IN THE COURT OF THE PRINCIPAL DISTRICT JUDGE, THENI

**PRESENT: Thiru. Swarnam J. Natarajan M.L.,**
**Principal District Judge, Theni**

Wednesday, this the 15th day of April - 2026

**Original Suit No.32/2024**

*C.N.R. No.TNTH01-000834-2024*

Canara Bank,
Bodinayakkanur Branch,
Rep. by its
Branch Manager …Plaintiff

-Vs-

1. M/s Vaigai Mahalir
   Self Help Groups,
   Rep. by its President
2. S. Susila
3. S. Leela
4. S. Latha
5. S. Alagammal
6. C. Panjavarnam
7. R. Kanthimathi
8. P. Selvi
9. S. Manimala
10. M. Pakyalakshmi
11. M. Vasantha
12. G. Kaliyammal
13. P. Rani ...Defendants

This suit was coming up on 09.04.2026 for final hearing before me in the presence of Thiru. M. Muruga Dhinakaran, Advocate for the Plaintiff and the Defendants were called absent and set exparte and upon hearing the arguments of plaintiff's sides and perusing the evidence, documents, the case having stood over for consideration till this day, this Court delivers the following:-

## **J U D G M E N T**

The plaintiff bank represented by the Branch Manager had instituted the suit for passing of decree directing the defendants to pay the suit claim of Rs.14,89,990/- with subsequent interest at 13.20 % per annum from the date of plaint till the date of realization and for cost of the suit.

**2. The facts stated in the plaint in brief is as follows.**

**i**. The plaintiff is a Bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at No.112, J.C. Road, Bangalore, Karnataka State, and a branch at Bodinayakanur. It is represented by its Branch Manager, who is duly authorized under Order XXIX Rule 1 CPC to institute the suit and conduct the proceedings. The 1st defendant is a Self Help Group represented by its President, and defendants 2 to 13 are its members, who are jointly and severally liable for the debts of the 1st defendant.

**ii**. The defendants approached the plaintiff bank on 05.11.2010 seeking a term loan of Rs.2,50,000/- for the benefit of the Self Help Group. The plaintiff sanctioned the said loan on 01.03.2011 under Loan A/c No.1002801028967, and the defendants executed necessary loan documents, including Articles of Agreement and Inter-se Agreement, in favour of the plaintiff bank. The defendants agreed to repay the loan in 60 equal monthly instalments with interest at 13.20% per annum compounded at monthly rests and agreed to pay enhanced interest in case of default.

**iii**. The defendants committed default in repayment of instalments and failed to adhere to the agreed schedule. As per the plaintiff’s accounts, a sum of Rs.13,56,848/- was due as on 06.04.2023. Despite repeated demands and issuance of demand notice, the defendants failed to discharge the loan liability. The defendants executed letters of acknowledgment of debt on 27.02.2014, 08.02.2017, 28.01.2020, 28.01.2021 and 02.03.2022, thereby keeping the claim within limitation.

**iv**. As the defendants failed to repay the loan amount, the plaintiff has filed the present suit for recovery of Rs.14,89,990/- together with future interest at 13.20% per annum compounded at monthly rests till realization. Since the loan was availed for non-agricultural purposes, the defendants are liable to pay the contractual rate of interest under Section 34 CPC read with Section 21A of the Banking Regulation Act, and the debt relief enactments are not applicable to the plaintiff bank. Hence, the suit.

**3.** Having not filed the written statement, the defendants 1 to 4 and 6 to 13 were called absent remained exparte and the matter was posted for exparte evidence on 09.04.2026. Even thereafter, the defendants have not turned up and the defendants were set exparte. The learned counsel for the plaintiff filed a memo dated 06.02.2026 stating that the 5th defendant had been reported dead and that he has no objection to exonerating the 5th defendant. The said memo was recorded and accepted.

**4**. On the side of the plaintiff, the plaintiff Bank Branch Manager was examined as PW1 and through him Ex.A1 to Ex.A10 were marked. Ex.A1 is the Original loan application dated 05.11.2010. Ex.A2 is the Original Sanction memorandum issued by the plaintiff Bank dated 01.03.2011. Ex.A3 is the Original Loan Agreement dated 01.03.2011. Ex.A4 is the Original Inter-Se agreement executed by the members of the Self Help Groups dated 01.03.2011. Ex.A5 is the Copy of Statement of Account for the Acc. No.1002801028967 from 01.01.2005 to 18.04.2023. Ex.A6 is the Acknowledgment of Debt and Security dated 27.02.2014. Ex.A7 is the Acknowledgment of Debt and Security dated 08.02.2017. Ex.A8 is the Acknowledgment of Debt and Security dated 28.01.2020. Ex.A9 is the Acknowledgment of Debt and Security dated 28.01.2021. Ex.A10 is the Acknowledgment of Debt and Security dated 02.03.2022.

**5.** The defendants had failed to file the written statement and did not appear before the Court and failed to contest the suit by cross-examining the plaintiff’s witness. From the loan documents, acknowledgments of debt Ex.A6 to Ex.A10 and statements of account Ex.A5, it is revealed that the defendant had borrowed the loan from the plaintiff bank and failed to discharge the same. Ex.A3, Original Loan Agreement dated 01.03.2011, shows that the defendants had entered into a loan agreement with plaintiff bank and also executed the Letters of Acknowledgment of Debts & Security Ex.A6 to Ex.A10 in favour of the plaintiff bank it reveals the amount had not been yet discharged by the defendants and inspite of the statutory notice being issued and the defendants are due and liable to pay the suit claim amount with subsequent interest which the plaintiff had convincingly proved before the court. Thereby, the plaintiff bank being nationalized bank, the defendants are due and liable to pay the suit claim. Hence, the suit is decreed as prayed for.

**In the result,** the suit is decreed with cost as prayed for. The defendants are directed to pay to the plaintiff Bank a sum of Rs.14,89,990/- with subsequent interest on the principal amount of Rs.2,50,000/- at the rate of 12% p.a., from the date of suit till the date of realization.

Dictated to the Steno-Typist, taken by him in shorthand, transcribed and typed by him with the help of voice recorder, corrected and pronounced by me, in the open court, this the 15th day of April - 2026.

SWARNAM J NATARAJAN

Digitally signed by SWARNAM J NATARAJAN
Date: 2026.04.15 18:08:45 +0530

**Principal District Judge,**
**Theni.**

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

PW1 Thiru. Prabhakaran (Plaintiff's Bank Branch Manager)

**<u>List of Exhibit marked on the side of the Plaintiff</u> :-**

| | | |
|---|---|---|
| Ex.A1 | 05.11.2010 | Original loan application. |
| Ex.A2 | 01.03.2011 | Original Sanction memorandum issued by the plaintiff Bank. |
| Ex.A3 | 01.03.2011 | Original Loan Agreement. |

| | | |
|---|---|---|
| Ex.A4 | 01.03.2011 | Original Inter-Se agreement executed by the members of the Self Help Groups. |
| Ex.A5 | ***** | Copy of Statement of Account for the Acc. No.1002801028967 from 01.01.2005 to 18.04.2023. |
| Ex.A6 | 27.02.2014 | Acknowledgment of Debt and Security. |
| Ex.A7 | 08.02.2017 | Acknowledgment of Debt and Security. |
| Ex.A8 | 28.01.2020 | Acknowledgment of Debt and Security. |
| Ex.A9 | 28.01.2021 | Acknowledgment of Debt and Security. |
| Ex.A10 | 02.03.2022 | Acknowledgment of Debt and Security. |

**List of Witness examined on the side of Defendants :-**

Nil

**List of Exhibit marked on the side of the Defendants :-**

Nil

SWARNAM J NATARAJAN
Digitally signed by SWARNAM J NATARAJAN
Date: 2026.04.15 18:08:50 +0530

**Principal District Judge,**
**Theni.**

Principal District Court,
Theni.
Copy of Judgment in
**O.S. No.32/2024**
Dated : 15.04.2026