IN THE COURT OF THE SUBORDINATE JUDGE, ATTUR
SALEM DISTRICT.

PRESENT: **Thiru S.Ganesan, B.Sc., M.A., B.L.,**
Subordinate Judge, Attur.
Wednesday, dated this 1st day of July 2026

O.S.No. 123/2020
(CNR.No.TNSA12-000231-2020)

The Tamilnad Mercantile Bank Limited,
Attur Branch, Rep. By its Manager,
Attur Town, Attur Taluk,
Salem District. ... Plaintiff

// Versus //

1. T. Sathya
2. M. Sathya
3. A. Tamilselvan,
   Proprietor of Good Luck Seeds ... Defendants

This suit came before me on 19.06.2026 in the presence of Thiru.Loga. Murugan, Learned Advocate for the Plaintiff and summon served to D1, D2 service held sufficient as D1, D2 called absent and set ex-parte and Paper publication effected for D3 service held sufficient as D3 called absent and set ex-parte and upon perusing the records and Argument of Plaintiff and having stood over for consideration this court delivered the following:

J U D G M E N T

1. This suit is filed by the Plaintiff Bank for the recovery of amount under the veil of agreement for agricultural loan and for costs.

2. **The Averments of the Plaint:-**

3. The defendants 1 and 2 are agriculturists. The 1st defendant applied for a agricultural loan on 29.07.2017 for a sum of Rs. 1,00,000/- in order to raise crops in his fields. The 2nd defendant stood as a guarantor for the 1st defendant. The 3rd defendant is the proprietor of Good Luck Seeds who is an agricultural coordinator and seeds manufacturer. The 3rd defendant also stood as guarantor for the loan borrowed by the 1st defendant. The said loan of Rs. 1,00,000/- was sanctioned by the plaintiff bank on 29.07.2017. On 29.07.2017 itself the 1st defendant executed an Memorandum of Agreement for Agricultural Loan infavour of the plaintiff bank agreeing to repay the said loan of Rs. 1,00,000/- with an interest at the rate of 7% p.a. within one year from the date of Agreement and at the Bank's ruling rate prevailing from time to time and default in payment of any one installment liable to pay interest at over due rate of interest 2% p.a. as detailed in the agreement along with a Promissory Note for a sum of Rs. 1,00,000/-.

4. The 3rd defendant has issued a letter dated 03.04.2017 with annexure mentioning the list of farmers to the plaintiff bank that he recommending his well known farmers to avail Crop Loan to their need and he irrevocably undertake the responsibility of repaying the loan with up to date closure and stood as guarantor and has executed a Common Guarantee Agreement on 17.11.2017, to those farmers and thereby he stood as guarantor for the 1st defendant. The defendants availed the loan amount through his account number 317700170950423 as detailed in the statement of accounts produced by the plaintiff. The defendants did not keep up the words as agreed by them. Several demands made for the repayment of the loan by the plaintiff bank ended in vain.

5. As per the regular accounts maintained by the plaintiff bank in its

ordinary course of business the defendants owe a sum of Rs. 1,23,071/- in loan account as on 02.03.2020. Hence, this suit.

6. Though Summon served to D1, D2 service held sufficient as D1, D2 called absent and set ex-parte on 23.11.2022 and Paper publication effected for D3 service held sufficient as D3 called absent and set ex-parte on 16.04.2026.

7. Point for Consideration:-

Whether the Plaintiff Bank is entitled to the relief sought for ?

8. **Answer:-**

9. On the side of the Plaintiff Bank, Branch Manager examined himself as PW.1 and Ex.A1 to Ex.A9 were marked through PW.1.

10. In order to evince and substantiate the case of the Plaintiff, PW1 had deposed in his Proof Affidavit as stated in the Plaint. Ex.A1 is the Loan Application, Ex.A2 is the Agreement Letter Cum Sanction Letter, Ex.A3 is the Memorandum of Agreement for Agricultural Loans executed by 1st defendant, Ex.A4 is the Deed of Guarantee executed by the 2nd defendant, Ex.A5 is the Demand Promissory Note, Ex.A6 is the Letter by Guarantor (3rd defendant) with annexure, Ex.A7 is the Deed of Guarantee by 3rd defendant with annexure, Ex.A8 is the Power of Attorney in favour of Manager Tamilnad Mercantile Bank Limited, Ex.A9 is the Statement of Account, were marked through PW1.

11. On perusal of records, under the Ex.A1 the Defendants had applied loan application to the Plaintiff Bank on 29.07.2017 and the Plaintiff Bank is sanctioned the loan under the Ex.A2. Under the Ex.A3, the Defendants executed a Memorandum of Agreement for the loan amount.

12. Subsequently, the Plaintiff Bank made several demands to pay the loan amount. But the Defendants had not paid the loan amount to the

Plaintiff Bank regularly. But the Defendants not acted accordingly and willfully defaulted the repayments. Under the Ex.A9 Statement of Accounts the Defendants owe for a sum of Rs. 1,23,071/- to the plaintiff bank. For which, the defendants have not denied the execution of acknowledgment of the revival letter of the debt, has not chosen to come to court or get into the box for adducing any oral evidence. The defendants not even come to the court in person or through counsel to raise any objection or plea any discharge. The defendants liability is joint and several one.

13. Since the signatures found in the loan application and revival letter resembles one and the same. There is no contra evidence adduced by the defendants, further not even contradicted the same. The statement of accounts reveals the defendants have defaulted in repaying the loan amount and stand to the tune of Rs. 1,23,071/- Hence, this court holds that the suit is filed within period of limitation and the plaintiff is entitled for recovery of suit claim as prayed for.

14. The Plaintiff's Bank has proved its case ***under Section 101 of the Evidence Act*** and discharged the initial burden lies on it. Added to it, the presumption ***under Section 118 of Negotiable Instrument Act*** also would strengthen the case of the Plaintiff's Bank. On the other hand, the Defendants have deliberately failed to appear for contesting the suit. Therefore, this court wants to invoke and draw an adverse inference as against the Defendants ***under Section 114 (g) of Evidence Act.*** Looking at any angle, the suit is needfully required to be decreed as prayed for.

15. The defendants liability are joint and several one. The 3rd defendant is the main guarantor. Thereby, the main guarantor has to pay 50% The Defendants have agreed to pay interest to the principle amount at the rate of 9 per cent. When the Suit is filed in Court of Law for recovery of

money, the interest to be awarded during the pendency of the suit will be governed by Section 34 of CPC and Interest Act. Hence, the rate of interest for the period from date of loan till the filing of the plaint and till the date of passing of decree will be 9% per annum for the period of litigation and at the rate of 6% per annum for the principle amount from the date of decree till the date of realization of the principle amount.

In the result, this suit is hereby decreed with cost. that the defendants are jointly and severally and equally (50 percent by 1 and 2 defendants and 50 percent by 3rd defendant) liable to pay a sum of Rs. 1,23,071/- with subsequent interest at the rate of 9 percent per annum from the date of suit till the date of decree and thereafter at the rate of 6 percent per annum on the principle sum till the date of realization. Time for payment 2 months.

Dictated by me to the Steno Typist, computerized by her directly to my dictation, corrected and pronounced by me in the open Court, this the 1st day of July 2026.

GANESAN S Digitally signed by GANESAN S Date: 2026.07.01 17:53:25 +0530

Subordinate Judge,
Attur.

<u>Witness on the side of Plaintiff:-</u>

PW.1 - Thiru. Madhan Mohan - Branch Manager

<u>Exhibits marked on the side of Plaintiff:-</u>

Ex.A1	29.07.2017	Loan Application – Original
Ex.A2	29.07.2017	Agreement Letter Cum Sanction Letter – Original
Ex.A3	29.07.2017	Memorandum of Agreement for Agricultural Loans executed by 1st Defendant – Photocopy

Ex.A4	29.07.2017	Deed of Guarantee executed by the 2nd defendant – Photocopy
Ex.A5	29.07.2017	Demand Promissory note – Photocopy
Ex.A6	03.04.2017	Letter by Guarantor (3rd defendant) with annexure – Photocopy
Ex.A7	17.11.2017	Deed of Guarantee by 3rd defendant with annexure – Photocopy
Ex.A8	--	Power of Attorney in favour of Manager Tamilnad Mercantile Bank Limited – Photocopy
Ex.A9	02.03.2020	Statement of Account – Photocopy

Witness and Exhibits on the side of Defendants:- NIL

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Digitally signed by GANESAN S
Date: 2026.07.01 17:53:32 +0530

Subordinate Judge,
Attur.

Draft/Fair judgment
O.S.No. 123/2020
Dated :01.07.2026.
Sub-Court, Attur