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MANJUNATH NARASIMHA NAYAK

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IN THE COURT OF PRINCIPAL DISTRICT JUDGE & COMMERCIAL COURT, AT BELAGAVI

DATED THIS THE 02nd DAY OF JULY, 2026

PRESENT: **SHRI MANJUNATH NAYAK**
B.A.L. LL.B
Prl. District & Sessions Judge
Belagavi.

COM.O.S.No.43/2024

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PLAINTIFF : Karnataka Vikas Grameen Bank,
Having its Head Office At Dharwad,
and amongst the branches,
One of the branch is the –
Shahapur Branch, Belagavi
Represented by its Principal Officer,
Manager, Smt. Pratibha A.V.
Age: 36 years, Occ: Service,
R/o: Belagavi.

(By Smt. S.R. Shanbhag, Advocate)

Vs.

DEFENDANTS: 1. Radha Textiles,
R/by Prop, Smt. Radha R. Durgadi,
Age: 34 years, Occ: Business,
R/o: Plot No.7, Kalmeshwar Road,
2nd Cross, Devang Nagar,
Vadagaon, Belagavi- 590005.

2. Sri Raghavendra Vittal Durgadi,
Age: 42 years, Occ: Business,
R/o: Plot No.7, Kalmeshwar Road,
2nd Cross, Devang Nagar,
Vadagaon, Belagavi- 590005.

3. Sri Vittal Ramachandra Durgadi,
Age: 63 years, Occ: Business,
R/o: Plot No.7, Kalmeshwar Road,
2nd Cross, Devang Nagar,
Vadagaon, Belagavi- 590005.

(By Sri P.N. Nayak, Advocate)

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1.	Date of institution of the suit	27.03.2024
2.	Nature of the suit	Recovery of money
3.	Date of commencement of recording of evidence	09.04.2026
4.	Date of closing of evidence	09.04.2026
5.	Date on which judgment was pronounced	02.07.2026
6.	Duration	Year/s 02 Months 03 Day/s 05

J U D G M E N T

This suit is filed by the plaintiff-bank claiming decree for recovery of Rs.4,40,237/- from the defendants with interest at the rate of 13.5% p.a.

2. **Case of the plaintiff, as made out in the plaint, is as follows:**

The defendant No.1 to 3 have approached the plaintiff-bank during March-2012 for loan as working capital for their textile business. The plaintiff bank sanctioned a loan of Rs.7,50,000/- on 05.03.2012. Subsequently, the loan was rephased for Rs.3,75,085/- on 15.03.2019. The defendants have executed the loan papers by agreeing to repay the loan amount in 84 monthly installments of Rs.6,638/- each and with interest at the rate of 11% p.a. and penal interest of 2%. The defendants failed to repay the loan amount and became defaulters. Even after issuance of legal notice, defendants failed to repay the loan amount. On the date of filing the suit, a sum of Rs.4,40,237/- is due from the defendants. The defendants failed to appear before the District Legal Serves Authority ('DLSA' for short) for pre-institution mediation. On all these grounds, plaintiff bank claimed a decree for recovery of Rs.4,40,237/- from the defendants with interest at the rate of 13.5% p.a.

3. In response to the summons, defendant No.1 to 3 appeared before this Court through their counsel and the

defendant No.2 has filed written statement and the defendant No.1 and 2 filed a memo and adopted the same. In their written statement, defendants denied all the averments. The defendants admitted the loan transaction and further deposed that they are not liable to repay the loan amount claimed in the present suit. According to the defendants, as per the message received by them, balance amount due was Rs.1,80,739.57 paise. The suit is barred by limitation and plaintiff bank filed this suit by suppressing the facts. On all these grounds, defendants prayed for dismissal of the suit with costs.

4. On the basis of the pleadings, following issues are framed:

1. **Whether the defendants prove that there is balance amount of Rs.1,80,739.57 only towards the suit loan as per message sent by the plaintiff bank to the defendant No.2 as contended?**
2. **Whether the defendants prove that the suit is premature as the last installment towards the suit loan is payable on 15.03.2026?**
3. **Whether the plaintiff is entitled to interest at 13.5% p.a. on the suit claim from the date of suit till realization as sought for?**

4. Whether the plaintiff is entitled to the relief as prayed for?

5. What order and decree?

5. To prove the above issues and to substantiate their case, plaintiff-bank examined their manager as PW1 and got marked Ex.P1 to 17 documents. On the other hand, defendants have not let in any oral or documentary evidence on their behalf.

6. I have heard the arguments of both the parties.

7. My answer for the above Issues are in the following, because of my below discussed reasons:

Issue No.1: **IN THE NEGATIVE**

Issue No.2: **IN THE NEGATIVE**

Issue No.3: **IN THE AFFIRMATIVE**

Issue No.4: **IN THE AFFIRMATIVE**

Issue No.5: **AS PER THE FINAL ORDER**

R E A S O N S

8. **Issue No.1 to 3:** To avoid repetition of my discussion on facts, I have taken these issues together for determination. The

manager of the plaintiff-bank, who was examined before this Court as PW1, has reiterated the plaint averments in his examination in chief affidavit and deposed about the defendants borrowing a loan of Rs.7,50,000/- from their bank on 05.03.2012 and the defendants executing loan papers by agreeing to repay the loan amount with interest at the rate of 11% p.a. and penal interest of 2% p.a. and in monthly installment of Rs.6,638/- in 84 months. PW1 further deposed that the loan was rephased for Rs.3,75,000/- on 15.03.2019. PW1 further deposed about the defendants failure to repay the loan amount and they became defaulters and even after issuance of legal notice, defendants failed to repay the loan amount. PW1 further deposed that as on the date of filing the suit, a sum of Rs.4,40,237/- is due from the defendants and they are liable to repay the same with interest at the rate of 13.5% p.a.

9. The plaintiff-bank has produced loan application submitted by defendants as per Ex.P1. Loan sanction letter is marked as per Ex.P2. Cash receipts are marked as per Ex.P3 and 4. Composite hypothecation agreement is marked as per Ex.P5. Agreement of conversion is marked as per Ex.P6. Copy of legal

notice addressed to the defendants is marked as per Ex.P7. Postal receipts for having send the legal notice by registered post are marked as per Ex.P8 to 10. Postal acknowledgments evidencing the service of notice personally upon the defendants are marked as per Ex.P11 to 13. Non-starter certificate is marked as per Ex.P14. Ex.P15 and 16 are loan account extracts and Ex.P17 is the certificate under 65B of the Indian Evidence Act.

10. Even though the defendants have filed the written statement and denied the plaintiff's claim, they have not come before this Court, either to cross examine PW1 or to lead evidence, so as to deny the plaint averments or to substantiate their defence.

11. The defendants, in their written statement have not made any specific defence, except denying the plaint averments and pleading that as per the message received by them, balance amount was Rs.1,80,739.57 paise. By pleading so, the defendants have admitted the loan transaction.

12. In order to independently prove the loan transaction, plaintiff bank has produced the loan application as per Ex.P1 and letter of sanction as per Ex.P2. Cash receipts are marked as per

Ex.P3 and 4. Composite hypothecation agreement and agreement for conversion of loan are marked as per Ex.P5 and 6. The defendants have not come forward to cross examine PW1 or to lead evidence on their behalf to disprove those documents and to deny the loan transaction. Under such circumstances, there was no hurdle for this Court to accept those documents. Therefore, by accepting the oral evidence of PW1 and Ex.P1 to 6 documents, this Court has to hold that the plaintiff bank has proved loan transaction, whereby the defendants borrowed the loan of Rs.7,50,000/- from their bank. The defendants also agreed to repay the loan amount with interest at the rate of 11% p.a. and penal interest of 2% p.a.

13. Before institution of this suit, plaintiff bank issued a legal notice as per Ex.P7 calling upon the defendants to repay the loan amount. Ex.P8 to 10 postal receipts show that the said legal notice was issued by registered post. Ex.P11 to 13 postal acknowledgments show that the said legal notice was served upon the defendants personally. Admittedly, defendants have not given any reply for the legal notice. By not giving any reply for the legal

notice, the defendants have admitted the loan transaction and their liability to repay the loan amount.

14. Before institution of this suit, plaintiff bank approached the DLSA, Belagavi for pre-institution mediation. The defendants have not responded for the same. Hence, pre-institution mediation was failed and non starter certificate was issued as per Ex.P14. Again by not responding for mediation, defendants have admitted their liability.

15. One of the contention urged by the defendants is that, the suit loan is repayable till 15.03.2026 as the last installment. Therefore, the suit is premature. Merely because last installment is due on 15.03.2026, plaintiff need not wait till the said date to file this suit. Failure to pay a single installment will empower the plaintiff bank to file this suit.

16. Another contention urged by the defendants is that, as per the message received by them, a sum of Rs.1,80,739.57 only is due from them. Again to prove and substantiate the same, neither the message nor any other materials have been produced by the defendants. The defendants also failed to produce any

evidence before this Court to show the repayment of the loan, except repayment show in Ex.P15 and 16 loan ledger extracts. Considering the same, this Court has to accept the plaintiff's version that the defendants are due to pay a sum of Rs.4,40,237/- and the plaintiff bank is also entitled to recover the same with interest at the rate of 13.5% p.a. Accordingly, I answer issue No.1 and 2 **in the negative** and issue No.3 **in the affirmative.**

17. **Issue No.4:** In view of my findings on the above issues, plaintiff bank is entitled for a decree for recovery of suit claim. The loan was borrowed on 05.03.2012. Subsequently, another loan was borrowed on 15.03.2019. The last repayment was made by the defendants on 13.04.2023. Therefore, the present suit filed on 27.03.2024 is well within the period of limitation. Hence, I hold that the plaintiff bank is entitled for decree. Hence, I answer issue No.4 **in the affirmative.**

18. **Issue No.5:** In view of my findings on the above issues, suit filed by the plaintiff bank is deserves to be decreed with costs. Accordingly, I proceed to pass the following:

<u>O R D E R</u>

The suit filed by the plaintiff is decreed with costs.

The defendants are hereby directed to repay a sum of Rs.4,40,237/- to the plaintiff bank and they are jointly and severally liable to repay the same.

The plaintiff is entitled to recover the said amount from the defendants with interest at the rate of 13.5% p.a. from the date of suit till the recovery of the decreetal amount.

Draw decree accordingly.

(Dictated to the Stenographer Grade-III, after transcription, computerized and print out taken by her, corrected, signed and then pronounced by me in the Open Court on this **02nd day of July, 2026)**

(Manjunath Nayak),
Prl. District & Sessions Judge,
Belagavi.

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<u>A N N E X U R E</u>

<u>Witnesses examined on behalf of the plaintiff:</u>

PW1 Sri Prashant V.D.

Witnesses examined on behalf of the defendant:

Nil

Documents got exhibited on behalf of plaintiff:

Ex.P1	Loan application
Ex.P2	Sanction letter
Ex.P3&4	Cash receipts
Ex.P5	Composite hypothecation agreement
Ex.P6	Agreement of conversion
Ex.P7	Copy of legal notice
Ex.P8to10	Postal receipts
Ex.P11to13	Postal acknowledgments
Ex.P14	Non-starter certificate
Ex.P15 &16	Loan account extracts
Ex.P17	Certificate under 65B of the Indian Evidence Act

Documents got exhibited on behalf of defendants:

Nil

(Manjunath Nayak),
Prl. District & Sessions Judge,
Belagavi.