

IN THE COURT OF THE PRINCIPAL DISTRICT JUDGE,
PERAMBALUR, STATE OF TAMILNADU.

Present: Thiru.V.Padmanabhan, M.A., M.L., D.H.,
Principal District Judge.

Wednesday, this the 18th day of March, 2026.

O.S.No.69/2022
(Filing No.OS/548/2022)
(CNR No.TNPB01-003368-2022)

Corporation Bank, Perambalur Branch,
Now merged with Union Bank of India,
Perambalur Branch,
Rep. by its Senior Manager.

... Plaintiff.

-Vs-

1. P. Dhanarasu, aged 56 years,
S/o. Pitchaimuthu.

2. D. Sridhar, aged 27 years,
S/o. Dhanarasu.

... Defendants.

This suit came up before this Court for final hearing on 09.03.2026 in the presence of Thiru.N.Srinivasa Murthy, Advocate for the plaintiff and Thiru. R. Kannan, Advocate for the defendants and upon hearing the plaintiff's side arguments and perusing the entire records of the case and having stood over for consideration till this day this Court delivered the following:

JUDGMENT

This suit is filed for recovery of money directing the defendants to pay to the Plaintiff a sum of Rs.1,09,551.00 with subsequent interest at 10.40% for loan Account Number: 560931000015030 facility, fixing a date within 3 months and in

default of their payment within the time fixed by Court by means of preliminary decree,

(ii) directing the defendants to pay to the Plaintiff a sum of Rs. 1,35,897.00 with subsequent interest at 8.55% for loan Account Number: 560381000066269 facility, fixing a date within 3 months and in default of their payment within the time fixed by Court by means of preliminary decree,

(iii) directing the defendants to pay to the Plaintiff a sum of Rs.8,03,861.00 with subsequent interest at 9.75 % for loan Account Number: 565601000000606 facility, fixing a date within 3 months and in default of their payment within the time fixed by Court by means of preliminary decree.

(iv) directing that the properties mortgaged in the Schedule mentioned properties shall be sold and the sale proceeds shall be applied to the decretal amount by passing the final decree.

(v) passing a personal decree against the defendants for the balance of the decretal amount if the sale proceeds of the mortgaged properties are insufficient to pay the entire decretal amount and cost of the suit.

2. Brief averments of the plaint as follows:-

The defendants had approached the plaintiff bank to provide land development loan of Rs.1,00,000/- for Agriculture loan of Rs.1,00,000/- and also education loan of Rs.4,00,000/- for the studies of 2nd defendant. The defendants have agreed to submit their properties as security for prompt repayment of all the three loans. They had created valid Equitable Mortgage by deposit of title deeds regarding the schedule mentioned properties in favour of the plaintiff bank on 26.11.2014 for the advances to be borrowed by them in the year 2014 and also for future advances from the plaintiff bank and thereby created valid Equitable mortgage over the schedule mentioned properties. For confirmation of the same, the defendants had executed registered

Memorandum of Deposit of title deeds for Rs.6,00,000/- in favour of the plaintiff's bank on 26.11.2014 vide Doc No.5822/2014 of SRO, Perambalur. After execution of security document, the defendants had submitted applications. Based on the request of the defendants, the plaintiff bank had sanctioned an amount of Rs.1,00,000/- as land development loan, Rs.1,00,000/- as agriculture loan and Rs.4,00,000/- as Education loan on 28.11.2014 to the defendants.

For the land development loan, the defendants had agreed to repay the loan amount with interest @ 12.25% in 5 yearly installments @ Rs.20,000/- with interest. For the said loan, the defendants had executed Hypothecation agreement for Rs.2,00,000/- in favour of the plaintiff Bank on 28.11.2014, agreed to repay the crop loan amount with interest at 11% per annum and agreed to repay the principal amount with interest from the sale proceeds of crops after 1 year and agreed to renew the loan every year.

For the said Education loan amount, the defendants agreed to repay the loan amount with interest at 11.60% per annum and as per the subsequent guidelines issued by the Reserve Bank of India and executed demand promissory note in favour of the plaintiff bank. In pursuance of the sanction of loan, the defendants had agreed to pay the interest till completion of course, further agreed to commence the repayment of the Principal loan amount with subsequent interest after 3 years from completion of course plus one year or 6 month after getting the job whichever is earlier in 120 monthly installments Rs.7617/- per month.

The 2nd defendant had completed his course successfully, now gainfully employed and earning a decent salary for the past 2 years. The defendants had failed to repay the installments for the above three loan accounts as assured in the plaintiff bank in regular installments. However, the 1st defendant had executed an acknowledgment debt for the education loan in favour of Plaintiff bank on 23.10.2017. Even after the same there is no regular remittance in the above loan accounts, hence the loan account of the defendants became NPA. The plaintiff bank

had sent notice to 1st defendant on 18.09.2018, 03.10.2018. Subsequently the plaintiff bank had issued notice to defendants for education loan on 23.03.2019. Even after receipt of the same, the defendants had failed to repay the above loans. Again the Plaintiff bank sent notice to the 1st defendant to attend the special loan recovery mela to be held on 07.12.2019. For all the above notices, there is no response from the defendants. However, the 2nd defendant had executed acknowledgment of Debt/Liability in favour of Plaintiff bank on 25.02.2020. Before filing of suit, the plaintiff bank had again issued separate legal notice to the defendants on 08.10.2022 to repay the two agriculture loans and for the education loan. The defendants had failed to repay the amount as per the ledger extract with further interest. Hence, this suit.

3. Written statement filed by the 2nd defendant and the same was adopted by the 1st Defendant is as follows:-

The interest claimed for agricultural loan is unfair and calculation of the interest is not correct. The educational loan is time barred one. The alleged execution of acknowledgment is not admitted. The educational loan is subsist only a way 2nd defendant. If the alleged execution of acknowledgment is true, there is no valid ground to join the loans and there is no joinder of cause of action. Even as per plaintiff allegations, there is no mortgage for educational loan but in prayer column plaintiff prayed for preliminary decree for all loans and under indigenous art of pleading claimed for personal decree if amount are insufficient to the decree amount under provision under CPC personal decree for mortgage can be granted only insufficient of decree amount in sale proceeds and not for the decree other than mortgage decree. Almost in most of the documents, the plaintiff bank obtained signature in unfilled printed forms while obtaining mortgage loan at the first instance and abuse of those forms in other loans will not validate the wrongs committed by the plaintiff bank. India is poor agricultural country and agriculture is the backbone of India, the banks are expected to have a nursing approach towards agriculturist and the banks not to act

like money lenders. Regarding corporation bank amalgamation and other things, union bank of India right to sue regarding mortgage and regarding educational loan has to be proved by the plaintiff the court beyond-reasonable doubts. The calculation statement filed by the plaintiff bank is not admitted and this is for plaintiff to prove the same. Hence, the suit may be dismissed with cost.

4. Based on the above pleadings, issues were framed as follows:

1. Whether the plaintiff is entitled to a preliminary decree on mortgage?
2. Whether the plaintiff is entitled to personal decree for suit amount?
3. To what relief, the plaintiff is entitled to?

5. The plaintiff's Bank Branch Manager examined himself as Pw1 and marked Ex.A1 to Ex.A32. After filing the written statement, during trial, the defendants did not come forward to cross examine the Pw1 and therefore, they were proceeded exparte.

Issue Nos.1 and 2:

6. The case of the plaintiff is that on 26.11.2014, the defendants 1 and 2 approached the plaintiff bank and obtained a sum of Rs. 1,00,000/- for land development loan, a sum of Rs. 1,00,000/- as an agricultural loan and a sum of Rs. 4,00,000/- as an education loan for the studies of the 2nd defendant. The loan applications and sanction orders are Ex.A1, A2, A9 and Ex.A12 respectively. The defendants agreed to repay the loan amounts with interest and also executed Ex.A3, Ex.A4, Ex.A6 to Ex.A8, Ex.A13 to Ex.A15, Ex.A18 and Ex.A21 documents and also deposited their title deeds in favour of the plaintiff bank for the repayment of the loans; the defendants are evading to repay the loans and that the plaintiff's bank sent legal notices to the defendants on 18.09.2019, 03.10.2018, 23.03.2019, 19.07.2021 and on 08.10.2022. After receipt of notices, the defendants did not come forward to repay

the loan amounts. Hence, the suit. The defendants did not appear before this Court to cross examine the Pw1.

7. The plaintiff's Bank Branch Manager has examined himself as Pw1 and he has spoken about the loans obtained by the defendants and execution of ExA3 agreement for term loans, Ex.A4 letter of continuity, Ex.A6 deed of agreement of hypothecation, Ex.A7 and Ex.A8 letter of undertakings for agricultural loans, Ex.A13 Demand Promissory Note, Ex.A14 Agreement of Assignment of future income, Ex.A15 undertaking letter for educational loan. Ex.A10 is the Provisional Admission Order and Ex.A11 Estimate of expenses. For security of loan amounts, the defendants deposited their title deeds. Ex.A16 is the agreement relating to deposit of title deeds, Ex.A17 is letter of continuity and Ex.A18 is acknowledgment of debt and securities. Ex.A30 to Ex.A32 account statements shows the outstanding for the defendants loan accounts. Ex.A20, A24 and A25 are the legal notices and the acknowledgment cards are Ex.A22, A26 and A27. The postal returned covers are marked as Ex.A19, A23, A28 and A29. The evidence of Pw1 coupled with contents of Ex.A1 to Ex.A32 documents regarding the submission of loan applications, sanction of loans and execution of documents are cogent and convincing the court. Further, Pw1's evidence in this regard is believable and trustworthy. During pending the suit, the learned counsel for the plaintiff filed a memo on 10.02.2026 stating that the defendants repaid the agricultural loans and remaining one educational loan is due. Therefore, the defendants are liable to pay only the educational loan with interest and thus, these issues are answered accordingly.

Issue No.3:

8. Considering the facts and circumstances of the case, it is decided that the plaintiff is not entitled to any other relief and thus, this issue is answered accordingly.

9. In the result, the suit is partly decreed with proportionate cost and preliminary decree is passed directing the defendants to pay a sum of Rs.8,03,861/- with subsequent interest at the rate of **9.75%** from the date of plaint to date of decree and thereafter, 6% till the date of realization. Time for payment 2 months.

Directly dictated to the Executive Assistant, transcribed and typed by her, corrected and pronounced by me in open Court, this the 18th day of March, 2026.

Principal District Judge,
Perambalur.

ANNEXURE:

I. Plaintiff's side witness:

1	Pw1	Mr. Natarajan.
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II. Plaintiff's side Documents:

1	Ex.A1	Application for Agriculture Credit Short Term/Term Loan, dated 28.11.2014.
2	Ex.A2	Credit Sanction Intimation for Agriculture Term Loan, dated 28.11.2014.
3	Ex.A3	Agreement for Term Loans, dated 28.11.2014.
4	Ex.A4	Letter of Continuity, dated 28.11.2014.
5	Ex.A5	Credit Sanction Intimation for Agriculture Crop Loan, dated 28.11.2014.
6	Ex.A6	Hypothecation Agreement, dated 28.11.2014.
7	Ex.A7	Letter of undertaking/Declaration from the Borrower(s), dated 28.11.2014.
8	Ex.A8	Letter of undertaking, dated 28.11.2014.
9	Ex.A9	Corp Vidya Application Cum Appraisal(Application form for education loan), dated 28.11.2014.
10	Ex.A10	Provisional Admission Letter for MBBS issued by Medical School of Nanchag University.
11	Ex.A11	Estimate of Expenses for 2012 Batch issued by Medical School of Nanchag University.

12	Ex.A12	Credit Sanction Intimation for Education Loan, dated 28.11.2014.
13	Ex.A13	Demand Promissory Note, dated 28.11.2014.
14	Ex.A14	Agreement of Assignment of Future Income in favour of the Bank.
15	Ex.A15	Undertaking Letter from student whenever scholarship/stipend/loan scholarship etc. received.
16	Ex.A16	Agreement Relating to Deposit of Title Deeds, 26.11.2014.
17	Ex.A17	Letter of Continuity, dated 28.11.2014.
18	Ex.A18	Acknowledgment of Debt/Liability by the Borrower/s, 23.10.2017.
19	Ex.A19 series	Postal returned cover along with Acknowledgment Card and Postal Receipt.
20	Ex.A20	Legal Notice along with Postal Receipt, 23.03.2019.
21	Ex.A21	Acknowledgment of Debt/Liability by the Borrower/s, 25.02.2020.
22	Ex.A22	Acknowledgment Card.
23	Ex.A23 series	Postal returned cover along with Acknowledgment Card.
24	Ex.A24 series	Legal Notice along with Postal Receipts (2 Nos.), 08.10.2022.
25	Ex.A25 series	Legal Notice along with Postal Receipts (2 Nos.), 08.10.2022.
26	Ex.A26	Acknowledgment Card
27	Ex.A27	Acknowledgment Card.
28	Ex.A28 series	Postal returned cover along with Acknowledgment Card and Postal Receipt.
29	Ex.A29 series	Postal returned cover along with Acknowledgment Card and Postal Receipt.
30	Ex.A30	True copy of Ledger Extract for Term Loan.
31	Ex.A31	True copy of Ledger Extract for Crop Loan.
32	Ex.A32	True copy of Ledger Extract for Educational Loan.

I. Defendants' side witness and documents:

- Nil -

Principal District Judge,
Perambalur.

PDJ Court,
Perambalur.

Fair/Draft Judgment
O.S.No.69/2022
D.D: 18.03.2026.