

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 25th day of March, 2026.

O.S.No.81/2022
(Filing No.OS/587/2022)
(CNR No.TNPB01-003606-2022)

Canara Bank, Kolakanatham Branch
Rep. by its Branch Manager.

... Plaintiff.

-Vs-

1.Udayakumar, aged 31 years,
S/o. Maruthamuthu.

2. Sundaravalli, aged 48 years,
W/o. Maruthamuthu.

3. Neppoleon, aged 37 years,
S/o. Kaliyamoorthy.
All are residing at
Iluppaikudi Post, Alathur Taluk,
Perambalur District.

... Defendants.

This suit came up before this Court for final hearing on 12.03.2026 in the presence of Thiruvalargal.G. Babu, R. Sudhagar, counsel appearing for the plaintiff and Thiru.M. Parameshwaran, counsel appearing for the 3rd defendant and the 1st and 2nd defendants were called absent, set exparte and upon hearing the both side arguments and upon perusing the entire records of the case and having stood over for consideration till this day this Court delivered the following:

JUDGMENT

The plaintiff has filed the suit to direct the defendants to pay a sum of Rs.11,02,621/- with interest at 13.90% p.a. from the date of filing of suit till the date of realization and for costs.

2. Brief averments of the plaint as follows:-

The defendants applied to the plaintiff bank for the educational loan of Rs.2,80,000/- for meeting the education expenses of 1st defendant on 19.08.2009. On 26.08.2009 the plaintiff bank sanctioned a sum of Rs.2,80,000/- to the defendants under the VIDHYA SA scheme. The defendants 2 and 3 executed agreement for educational loan on 27.08.2009. They had agreed to repay the said loan amount in 60 equal installments with interest at 11.25% and the entire amount advanced with interest and incidental charges shall be fully repaid within a period of 10 years from the date on which the 1st installment is advanced by the bank. Further, they were agreed to pay penal interest at the rate of 2% p.a. since they failed to pay the loan amount in regular installments as agreed. In spite of repeated demands made by the plaintiff, the defendants did not repay the loan amount. The defendants have acknowledged their liability on 13.04.2016, 25.12.2016, 21.03.2019. The defendants paid a sum of Rs.12,939.15 on 04.12.2020 and thereafter, they did not pay any amount. The defendants are liable to repay the outstanding loan amount of Rs.11,02,621/- as on 09.11.2022 with subsequent interest. Hence, the suit.

3. Though sufficient opportunities were given to the D1 and D2, they failed to appear and contest the case.

4. Written statement filed by the 3rd defendant is as follows:-

The plaintiff has filed this suit to gain undue advantage. The plaintiff did not give any notice to this defendant before filing of the suit. He did not know anything about the allegations mentioned in the plaint. The plaintiff bank ought to have proceed only against the 1st and 2nd defendants and not against this defendant. Infact, the 1st

defendant is a good student and his father died during his childhood. The native place of both the 1st and 2nd defendants is Iluppaikudi Village. They are financially well and also possess properties in Kulathur and Kudalur Villages. Further, the properties have not been partitioned and continue to remain as their joint family properties. For the purpose of obtaining an education loan, the 2nd defendant approached him. At that time, he was running a nursery school in Kulathur village. Therefore, he signed the loan agreement as a guarantor. He is not aware of any other details. When he approached the 1st and 2nd defendants regarding the education loan, they told him, we have already spoken to the manager, so no action needs to be taken. However, they are now proceeding against him.

The plaintiff is fully aware of the property details of the 1st and 2nd defendants. Despite such knowledge, no action has been taken against them and he has been falsely implicated in the suit. The 1st defendant is gainfully employed and earns a substantial income through construction work. In addition, he is employed as a Technical Assistant under the PMAY (Prime Minister's Housing Scheme) in Alathur Union, drawing a monthly salary of Rs. 22,000/-. At present, he is in a very poor financial condition. He has also sold the school and is struggling under debt. The properties of the 1st defendant stand in the name of his grandfather namely Manian @ Manian Udayar, S/o Veeramuthu Udayar. There is no cause of action against him. Hence, the suit may be dismissed with cost of this defendant.

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

1. Whether the plaintiff bank is entitled to recover the suit loan amount from the defendants?
2. To what other relief, the plaintiff is entitled to?

6. The plaintiff's Bank Branch Manager examined himself as Pw1 and marked Ex.A1 to Ex.A8. The 3rd defendant examined as Dw1 and Ex.B1 to Ex.B3 were marked on defendant's side.

Issue No.1 :

7. The suit is filed for recovery of money directing the defendants to pay a sum of Rs.11,02,621/- with further interest at the rate of 13.90% p.a. from the date of plaint till date of realization with costs of the suit. The case of the plaintiff bank as per the averment in the plaint is that, the defendants have approached the plaintiff bank for education loan of 1st defendant under the scheme of VIDHYA SA and availed the loan of Rs.2,80,000 on 26.08.2009 and as a security for the said loan, they had executed agreement for loan on 27.08.2009 and agreed to repay the loan amount with interest at 11.25% in 60 equal monthly installments and also agreed to repay the amount with 2% penal interest for defaulted period. But, the defendants did not repay the amount as agreed by them inspite of repeated demands made by the plaintiff bank and the defendants had executed acknowledgment of debts on 13.04.2016, 25.12.2016 and on 21.03.2019. The defendants have not paid any amount which necessitated the plaintiff bank to file the present suit for recovery of Rs.11,02,621/- with subsequent interest.

8. On the other hand, the 3rd defendant in his written statement stated that the plaintiff bank has to proceed only against the defendants 1 and 2 and could not taken any action against him. He is only a guarantor to the alleged loan transaction. The defendants 1 and 2 are financially sound and posses sufficient properties to discharge the alleged liability. Therefore, the Court has to decide, whether the 3rd defendant is not liable to pay the suit amount as he has only as a guarantor.

9. The plaintiff bank examined its present Manager as Pw1 and he has almost reiterated the narrations of the fact as set forth in the plaint. The loan application submitted by the defendants to the plaintiff bank is marked as Ex.A1. Ex.A2 is the sanction order and Ex.A3 is loan agreement. On perusal of the Ex.A1 to Ex.A3, it is clear that the defendants have executed Ex.A3 agreement for loan on 27.08.2009

and the sanction of educational loan of Rs.2,80,000/- on 26.08.2009 in favour of the 1st defendant which proves that the educational loan to the tune of Rs.2,80,000/- was sanctioned to the 1st defendant on the basis of their Ex.A1 loan application, dated 19.08.2009. The Dw1/D3 during his cross examination had admitted his signature in each page of the Ex.A3 loan agreement and also his photograph affixed in the first page of Ex.A1 loan application. The loan agreement Ex.A3 stipulates payment of monthly loan installments and interest. The defendants have agreed their liability and executed acknowledgment of debts and security. The acknowledgment of debts and security executed by D1 to D3 are marked as Ex.A4 to A7. The evidence of Pw1 coupled with contents of documents would prove that the defendants availed the suit loan from the plaintiff Bank. Further, borrowal of loan is not disputed by the D3. Further, during cross examination the D3 would admit that he stood as guarantor for the loan. In such circumstances, his contention that he has not liable to pay the suit amount as he has only as a guarantor for the said loan in the bank cannot be accepted.

10. Considering the above discussions and in the interest of justice, this Court comes to the conclusion that the plaintiff bank has clearly proved the borrowal of education loan by the defendants by executing loan agreement and the statement of account also clearly shows that the plaintiff bank proved their claim and entitled to have a decree for the suit amount with interest as prayed for. It is well settled law that the liability of the guarantor/co-borrower/sureties are co-extensive with that of borrower and therefore, the defendants 1 to 3 are jointly and severally liable to pay the suit amount with subsequent interest and this issue is answered accordingly.

Issue No.2:-

11. In view of the decision arrived for Issue No.1 that the plaintiff bank is entitled to a decree for the suit amount of Rs.11,02,621/- with further interest at the rate of 13.90% per annum on Rs.2,80,000/- from the date of claim till date of realization

with costs of the suit and this issue is answered accordingly.

12. In the result, this suit is decreed. The defendants are jointly and severally liable to pay the suit amount of Rs.11,02,621/- with further interest at the rate of 13.90% per annum on Rs.2,80,000/- from the date of claim till date of realization with costs of the suit.

Directly dictated to the Executive Assistant, typed by her through computer, corrected and pronounced by me in open Court, this the 25th day of March, 2026.

Principal District Judge,
Perambalur.

ANNEXURE:

I. Plaintiff's side witness:

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

1	Ex.A1	Educational Loan Application, dated 19.08.2009.
2	Ex.A2	Sanction Letter, dated 26.08.2009.
3	Ex.A3	Agreement for Educational Loan, dated 27.08.2009.
4	Ex.A4	Acknowledgment of debt and security executed by the defendants, dated 13.04.2016.
5	Ex.A5	Acknowledgment of debt and security executed by the defendants, dated 25.12.2016.
6	Ex.A6	Acknowledgment of debt and security executed by the 1 st defendant, dated 25.12.2016.
7	Ex.A7	Acknowledgment of debt and security executed by the defendants, dated 21.03.2019.
8	Ex.A8	Photostat copy of Ledger Extract for Educational Loan.

III. Defendant's side witness:

1	Dw1	Mr. Neppoleon.
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IV. Defendant's side documents:

- 1 Ex.B1 Photostat online copy of Patta No.1872 relating to S.F.No.15/11C1.
- 2 Ex.B2 Photostat online copy of Patta No.533 relating to S.F.No.81/7.
- 3 Ex.B3 Photostat copy of Sub-Registrar's Officer certified copy of Partition deed, dated 27.03.2025.

Principal District Judge,
Perambalur.

PDJ Court,
Perambalur.

Fair/Draft Judgment
O.S.No.81/2022
D.D: 25.03.2026.