

**IN THE COURT OF JUDGE, COMMERCIAL COURT (SENIOR CIVIL JUDGE
CADRE), COIMBATORE**

Present: Thiru. C.B. VEDAGIRI, B.Pharm., MS IT (AUS), LL.M, Judge,
Commercial Court, (Senior Civil Judge Cadre),
Coimbatore.

Dated this the 30th Day of March 2026, Monday

C.O.S. No. 257 of 2025
(CNR.No.TNCB23-000363-2025)

M/s. Canara Bank,
(Erstwhile Syndicate Bank),
Kurichi Branch,
Sundarapuram, Coimbatore.
Rep by its Manager

... Plaintiff

//Vs//

1. M/s. SPA Engineering and Trading,
Rep by its Prop M. Aravind.
2. M. Aravind
Prop of M/s. SPA Engineering and Trading.

... Defendants

This Original Suit came up before me for final hearing in the presence of Smt. D. Geetha, Advocate for the plaintiff bank and Thiru. C Vanjimuthu, Advocate for defendants. Upon hearing the counsel for the Plaintiff and Defendant perusing the materials available in the case records and having stood over this case for consideration till this date this court delivered the following...

JUDGMENT

The Suit has been filed by the Plaintiff Bank against the Defendants for the relief of recovery of sum of ***Rs.5,66,077/- (Round off)*** with subsequent interest at the rate of ***12.00%*** per annum from the date of suit till the date of realization with cost to the plaintiff.

1. The Plaint Averments which are found essential for the Disposal of the Suit is that:

The plaintiff is a bank, the 1st defendant is a proprietorship concern namely as “SPA Engineering and Trading” represented by its proprietor as 2nd defendant and they are manufacturing Agricultural Machineries and Textile spare parts products. The defendants had approached the plaintiff bank for availing Loan facility for development of their business through the loan application along with registration certificate, Aadhaar and pan copy of the 2nd defendant and particulars of the Asset and Liability on 12.11.2018. The plaintiff bank had sanctioned a working capital loan of Rs.5,00,000/- Open Overdraft Cash Credit with interest at the rate of 10.05% per annum on 13.11.2018 under the ac no. 65661400000492 and consequently the defendants had executed the necessary loan documents in favour of the plaintiff bank on 13.11.2018. Further the defendants had approached the plaintiff bank for extension of 1 year for repayment of loan on 15.11.2019 and the same was sanctioned by the plaintiff bank through the particulars of assets and liabilities and executed the necessary documents in favour of the plaintiff bank. The plaintiff bank was granted the Open Over Draft and Cash Credit facility to the defendants for sum of

Rs.5,00,000/- with interest at the rate of 11.50% per annum on 16.11.2019. Again the defendants had approached the plaintiff bank for extension of loan for further one year on 30.01.2021 and the defendants had executed the necessary documents in favour of the plaintiff bank. The said existing loan was renewed through letter of renewal request by the defendants on 03.02.2021 and the defendants had executed a link letter for renewal and letter of undertaking in favour of the plaintiff bank. Further the plaintiff bank had renewed of existing cash credit facility of Rs.5,00,000/- with interest at the rate of 11.25% per annum on 01.05.2023. Again the defendants approached the plaintiff bank on 06.06.2020 for GECL Loan along with pan card, Aadhaar Card, GST Registration Certificate, Udyog Aadhaar in the plaintiff bank, the plaintiff bank had sanctioned the sum of Rs.90,000/- as a Term Loan (GECL) due to Corona Pandemic Period under ac no. 65669160000032 on 08.06.2020, subsequently the defendants had executed the necessary loan documents in favour of the plaintiff bank and the same was intimated to defendants on 12.06.2020. After availing the above said loan facilities, the defendants had failed to repay the loan amount due of **Rs.12,992.38** in Loan Account Number 65669160000032 and a sum of **Rs.5,53,084.20** in Loan Account Number 65661400000492 as on 04.11.2024 thus was totally as **Rs.5,66,077/- (Round off)** as per the statement of accounts. After availing the above said all loan facilities, the defendants reluctant to pay the due amounts as agreed and after several steps taken by the bank and moreover, the bank officials directly visited the defendant's residence and business places and as well as

over phone calls, all the efforts for making repayment ended in vain. As per the statement of accounts the defendants are liable to pay the GECL Loan facility of **Rs.12,992.38** in Loan Account Number 65669160000032 and Cash Credit Loan facility of **Rs.5,53,084.20** in Loan Account Number 65661400000492 thus was totally as **Rs.5,66,077/- (Round off) as on 04.11.2024**. Finally the plaintiff has initiated Pre Instituted Mediation in PIM No. 1206 of 2024 before the Coimbatore District Legal Service Authority and it was ended in vain as Non Starter Report on 21.01.2025. Hence the present suit for the recovery of the amount due and payable by the defendants.

2. The sum and the substance of the Defendants Written Statement averments which are found essential for the disposal of the suit is that:

The defendants have submits that the suit is false, frivolous, vexatious and unsustainable both in law and on fact of the case. Except those that are specifically admitted herein by the defendants, the plaintiff is put to strict proof if the averments and allegations put forth by them in the plaint pleadings. At the outset these defendants states that they approached the plaintiff bank and obtained loan and borrowing as borned out the bank statement. They were regular towards the every month instalment (EMI). This cannot be dined by the plaintiff. While the facts remain show because of business strange he could not receive the money from his clients at the proper intervals. It was only under such circumstances he was irregular towards the EMI, there is no dispute in this regard. Coupled with the said facts he has given

the letter of undertaking that he will be regular towards the EMI, which also counts the veracity of the defendants. Any have the defendants are nothing more to show on merits, they are ready and willing to pay the future EMI's regularly without any default clause. This may take into consideration by this Hon'ble Court. Taking into consideration the inability of the defendants and hereby permitting them to pay the future EMI without any default clause. Hence mercy may be shown upon the defendants and pass suitable orders thereby permitting the defendants to pay herein after the future EMI's and humbly prays to dismiss the suit.

3. The notice was issued to the defendants through court and post. The court summons to the defendants was being served and the postal summons to the 1st defendant was returned as "Addressee Left" and the postal summons to the 2nd defendant was being served. Upon receipt of summons, the defendant has entered appearance before the court proceedings through their counsel. Further the written statement along with statement of truth and the statement of admission and denial of documents were filed by defendants. Since the both parties have not come forward to settle the dispute, case management hearing was commenced. This court has framed the following issues,

4. **Issues are:-**

1. Whether the plaintiff bank is entitled to the suit claim amount as prayed for?
2. To what other relief?

5. After framing of issues, the schedule of trial was fixed by the court. List of witnesses and proof affidavit of list of witnesses were furnished by both sides. On the side of Plaintiff, the plaintiff's bank Manager was examined as PW1. Through PW1, the documents from Ex.A1 to Ex.A33 were marked. On the side of defendant, the 2nd defendant was examined as DW1 and no documents were marked through DW1. After the completion of the trial, statement of truth and written arguments were filed on both sides. No oral arguments were heard and both side counsels prayed may be treat the written arguments as oral arguments and the suit was taken up for Judgment.

6. Issue No.1:

6.1. It is the case of the plaintiff bank that the present suit has been filed against the defendants claiming a sum of **Rs.12,992.38** towards GECL Loan facility and a sum of **Rs.5,53,084.20** towards Cash Credit Loan facility thus was totalling to the tune of **Rs.5,66,077/- (Round off)** as on 04.11.2024 together with subsequent interest which sum is due payable for the above said Loan facilities availed by the defendants from the plaintiff bank.

6.2. In this regard this court refers to the relevant provisions of The Commercial Courts Act, 2015 so as to ascertain whether the nature of the present dispute is of commercial nature as defined in the said Act and whether this court has jurisdiction to try this very suit.

6.3. This court refers to the provision under **Sec.2(c)(i) of the Commercial Courts Act, 2015** hereunder:

(c) "commercial dispute" means a dispute arising out of-

(i) ordinary transactions of merchants, bankers, financiers and traders such as those relating to mercantile documents, including enforcement and interpretation of such documents;

and that the first category referred, includes disputes of ordinary transactions of **merchants, bankers, financiers and traders** such as those relating to **mercantile documents** including enforcement and interpretation of such documents. The definition naturally will cover the dispute of all kinds of ordinary transactions of merchants, bankers, financiers and traders. The specified value thereof is more than Rs.3,00,000/-. So the facts pleaded before this court in the present plaint comes under the **commercial dispute**.

6.4. The next question which this court would like to answer is whether the dispute which is stated *supra* comes under the jurisdiction of commercial court. Thus, this court refers to **Sec.6 of Commercial Courts Act, 2015** which reads like this:

Jurisdiction of Commercial Court.

6. The Commercial Court shall have jurisdiction to try all suits and applications relating to a commercial dispute of a Specified Value arising out of the entire territory of the State over which it has been vested territorial jurisdiction.

Explanation.-For the purposes of this section, a commercial dispute shall be considered to arise out of the entire territory of the State over which a Commercial

Court has been vested jurisdiction, if the suit or application relating to such commercial dispute has been instituted as per the provisions of sections 16 to 20 of the Code of Civil Procedure, 1908 (5 of 1908).

6.5. From the above provision it is very much clear that the commercial court shall have the jurisdiction to try all suits and applications relating to ***commercial dispute***. Now, the question is whether this court having the pecuniary jurisdiction to adjudicate the matter which is in dispute. Thus, this court drawn its attention on Sec.3 of Commercial Courts Act, 2015 which reads like this:

Section 3: Constitution of Commercial Courts.

3. (1) The State Government, may after consultation with the concerned High Court, by notification, constitute such number of Commercial Courts at District level, as it may deem necessary for the purpose of exercising the jurisdiction and powers conferred on those Courts under this Act:

2[Provided that with respect to the High Courts having ordinary original civil jurisdiction, the State Government may, after consultation with the concerned High Court, by notification, constitute Commercial Courts at the District Judge level:

Provided further that with respect to a territory over which the High Courts have ordinary original civil jurisdiction, the State Government may, by notification, specify such pecuniary value which shall not be less than three lakh rupees and not

more than the pecuniary jurisdiction exercisable by the District Courts, as it may consider necessary.]

3[(1A) Notwithstanding anything contained in this Act, the State Government may, after consultation with the concerned High Court, by notification, specify such pecuniary value which shall not be less than three lakh rupees or such higher value, for whole or part of the State, as it may consider necessary.]

6.6. The above provision is very much clear that by virtue of the notification specified the pecuniary value of this court which shall not be less than Rs.3,00,000/-. Admittedly, the plaintiff in the plaint itself has stated that the defendant has to pay a due sum of **Rs.5,66,077/- (Round off)** with interest and the plaintiff has filed the instant suit against the defendant on **05.06.2025** i.e., after the amendment of Commercial Courts Act, 2018.

6.7. Prior to the amendment, the pecuniary jurisdiction of the commercial court is of Rs.1 Crore and above, but by virtue of the amendment of Commercial Courts Act, the pecuniary jurisdiction of the commercial court shall not be less than Rs.3,00,000/-. So this court is having the pecuniary jurisdiction to adjudicate the matter which is in dispute by virtue of the provisions which are stated *supra*.

7. The learned plaintiff counsel has contended that the plaintiff is the banking Corporation and involves interalia in granting various kinds of loans like mortgage, educational loan, business loan etc., as per the guidelines of the Reserve Bank of

India. The 1st defendant is a proprietorship concern and 2nd defendant is a sole proprietor of the 1st defendant concern, the 2nd defendant is running and carrying business in the name style of SPA Engineering & Trading, for manufacturing agricultural machineries and textile spare parts products, for the 1st defendant business development purpose they have obtained below mentioned loans from the plaintiff bank.

8. The plaintiff counsel urged that the defendants had approached the plaintiff bank for availing working capital loan for development of their business vide Loan Application along with registration certificate of the 1st defendant, PAN Card and Aadhaar Card copy of the 2nd defendant along with Particulars of Assets and Liabilities in Ex.A1 and Ex.A2 dated 12.11.2018 respectively. Consequently the plaintiff bank had sanctioned the overdraft/cash credit loan facility for a sum of Rs.5,00,000/- (Rupees Five Lakhs only) with interest at the rate of 10.05% per annum in Loan A/c No.65661400000492 vide sanction memo in Ex.A6 dated 13.11.2018 and the same was intimated to the defendants. On the same day, the defendants had executed the overdraft / cash credit loan facility in Ex.A3 dated 13.11.2018, the composite hypothecation agreement vide Ex.A4 dated 13.11.2018 and thereby hypothecated the defendant's machineries valued at worth of Rs.10.58 Lakhs and also executed a demand promissory note vide Ex.A5 dated 13.11.2018.

A portion of DW1 cross-examination in this regard:

“வாதி வங்கியிடம் உங்கள் நிறுவனத்திற்கு வேண்டி வணிக கடன் வாங்கியிருந்தீர்கள் என்று சொன்னால் சரிதான். வாதி வங்கிக்கு ஆதரவாக நீங்கள் ஏற்படுத்திக் கொடுத்த ஆவணங்களில் உள்ள கையொப்பம் உங்களுடையது என்று சொன்னால் சரிதான்.”

9. It is also the contention of the plaintiff counsel that the defendants had approached the plaintiff bank for extension of 1 year repayment of loan in Loan Application along with Particulars of the Asset and Liability of the defendants in Ex.A7 and Ex.A8 dated 15.11.2019 respectively. The same was granted by the Plaintiff bank vide Sanction Memo in Ex.A9 dated 15.11.2019 and thus the defendants had executed a demand promissory note in Ex.A10 dated 16.11.2019 and Composite Hypothecation Agreement in Ex.A12 dated 16.11.2019 and further defendants requested the plaintiff bank to open over draft and cash credit facility as per the sanction of Rs.5,00,000/- with a rate of interest of 11.50% per annum vide Overdraft / Cash Credit Loan facility in Ex.A11 dated 16.11.2019.

10. The plaintiff counsel has contended that in the year 2021, the defendants had also approached the plaintiff bank for extension of loan for further one year vide Loan Application in Ex.A13 dated 30.01.2021. For above said facility, the defendants had executed a demand promissory note in Ex.A14 dated 30.01.2021 and further the defendants requested for over draft and cash credit facility in Ex.A15, therefore the

plaintiff bank had sanctioned sum of Rs.5,00,000/- to the defendants and the defendants had executed a cash credit agreement vide Ex.A16 dated 30.01.2021. The said existing loan was renewed through letter of renewal request by the defendants vide Letter of Renewal in Ex.A17 dated 03.02.2021, a link letter for loan renewal in Ex.A18 dated 03.02.2021 and letter of undertaking in Ex.A19 dated 03.02.2021 and as per the sanction memo in Ex.A20 dated 04.02.2021 the above said loan was renewed. Again the defendants had approached the plaintiff bank vide Loan Application in Ex.A21 dated 02.05.2023 for renewal of existing cash credit facility of Rs.5,00,000/-. Based on the application, the plaintiff bank had sanctioned over draft and cash credit facility to the tune of Rs.5,00,000/- with a rate of interest of 11.25% per annum vide letter of renewal in Ex.A22 dated 01.05.2023.

11. The plaintiff counsel also urged that the defendants had approached the plaintiff bank for availing 2nd loan facility as GECL vide Loan Application in Ex.A24 dated 06.06.2020 along with PAN Card and Aadhaar Card copy of 2nd defendant, GST Registration Certificate and Udyog Aadhaar of the 1st defendant. Subsequently the plaintiff bank had sanctioned a sum of Rs.90,000/- (Rupees Ninety Thousand Only) as a Term Loan (GECL) due to Corona Pandemic period on 08.06.2020. For the said facility the defendants had executed the necessary loan documents on 08.06.2020 vide Pro Note in Ex.A25, Take Delivery Note to DPN in Ex.A26, Letter of Undertaking in Ex.A27 and Guarantee Covering Letter in Ex.A28, Agreement cum Deed of Hypothecation in Ex.A29, and Annexures 1 and 2 in Ex.A30 and Ex.A31

respectively. Subsequently thus the said loan amount was disbursed to the defendant's Loan A/c No.65669160000032 the same was intimated to defendants on 12.06.2020 by the way of letter of sanction.

12. The plaintiff counsel has also urged that after availing loan the defendants had failed to repay the loan amount due of Rs.12,992.38 in Loan Account Number 65669160000032 as per the Statement of Accounts on 04.11.2024 and a sum of Rs.5,53,084.20 in Loan Account Number 65661400000492 thus was totalling to the tune of **Rs.5,66,077/- (Round off)** vide Account Statements in Ex.A23 and Ex.A32 dated 04.11.2024.

13. The plaintiff counsel contended that despite of many requests over phone to repay the loan amount, but the defendants have failed to repay the said loan. Therefore the plaintiff bank has classified the loan accounts of the defendants into Non-Performing Asset as on 30.04.2024.

14. The learned counsel for the Plaintiff further urged that as per the rules and regulations of the **Commercial Courts Act**, the plaintiff have instituted a Pre-Mediation Application before the District Legal Services Authority, Coimbatore and the same was numbered as PIM No.1206/2024 on 28.11.2024 and the same did not borne fruit and has ended in a Non – Starter vide Report in Ex.A33 dated 21.01.2025 and thus the report was received by the plaintiff vide D.No.565/2025, dated.20.02.2025.

15. It was urged by the plaintiff counsel that all the 2 accounts were declared as Non-performing Asset by the plaintiff bank on **30.04.2024** and the defendants have made payments towards the loan accounts on **29.01.2024** in A/c.No.6566140000492 and A/c.No.65669160000032 vide Account Statements in Ex.A23 and Ex.A32. The present suit is instituted on **05.06.2025** and e-filed on **28.04.2025**. Hence the court is of considered view stand that the present suit is filed well within the period of limitation.

16. The plaintiff counsel contended that that the defendants have failed to repay the said loan amounts due as agreed. As per the statement of accounts the defendants have to pay a sum of Rs.12,992.38 for GECL Loan facility in Loan Account Number 65669160000032 and a sum of Rs.5,53,084.20 for Cash Credit / Over Draft Loan facility in Loan Account Number 65661400000492 thus was totalling to the tune of **Rs.5,66,077/- (Round off)** vide Statement of Accounts in Ex.A23 and Ex.A32 dated 04.11.2024.

17. The plaintiff counsel finally contended that after availing loan, the defendants were reluctant to pay the due amount as agreed. The bank officials directly visited the defendant's residence and business place and as well as informed about the outstanding over phone calls, all the efforts for making repayment ended in vain. Since the 2nd defendant being the sole proprietor of 1st defendant, is jointly and severally liable to pay the loan amount due of **Rs.5,66,077/- (Round off)** with

subsequent interest along with compounded monthly rests which is exclusive of penal interest at the rate of 2% per annum as per the terms of the contract.

18. *Per contra*, the suit is false, frivolous, vexatious and unsustainable both in law and on fact of the case. Except those that are specifically admitted herein by the defendants, the plaintiff is put to strict proof if the averments and allegations put forth by them in the plaint pleadings. The 2nd defendant has filed a reply denying the plaintiff's claim and the 2nd defendant has examined himself as DW1 and had let in evidence.

19. The defendant counsel urged that the present suit is filed by plaintiff bank against the defendants for the recovery of outstanding loan amount for a sum of Rs.5,66,077/- along with interest at the rate of 12% per annum from the date of suit and with costs.

20. The defendant counsel urged that the plaintiff has admitted that the defendant company is a company that manufactures agricultural equipment and that the very loan is an unsecured loan subject to time constraints.

A portion of PW1 cross - examination in this regard:

“பிரதிவாதி நிறுவனம் விவசாயம் செய்வதற்கு தேவையான உபகரணங்களை தயாரிக்கும் நிறுவனம் என்பதை தெரிந்து தான் தாவா கடன் அளிக்கப்பட்டது என்று சொன்னால் சரிதான். பிரதிவாதி நிறுவனம் விவசாயத்தின் கால நிலை மற்றும்

சூழ்நிலைக்கு தேவையான உபகரணங்களை தயாரிக்கும் நிறுவனம் என்றால் சரிதான்.”

21. The defendant counsel has contended that the plaintiff has negligently and intentionally omitted to insure the claim amount and those they are responsible for the negligence of the plaintiff company.

A portion of PW1 cross - examination in this regard:

“மேற்படி உபகரணங்களுக்கு பிரதிவாதி நிறுவனம் காப்புரிமை ஏதேனும் வாங்கி உள்ளார்களா என்றால் இல்லை. தாவா கடன் தொகைக்கு இன்சூரன்ஸ் செய்யப்பட்டுள்ளதா என்றால் சரியல்ல. பிரதிவாதி தொழில் பாதிக்கப்பட்ட காரணத்தினாலும், கடன் தொகையை வாதி வங்கி இன்சூரன்ஸ் செய்ய தவறிவிட்டதாலும் தாவா கடன் தொகைக்கு பிரதிவாதி பொறுப்பல்ல என்று சொன்னால் சரியல்ல.”

22. It is also contended that the plaintiff also admitted during cross-examination that the defendants were unable to collect money from his customers due to the impact of the COVID – 19 pandemic and that the defendants was unable to pay the outstanding amount due to the natural disaster and Act of God.

A portion of PW1 cross - examination in this regard:

“பிரதிவாதி தொழில் பாதிக்கப்பட்ட காரணத்தினாலும், கடன் தொகையை வாதி வங்கி இன்சூரன்ஸ் செய்ய தவறிவிட்டதாலும் தாவா கடன் தொகைக்கு பிரதிவாதி

பொறுப்பல்ல என்று சொன்னால் சரியல்ல. பிரதிவாதிக்கு சரியான மழை இல்லாத காரணத்தினாலும், நிரந்தர வருமானம் இல்லாத காரணத்தினாலும் நஷ்டம் ஏற்பட்டுவிட்டது என்றால் இருக்கலாம். பிரதிவாதி கடன் வாங்கிய சமயத்தில் இருந்து கொரோனா தொற்று காலம் வரை சரியாக தவணை தொகையை செலுத்தி வந்தார் என்று சொன்னால் சரிதான். கொரோனா பாதிப்பால் பிரதிவாதி அவருடைய வாடிக்கையாளரிடமிருந்து பணம் வசல் செய்ய முடியாமல் போனது, இயற்கை உபாதையாலும் பிரதிவாதி தாவா கடன் தவணையை செலுத்த முடியாமல் போனது என்றால் இருக்கலாம்.”

23. The defendant counsel contended that the plaintiff has also specifically admitted that the defendant does not have any movable property or other financial resources.

A portion of PW1 cross examination is culled out below:

“கடன் வழங்கப்பட்டது அவருடைய எதிர்கால தொழில் வளர்ச்சி அடிப்படையில் ஆகும். கடன் தொகையை கட்ட தவறியது பிரதிவாதியின் தனிப்பட்ட காரணம் மட்டும் இல்லை என்று சொன்னால் சரியல்ல. பிரதிவாதியிடம் அசையும் சொத்து இதர பண வசதிகளோ இருக்கவில்லை என்று சொன்னால் சரிதான்.”

24. The defendant counsel further contended that the defendant was regular in his payments and due to COVID 19 pandemic he has faced financial and business constraints and was not able to run his business (Agri equipments and paper plates)

and that he is willing to repay the outstanding in installment basis if the plaintiff bank provides time.

A portion of DW1 cross examination in this regard:

“விவசாயப் பொருட்கள் உற்பத்தி அல்லாது நீங்கள் பேப்பர்தட்டு மற்றும் விவசாய உதிரி பாகங்கள் விற்பனை செய்து வந்தீர்கள் என்று சொன்னால் சரிதான், விவசாயத்தில் நிரந்தர வருமானம் இல்லாத காரணத்தினால் அதை செய்து வந்தேன். பிரமாண வாக்குமூலத்தில் நீங்கள் தாவா கடனை செலுத்த ஒப்புக்கொள்வதாகவிடும் கால அவகாசம் கோரியுள்ளீர்கள் என்று சொன்னால் சரிதான், என்னுடைய பேப்பர்தட்டு தொழில் முற்றிலுமாக தடை செய்யப்பட்டுவிட்டது அதில் செய்திருந்த முதலீடு முடங்கி போய்விட்டது. வாதி வங்கி உங்களுக்கு பேப்பர்தட்டு செய்யும் பொருட்டு கடன் அளிக்கவில்லை என்று சொன்னால் சரியல்ல, பேப்ரிகேசன் மற்றும் பேப்பர்தட்டு தொழிலுக்கு சேர்த்துதான் கடன் வழங்கப்பட்டது.”

25. This court also finds force in the argument advanced by the plaintiff counsel that having signed and executed the documents in favour of the plaintiff bank and having availed the loan facility, the defendants are liable for the suit claim relief.

26. In this regard, this court finds it useful to refer to the celebrated decision of the Hon'ble Supreme Court in **Central Bank of India Vs Ravindra and Ors 2002 1 SCC 367** wherein it was held that:

“(3) The prevalence of banking practice legitimatises stipulations as to interest on periodical rests and their capitalisation being incorporated in contracts. Such stipulations incorporated in contracts voluntarily entered into and binding on the parties shall govern the substantive rights and obligations of the parties as to recovery and payment of interest.”

27. This court thought it fit to refer to the decision of the **Hon’ble Supreme Court in Indian Bank vs Blue Jaggers Estate Ltd. And Ors 2010 8 SCC 129** wherein it was held that:

*“16. The argument of the learned counsel for the respondents that the rate of interest is unconscionable, expropriatory and contrary to law also merits rejection because at no stage the respondents had questioned the terms on which loan and other financial facilities were extended by the appellant. That apart, after having enjoyed those facilities for more than one decade, the respondents cannot turn around and raise an argument based on the judgments of this Court in **Central Inland Water Transport Corporation v. Brojo Nath Ganguly (1986) 3 SCC 156** and **Delhi Transport Corporation v. D.T.C. Mazdoor Congress and others 1991 Supp. (1) SCC 600**. It must be remembered that the respondents were not in a position of disadvantage vis-`-vis the appellant. If they so wanted, the respondents could have declined to avail loan and other financial facilities made available by the appellant. However, the fact of the matter is that they had signed the agreement with open eyes and agreed to abide by the terms on which the loan, etc. was offered by the appellant. Therefore, the doctrine*

of unconscionable contract cannot be invoked for frustrating the action initiated by the appellant for recovery of its dues.

17. The Court cannot lose sight of the fact that the bank is a trustee of public funds. It cannot compromise the public interest for benefitting private individuals. Those who take loan and avail financial facilities from the bank are duty bound to repay the amount strictly in accordance with the terms of the contract. Any lapse in such matters has to be viewed seriously and the bank is not only entitled but duty bound to recover the amount by adopting all legally permissible methods.”

28. It was urged by the plaintiff counsel that all the 2 accounts were declared as Non-performing Asset by the plaintiff bank on **30.04.2024** and the defendants have made payments towards the loan accounts on **29.01.2024** in A/c.No.65661400000492 and A/c.No.65669160000032 vide Account Statements in Ex.A23 and Ex.A32. The present suit is instituted on **05.06.2025** and e-filed on **28.04.2025**. Hence the court is of considered view stand that the present suit is filed well within the period of limitation.

29. Having availed the loan from the plaintiff bank, having executed the documents in favour of the plaintiff bank for the Cash Credit facility and GECL facility vide Ex.A1 to Ex.A22 and Ex.A24 to Ex.A31, Loan repayments having been reflected in the account statements vide Ex.A23 and Ex.A32, having admitted the loan transaction and having admitted that he is ready to pay the outstanding in

installments, this court finds that the defendants are liable for the suit relief amount as claimed by the plaintiff bank.

30. In the light of the narrative, decisions deliberated, discussion and dispositive reasoning and the thus far, this courts comes to the conclusion that the plaintiff bank's claim is legitimate and that the defendants are liable and bound to repay a sum of **Rs.5,53,084.20** towards Cash Credit / Over Draft facility and a sum of **Rs.12,992.38** towards GECL Loan facility thus was totally as **Rs.5,66,077/- (Round off)** together with interest towards the loan facilities availed by the defendants. Thus this issue is answered in favor of the plaintiff bank and is against the defendants.

31. Issue No.2:

In view of the findings and discussions deliberated *supra*, this issue is answered to the effect that the parties are not entitled other reliefs.

In the result, the Suit is decreed that the plaintiff is entitled for the relief of recovery of suit sum of Rs.5,66,077/- (Round off) (Rupees Five Lakhs Sixty Six Thousand and Seventy Seven Only) out of which, the plaintiff is entitled for the relief of recovery of sum of Rs.5,53,084.20 with future interest at the rate of 11.25% per annum towards Cash Credit / Over Draft Facility and a sum of Rs.12,992.38 with future interest at the rate of 9.25% per annum towards GECL Loan facility respectively from the date of suit till the date of decree and thereafter at the rate of 6% per annum till the date of realization and with cost from the defendants.

Typed directly into the Computer corrected by Typist, printed out and pronounced by me in the open court on this, 30th Day of March, 2026

Judge
Commercial Court
(Senior Civil Judge Cadre)
Coimbatore

I. List of Plaintiff side Witness:

1. PW1 – LEO TERANS T (Branch Manager, Plaintiff Bank)

II. List of Plaintiff side Exhibits:

<i>1</i>	<i>Ex.A1</i>	<i>12.11.2018</i>	<i>Loan Application submitted by the defendants</i>	<i>Original</i>
<i>2</i>	<i>Ex.A2</i>	<i>12.11.2018</i>	<i>Particulars of the Asset and Liability of the defendants</i>	<i>Original</i>
<i>3</i>	<i>Ex.A3</i>	<i>13.11.2018</i>	<i>Overdraft/Cash Credit Loan facility</i>	<i>Original</i>
<i>4</i>	<i>Ex.A4</i>	<i>13.11.2018</i>	<i>Composite Hypothecation Agreement</i>	<i>Original</i>
<i>5</i>	<i>Ex.A5</i>	<i>13.11.2018</i>	<i>Demand Promissory Note</i>	<i>Original</i>
<i>6</i>	<i>Ex.A6</i>	<i>13.11.2018</i>	<i>Sanction Memo</i>	<i>Original</i>
<i>7</i>	<i>Ex.A7</i>	<i>15.11.2019</i>	<i>Loan Application (Extension of Repayment)</i>	<i>Original</i>

8	Ex.A8	15.11.2019	Particulars of the Asset and Liability of the defendants	Original
9	Ex.A9	15.11.2019	Sanction Memo	Original
10	Ex.A10	16.11.2019	Demand Promissory Note	Original
11	Ex.A11	16.11.2019	Overdraft/Cash Credit Loan facility	Original
12	Ex.A12	16.11.2019	Composite Hypothecation Agreement	Original
13	Ex.A13	30.01.2021	Loan Application(Extension of Loan)	Original
14	Ex.A14	30.01.2021	Demand Promissory Note	Original
15	Ex.A15	--	Request for Overdraft facility	Original
16	Ex.A16	30.01.2021	Cash Credit Agreement	Original
17	Ex.A17	03.02.2021	Letter of Renewal	Original
18	Ex.A18	03.02.2021	Enclosure III (Link Letter)	Original
19	Ex.A19	03.02.2021	Letter of Undertaking	Original
20	Ex.A20	04.02.2021	Sanction Memo	Original
21	Ex.A21	02.05.2023	Loan Application submitted by the Defendants (Renewal of Cash Credit facility)	Original
22	Ex.A22	01.05.2023	Letter of Renewal	Original
23	Ex.A23	31.10.2024	Statement of Accounts for ac no. 65661400000492	Original
24	Ex.A24	06.06.2020	Loan Application filed by the defendants (Renewal of Cash Credit facility)	Original
25	Ex.A25	08.06.2020	Pro note	Original

26	Ex.A26	08.06.2020	Take Delivery Letter to DPN	Original
27	Ex.A27	08.06.2020	Letter of Undertaking	Original
28	Ex.A28	08.06.2020	Guarantee Covering Letter	Original
29	Ex.A29	08.06.2020	Agreement cum Deed of Hypothecation	Original
30	Ex.A30	08.06.2020	Annexure – I	Original
31	Ex.A31	08.06.2020	Annexure – II	Original
32	Ex.A32	04.01.2024	Statement of Accounts for ac no. 65669160000032	Original
33	Ex.A33	21.01.2025	Pre – Institution Report vide PIM No. 1206/2024 D. No. 565/2025 dated.20.02.2025	

III. List of Defendants side Witnesses:

1. DW1 – ARAVIND M (Proprietor, Defendant Company)

IV. List of Defendants side Exhibits:

- Nil -

Judge
Commercial Court
(Senior Civil Judge Cadre)
Coimbatore

Fair / Draft Judgment

C.O.S.257 of 2025

Date: 30.03.2026

SCJ, CBE