IN THE II ADDITIONAL CITY CIVIL COURT, CHENNAI

Present: Tmt.Dr.R.Sathya., M.L. Ph.D.,
I Additional Judge
(FAC) II Additional City Civil Court, Chennai
Thursday the 9th day of July 2026
O.S.No.4306 of 2025
CNR No.TNCH01-014826-2025

Bank of Baroda. (IFSC Code No. BARBOMYLAPO)
Mylapore Branch
Rep by its Chief Manager Mr. Palla Sai Sagar
No.41. Luz Church Road, Mylapore,
Chennai- 600 004. .....Plaintiff

/versus/

M/s. Alex store
Proprietor Mr. Paulson Andrews Kumar
No. 145, Thiruvalluvar Salai, Teynampet branch
Chennai– 600 018. .....Defendant

This suit having come up on 09.07.2026 for final disposal before me in the presence of M/s. M. Balakrishna, R.Vignesh, Counsels for the plaintiff and the Paper publication effected on defendant and the Defendant being called absent and set exparte on 28.04.2026, On perusal of the documents filed by the plaintiff and having stood over for consideration till this day, this Court delivered the following:

JUDGMENT

The suit has been filed under Order XXXVII of C.P.C to pass a judgment and de3cree in favour of the plaintiff and against the defendant to pay to the Plaintiff bank the sum of Rs. 10,17,947.34 /- being the amount due together with future interest at the rate of 10.60% per annum (including penal interest of 2.00% per annum) compounded with monthly rests from the date of plaint to till the date of realization and for cost of the suit.

2. *<u>Averments made in the plaint in short is as follows;</u>*

2.1.The Plaintiff submitted that the Defendant approached the Plaintiff Bank seeking a Term Loan under the PMMY Scheme for meeting the working capital requirements of her proprietary concern, M/s. Alex Store. The Defendant represented that she was carrying on wholesale and retail trading in pulses, edible oils and allied grocery products, had more than three years experience in the business, and submitted the prescribed loan application along with all requisite documents. The Defendant represented that M/s. Alex Store was her proprietary concern, duly registered under MSME, and produced an FSSAI Licence bearing No.12423008000238 issued under the Food Safety and Standards Act, 2006. She further represented that the business was situated at No.21, 2nd Street, Krishna Nagar, Madambakkam, Chennai, with a branch at Shop No.145, Thiruvalluvar Salai, Teynampet, Chennai – 600018, and that the loan was required for expansion of the business and enhancement of sales.

2.2.Upon scrutiny of the loan application and supporting documents and being satisfied with the Defendant's eligibility, the Plaintiff sanctioned a Term Loan of Rs.9,00,000/- under the PMMY Scheme vide Sanction Letter dated 05.01.2021 in Loan Account No.05270500000071. The loan carried interest at 9.10% per annum and was repayable in 12 monthly instalments after a moratorium of three months from the date of disbursement. In consideration of the loan, the Defendant executed, on 05.01.2021, a Demand Promissory Note, Letter of Proprietorship, Letter of Continuing Security, Composite Hypothecation Agreement, Declaration-cum-Undertaking-cum-Authority, Power of Attorney in respect of Book Debts, and an Undertaking under the PMMY Scheme. Thereafter, the loan amount was duly disbursed. The Defendant committed persistent defaults in repayment of the loan instalments and failed to regularise the account despite repeated demands. On 10.03.2023, the Defendant executed a Letter of Acknowledgment of Debt in favour of the Plaintiff, acknowledging the outstanding liability. Owing to continued default, the loan account was classified as a Non-Performing Asset (NPA) on 04.08.2023 in accordance with the Reserve Bank of India guidelines. The Plaintiff thereafter issued a legal notice dated 25.05.2025 through its Advocate calling upon the Defendant to discharge the outstanding dues with interest. The notice was returned unserved with the postal endorsement "No Such Person at the Address." As per the Statement of Account dated 30.05.2025 maintained by the Plaintiff Bank in the ordinary course of business, a sum of Rs.8,29,291.48/- remained outstanding towards the loan dues and Rs.1,88,655.86/- towards unapplied interest, aggregating to Rs.10,17,947.34/-. Despite repeated demands and acknowledgment of liability, the Defendant has wilfully failed and neglected to discharge the outstanding dues. The Plaintiff therefore constrained to institute the present suit for recovery of Rs.10,17,947.34/-

together with contractual and future interest, costs, and other consequential reliefs. Hence the suit for recovery of money.

3. As per Order 37, this court had send summons to defendant. It was served. But the defendant did not appear. Hence, the defendant was set exparte on 28.04.2026. The defendant cannot defend the case unless they enter appearance and seek leave to defendant as per order 37 Rule 2(3) CPC. But no such leave was obtained by the defendant.

4. *Point for consideration*:

Whether the plaintiff is entitled for a decree as prayed for with costs?

5. In order to prove the case of the plaintiff Ex.A1 to Ex.A12 were marked.

5. ***Point :***

The case of the plaintiff is that the defendant approached the plaintiff Bank seeking a Term Loan under the PMMY Scheme for meeting the working capital requirements of her proprietary concern, M/s. Alex Store and submitted the prescribed loan application. The loan application is marked as **Ex.A1**.

6. Upon scrutiny of the loan application the Plaintiff sanctioned a Term Loan of Rs.9,00,000/- under the PMMY Scheme vide Sanction Letter dated 05.01.2021 **(Ex.A2)** in Loan Account No.05270500000071. The loan carried interest at 9.10% per annum and was repayable in 12 monthly instalments after a moratorium of three months from the date of disbursement. In consideration of the loan, the Defendant executed, on 05.01.2021, a Demand Promissory Note **(Ex.A3)**, Letter of

Proprietorship **(Ex.A5)**, Letter of Continuing Security **(Ex.A4)**, Composite Hypothecation Agreement **(Ex.A7)**, Declaration-cum-Undertaking-cum-Authority (**Ex.A6)**, Power of Attorney in respect of Book Debts **(Ex.A8)**, and an Undertaking under the PMMY Scheme **(Ex.A9)**.

7.Thereafter the Defendant committed default in repayment of loan instalments and also failed to regularise the account despite repeated demands. On 10.03.2023, the Defendant executed a Letter of Acknowledgment of Debt **(Ex.A10)** in favour of the Plaintiff, acknowledging the outstanding liability. Owing to continued default, the loan account was classified as a Non-Performing Asset (NPA) on 04.08.2023 in accordance with the Reserve Bank of India guidelines. Thereafter the plaintiff issued a legal notice dated 25.05.2025 through its Advocate calling upon the Defendant to discharge the outstanding dues with interest. The legal notice is marked as **Ex.A11.** The notice was returned unserved with the postal endorsement "No Such Person at the Address." The returned cover is marked as **Ex.A12**. As per the Statement of Account dated 30.05.2025 **(Ex.A13)** the plaintiff is liable to pay a sum of Rs.8,29,291.48/- remained outstanding towards the loan dues and Rs.1,88,655.86/- towards unapplied interest, aggregating to Rs.10,17,947.34/-. Under this circumstances, the defendant did not appear either to refute the claim of the plaintiff or to put forth their case. The defendant failed to appear and state that he was not liable to pay the suit amount. Hence, the case of the plaintiff is admitted. The plaintiff is entitled for a decree as prayed for with costs.

In the result, the suit is decreed with costs; the defendant do pay a sum of Rs.10,17,947.34/- to the plaintiff bank along with interest at the rate of 10.60% per annum from the date of plaint till the date of judgment and at 6% p.a from the date of judgment till the date of realization.

Dictated directly to the steno typist, computerized by her, corrected and pronounced by me in the open court this the 9th day of July 2026.

sd/- Dr.R.Sathya

I Additional Judge
(FAC) II Additional City Civil Court
Chennai.

Plaintiffs side Witness :- NIL

Plaintiffs side exhibits :-

Sl. No	Exhibits	Description of document	Date	Nature of Document
1	Ex.A1	Loan Application	02.01.2021	Original
2	Ex.A2	Sanction letter	05.01.2021	Original
3	Ex.A3	D.P.Note for individual	05.01.2021	Original
4	Ex.A4	Letter of continuing security	05.01.2021	Original
5	Ex.A5	Letter of proprietorship	05.01.2021	Original
6	Ex.A6	Declaration cum undertaking cum authority	05.01.2021	Original
7	Ex.A7	Composite of Hypothecation agreement	05.01.2021	Original
8	Ex.A8	Power of attorney in respect of Book debts facility	05.01.2021	Original
9	Ex.A9	Undertaking	05.01.2021	Original
10	Ex.A10	Letter of acknowledgement of debt	10.03.2023	Original
11	Ex.A11	Legal Notice issued by the plaintiff bank to defendant	25.05.2025	Original

12	Ex.A12	Returned cover	-	Original
13	Ex.A13	Statement of Accounts	30.05.2025	Computer print out

<u>Defendant's side witness and Exhibits</u>: NIL

sd/- Dr.R.Sathya

I Additional Judge
(FAC) II Additional City Civil Court
Chennai.

Draft/Fair/copy of Judgment
in
O.S.No. 4306/2025

Dated :09.07.2026
II Addl.Court,Chennai.