

List of Plaintiff side witnesses: -

P.W.1 Mr. J. Joe Xavier Deepak

List of Plaintiff side documents: -

Ex. A.1	22.11.2013	Loan Application Form	Original
Ex. A.2	22.11.2013	Request for Overdraft facilities	Original
Ex. A.3	22.11.2013	Cash Credit Agreement	Original
Ex.A.4	22.11.2013	Demand Promissory Note	Original
Ex.A.5	22.11.2013	Guarantee Covering Letter	Original
Ex.A.6	22.11.2013	Guarantee Agreement	Original
Ex.A.7	12.02.2015	Loan Application Form (Renewal)	Original

Ex.A.8	12.02.2015	Sanction Memorandum (Renewal)	Original
Ex.A.9	24.02.2015	Renewal Letter	Original
Ex.A.10	24.02.2015	Guarantee Covering Letter	Original
Ex.A.11	24.02.2015	Guarantee Agreement	Original
Ex.A.12	30.01.2018	Acknowledgement of Debt and Security	Original
Ex.A.13	14.08.2021	Legal Notice	Office Copy
Ex.A.14	19.07.2021	Returned postal cover (1st defendant)	Original
Ex.A.15	25.08.2021	Returned postal cover (2nd defendant)	Original
Ex.A.16	25.08.2021	Postal Track Consignment (3rd defendant)	Downloaded Copy
Ex.A.17	07.08.2021	Account statement	True Copy
Ex.A.18	--	Employee Identity card	Xerox Copy

List of the Defendants side witnesses: - Nil

List of the Defendants side documents: -Nil

List of Court Documents:-Nil

P SELVA MUTHU KUMARI

Digitally signed by P SELVA MUTHU KUMARI
Date: 2023.11.21 11:25:53 +0330

1st Additional District Judge (PCR),
Tiruchirappalli.