IN THE COURT OF SUBORDINATE JUDGE, MADURANTAKAM

Present: Mr. T. GANESH, B.A., B.L.,
Subordinate Judge,
Madurantakam.

Wednesday, this 03rd day of June, 2026
O.S. No. 107/2025
(CNR.No.TNCG13-000266-2025)

Canara Bank,
Kayapakkam Branch,
Represented by its Manager

… Plaintiff

-Vs-

Manikandan …Defendant

This suit came up on 10.04.2026 before this court for final hearing in the presence of Mr.S.Rajendran, counsel for the plaintiff and defendant called absent and set exparte and after hearing the arguments on the side of plaintiff, upon perusing the records, having stood over for the consideration of this court till date, this court delivered the following;

JUDGMENT

This suit is filed by the plaintiff against the defendant for recovery of Rs.2,54,305.00 from the defendant with subsequent interest of 13.90% p.a from the date of plaint till the date of realization and for cost.

2. Plaint in the brief :

Defendant under deed of hypothecation re-vehicles and agreement cum deed of hypothecation both dated 01.11.2023 availed from plaintiff the loan of Rs.2,48,000/- (Rupees two lakhs forty eight thousand) only for purchase of auto agreeing to pay the same together with interest thereon at 11.90% compounded monthly as per practice of the plaintiff. The rate of interest charged is subject to variation from time to time. The defendant specifically waived the notice regarding variation in rate of interest including enhancement from time to time as may be directed by the head office of plaintiff. Defendant agreed to the pay suit debt in installments. Defendant also agreed to pay overdue interest at 2% per annum for the default in payment of installments. The rate of interest charged is not contrary to Reserve Bank of India rates and directives. The present rate of interest for the suit loan is 11.90% compounded monthly plus 2% penal interest. The running of business in the name and style of Manikandan Catering Service by the defendant is incorrectly mentioned in the said deed of hypothecation re-vehicles and agreement cum deed of hypothecation both dated 01.11.2023 submitted above.

Defendant periodically acknowledged the suit debt by part payments as evident from the statement of account maintained by plaintiff herewith filed. The suit within 3 years from the date of deed of hypothecation re-vehicles and agreement cum deed of hypothecation is in time.

Defendant defaulted in payment of installments as agreed by him in respect of the suit debt. Hence the suit loan became overdue and non performing assets in the accounts of the plaintiff.

Inspite of repeated demands of plaintiff, its notices the defendant failed and neglected to pay the amount due in respect of suit loan. Plaintiff issued lawyer notice dated 03.03.2025 to defendant calling upon him to repay the entire amount due in respect of the suit loan, The said lawyer notice is served on defendant on 04.03.2025.

The postal acknowledgment signed by defendant. The defendant did not issue any reply nor complied with the demand of plaintiff. The plaintiff has no option except to file the suit against the defendant for recovery of money. Hence the suit.

The amount due as per account maintained by plaintiff in its regular course of business in respect of suit loan as on 01.01.2025 is Rs. 2,43,673.73. The interest on Rs.2,43,673.73 at 13.90% inclusive of penal interest from 02.01.2025 to 24.04.2025 (3 months 23 days) works out at Rs.10,631.27. The total amount due is Rs.2,54,305.00, which the defendant is liable to pay plaintiff with subsequent interest at 11.90% compounded monthly plus 2% penal interest from the date of plaint till realisation.

Plaintiff is a nationalised bank and an exempted creditor. Hence the several debt relief acts and scheme will not apply to plaintiff Further under section 21A of Banking Regulations Act and section 34 CPC the plaintiff is entitled to contract rate of interest till realisation. The suit transaction is not commercial transactions as the defendant availed the loan and got benefited from the loan for earning his livelihood by means of self employment.

Hence the plaintiff files this suit for for recovery of Rs.2,54,305.00 from the defendant with subsequent interest of 13.90% p.a from the date of plaint till the date of realization and for cost.

3. The defendant, inspite of service of summon, failed to appear and hence he was called absent and set exparte.

4. The plaintiff manager was examined as Pw1 and Exhibited A1 to A5 is marked.

5. Heard the plaintiff, perused the documents and his evidence.

6. Points:

"Whether the plaintiff is entitled to recover the amount due under the agreement of re-vehicle loan from the defendant?"

The case of the plaintiff is that the defendant borrowed a sum of Rs.2,48,000/- from the plaintiff bank on 01.11.2023 for purchase of auto by executing the Deed of Hypothecation re-vehicles and Agreement cum Deed of Hypothecation agreeing to repay the same with interest in installments. As the defendant committed default in repayment of the loan amount as agreed, the suit loan account became overdue and was classified as Non-Performing Asset. Hence, the present suit has been filed for recovery of the outstanding dues. To substantiate its claim, the plaintiff examined its Branch Manager as PW1 and marked Exhibits A1 to A5. Though the defendant was set exparte, the plaintiff is bound to establish its case by adducing satisfactory oral and documentary evidence.

To prove the transaction, the plaintiff has produced the Deed of Hypothecation re-vehicles dated 01.11.2023 marked as Ex.A1 and the Agreement cum Deed of Hypothecation dated 01.11.2023 marked as Ex.A2, which clearly establish that the defendant had availed the suit loan from the plaintiff bank agreeing to repay the same with contractual interest. The plaintiff has also produced the office copy of legal notice dated 03.03.2025 marked as Ex.A3 and the postal acknowledgment marked as Ex.A4, which reveal that the demand notice issued by the plaintiff bank was duly served on the defendant. Despite receipt of notice, the defendant neither sent any reply nor discharged the loan liability. The Statement of Account marked as Ex.A5 shows that a sum of Rs.2,54,305/- remained due and payable by the defendant as on the date of plaint. By way of oral evidence and Exhibits A1 to A5, the plaintiff has established the borrowing of loan by the defendant, execution of the loan documents and the subsisting liability towards the plaintiff bank. Once the execution of the loan documents is proved, the burden shifts upon the defendant to disprove the claim of the plaintiff.

Unfortunately, the defendant failed to appear before this Court and was set exparte. The plaintiff has also produced the Statement of Account as Ex.A5 in support of its monetary claim. The documentary evidence produced by the plaintiff clearly proves that the defendant had availed the loan for purchase of auto and failed to repay the installments as agreed. If really the defendant had any valid defence, he could have appeared before this Court and contested the suit. However, he remained absent for the reasons best known to him. From the unrebutted oral and documentary evidence, this Court finds that the defendant is liable to pay the suit claim amount. The documents relied upon by the plaintiff inspire confidence and there is no reason to disbelieve the case of the plaintiff bank. Accordingly, this Court holds that the defendant is liable to pay a sum of Rs.2,54,305/- together with subsequent interest at 13.90% p.a. from the date of plaint till the date of realization and also costs of the suit.

7. Result:

In fine the suit is decreed as prayed for with cost directing the defendant to pay the plaintiff bank a sum of Rs.2,54,305.00 with subsequent interest from the date of plaint, for the principal amount of Rs.2,48,000/- at the rate of 13.90% per annum, till date of judgment and thereafter 6% per annum till realization.

Directly typed in my lap-top, corrected and pronounced by me in the open court, this 03rd day of June, 2026.

GANESH THIRUNAVUKKARASU

Digitally signed by GANESH THIRUNAVUKKARASU
Location: Subordinate Judge, Madurantakam.
Date: 2026.06.03 17:26:59 +0530

Subordinate Judge,
Madurantakam.

Witnesses examined on the side of the Plaintiff:-

P.W.1: Ananth (Branch Manager of Plaintiff's Bank)

Exhibits marked on the side of Plaintiff:-

Ex.A1	01.11.2023	Deed of Hypothecation re-vehicles by defendant to plaintiff.	Original

Ex.A2	01.11.2023	Agreement cum deed of hypothecation by defendant to plaintiff.	Original
Ex.A3	03.03.2025	Office copy of Legal Notice issued by plaintiff to defendant.	Office Copy.
Ex.A4		Postal Acknowledgment.	Original
Ex.A5		Statement of Account.	Original

GANESH THIRUNAVUKKARASU

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Location: Subordinate Judge, Madurantakam.
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Madurantakam.

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Fair / Draft Judgment
OS No. 107/2025
D.D: 03.06.2026
Sub Court,
Madurantakam.