

KACM200001262023



**IN THE COURT OF SENIOR CIVIL JUDGE,
AT KADUR.**

Dated this the 9th day of June - 2026

Present :SRI.IRFAN

B.A., LL.B.

Senior Civil Judge & JMFC,

Kadur,

Chikkamagaluru District.

O.S.No.36/2023

PLAINTIFF:-

Bank of Baroda,
Mathighatta Branch, a body
corporate Constituted under the
Banking Companies (Acquisition
and transfer of Undertakings)
Act, 1980 having its Head Office
at BARODA, GUJARATH and
amongst others a Branch at
Mathighatta, Kadur Taluk
Represented by its Manager,
Sri. Girish Naik,
S/o Jagadish Naik,
Age: 29 years,
R/at Kadur Town, Kadur Taluk,
Chikkamagaluru District.

(By: Sri A.S. Narasimha Bharathi, Advocate)



V/s

DEFENDANTS:-

1. Sri. Mohammed Haneef,
S/o late Imam Sab,
Aged about 60 years,
Agriculturist,
2. Sri. Syed Saleem,
S/o late Imam Sab,
Aged about 55 years,
Agriculturist,
3. Sri. Afsar Ahamed,
S/o Mohammed Haneef,
Aged about 25 years,
Agriculturist,
4. Sri. Abdul Khaleel,
S/o late Shek Hussain Sab,
Aged about 50 years,
Agriculturist,

All are residing at
Nanjappanahally Village,
Singatagere Hobli,
Kadur Taluk.

(By: Sri. B.H. Raghavendra, Advocate)

Date of Institution of the Suit :	09.02.2023.
Nature of the suit :	Recovery of Money
Date of commencement of recording of the evidence :	04.01.2025.



Date on which the Judgment was pronounce :	09.06.2026.		
Total Duration	Years	Months	Days
	03	04	00

(IRFAN)
Senior Civil Judge,
Kadur.

J U D G M E N T

This suit is filed by the plaintiff-Bank against the defendants for recovery of money of a sum of Rs.10,63,347/- together with court costs, current and future interest at the rate of 13.35% per annum compounded yearly, from the date of suit till the realization of the amount, if the defendants fail to pay the decretal amount, a decree for the sale of mortgaged property in terms of Order 34 of CPC to sell for the satisfaction of the decree amount and also to permit the plaintiff's Bank to proceed against the defendants personally for the



recovery of the balance decretal amount after giving deductions of the amounts realized from the sale of mortgaged property, in case the sale proceeds are insufficient to satisfy the entire decretal amount and for such other reliefs.

2. **The plaintiff's case is as under;**

The Government of India recently had passed an order on 02.01.2019 about amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda and also all transactions held in the name of Vijaya Bank are to be done in the name of Bank of Baroda. Accordingly, the loan transactions done by the defendants with the Vijaya Bank are construed as Bank of Baroda.

The defendants No.1 to 3 have approached the plaintiff Bank i.e., Vijaya Bank for financial assistance for the purpose of establishment of Poultry Farm in the suit schedule property and



have availed a loan of Rs.8,00,000/- from the plaintiff Bank under VKC A/c No. 63670600000864 on 25.09.2017 and on the same day, they have executed necessary loan documents in favour of plaintiff Bank promising to repay the said amount with interest at 11.35% per annum over / below the Vijaya Banks, Prime Lending rate of interest as may be fixed from time to time subject to a minimum of 7.00% per annum as may be revised from time to time compounded monthly or yearly or at such other rates may be charged by the Bank from time to time. The defendants No.1 to 3 have also agreed to pay the penal interest at 2.00% per annum, if they become defaulter to the Bank.

The defendant No.4 is the guarantor to the aforesaid transaction, had executed guarantee letter in favour of plaintiff's bank i.e., Vijaya Bank.



In view of the same, the 4th defendant is also jointly and severally liable to pay the loan amount due to the plaintiff's bank. The defendants have agreed to repay the loan amount with interest in 20 quarterly equal installments of ₹52,970/- every three months started from 31.12.2017 to 25.09.2022, but they failed to repay the loan amount within the period. Hence, they become defaulter to the Bank. The defendants No.1 to 3 for the security of the aforesaid loan amount, have mortgaged the suit schedule property by executing simple mortgage deed dated 25.09.2017 in favour of Bank. Now, the defendants are liable to pay the interest at 11.35% per annum plus 2% penal interest, in total 13.35% per annum as per the revised rate of interest by the Reserve Bank of India. The aforesaid loan is mortgage loan under Order XXXIV of CPC and the limitation to the said



suit is for 12 years, the limitation to the said suit commences from 25.09.2017 and suit filed today is in-time. The amount outstanding and present payable by the defendants to the plaintiff bank is in a sum of ₹10,63,347/-, inclusive of interest debited upto 31.01.2023 as per the account extract produced along with the plaint, which is being maintained in the usual course of business. In spite of repeated requests and demands made by the plaintiff's bank, the defendants have not paid the aforesaid amount to the plaintiff's bank. Hence, the original suit.

3. In response to the suit summons, the defendants No.1 to 4 appeared through their counsel. The 1st defendant has filed written statement and same was adopted by the defendants No.2 to 4.



4. The case of the defendants No.1 to 4 is a as follows:-

They have admitted regarding the execution of loan agreement for a sum of Rs.8,00,000/- as contended in the plaint, but have specifically denied that they have not agreed for the payment of interest thereon at the rate of 11.35% per annum and penal interest. They also contend that due to natural calamities they have suffered huge loss and they are not in a position to maintain their family. They also claim that the defendants have made some repayments but the plaintiffs have not deducted the same and filed this false suit. However, they have sought for grant of time to repay the loan amount with half yearly intervals. Accordingly, sought to dismiss the suit.



5. On the basis of the aforesaid pleadings of the parties, the following issues have been framed;

ISSUES

1. Whether the plaintiff Bank is entitled for the interest as prayed for?
2. Whether the plaintiff Bank is entitled for the relief as claimed in the plaint?
3. What order or decree?
6. To establish the case, the Manager of plaintiff Bank – Bank of Baroda got examined himself as PW-1 and got marked documents as Ex.P-1 to 6 and closed its side. On the contrary, the 1st defendant got examined himself as DW-1 and got marked a document as Ex.D-1 and closed their side.



7. Heard the learned counsel for plaintiff Bank. The contesting defendants have not tender arguments.

8. Answers to the above Issues are as under:

Issue No.1 : Partly in the Affirmative;
Issue No.2 : Partly in the Affirmative;
Issue No.3 : As per final order,
for the following;

REASONS

9. **Issues No.1 and 2**:- Both issues are taken together for common discussion to avoid repetition of facts.

This suit is for the recovery of money. As per plaint averments, the defendants No.1 to 3 have approached the plaintiff Bank for financial assistance for the purpose of establishment of Poultry Farm in the suit schedule property and have availed a loan of Rs.8,00,000/- from the plaintiff Bank on 25.09.2017 and on the same



day, have executed necessary loan documents in favour of plaintiff Bank promising to repay the said amount with interest at 11.35% per annum over / below the Vijaya Banks, Prime Lending rate of interest as may be fixed from time to time subject to a minimum of 7.00% per annum as may be revised from time to time compounded monthly or yearly or at such other rates may be charged by the Bank from time to time. The defendants No.1 to 3 have also agreed to pay the penal interest at 2.00% per annum, if they become defaulter to the Bank. The defendant No.4 is the guarantor to the aforesaid transaction, had executed guarantee letter in favour of plaintiff's bank i.e., Vijaya Bank. In view of the same, the 4th defendant is also jointly and severally liable to pay the loan amount due to the plaintiff's bank. The defendants have agreed to repay the loan amount



with interest in 20 quarterly equal installments of ₹52,970/- every three months started from 31.12.2017 to 25.09.2022, but they failed to repay the loan amount within the period and hence, they become defaulter to the Bank. The defendants No.1 to 3 for the security of the aforesaid loan amount, have mortgaged the suit schedule property in favour of Bank. The defendants are liable to pay the interest at 11.35% per annum plus 2% annual interest, in total 13.35% per annum as per the revised rate of interest by the Reserve Bank of India.

10. In order to establish the same, the Manger of the plaintiff-bank is examined as PW-1. By filing his affidavit by way of examination-in-chief he has deposed about the loan availed by the defendants No.1 to 3 from the plaintiff-bank, execution of the loan documents, execution of



mortgage deed and default to repay the loan amount together with interest and the outstanding balance to be paid by the defendants No.1 to 3 as on the date of suit and produced the documents under Ex.P-1 to Ex.P-6. Among them, Ex.P-1 is the Loan Agreement cum hypothecation deed for priority / Non-priority Sector Advance, Ex.P-2 is the Letter of Guarantee, Ex.P-3 is the Mortgage Deed, Ex.P-4 is the RTC bearing Sy.No.15 of Keresante village, Ex.P-5 is the Detailed Estimation for the Construction of the Poultry Shed in Agricultural Land bearing Sy.No.15 of Keresante Village and Ex.P-6 is the NPA account statement. The execution of loan agreement under Ex.P-1 is an admitted fact. It is also an admitted fact that the defendants have borrowed a sum of Rs.8,00,000/- towards loan under the aforesaid agreement. The defendants



have only disputed regarding the levying of interest and according to them they have agreed to pay simple interest, but does not specifically state what was the rate of interest agreed upon according to them. In view of the admitted fact regarding the execution of loan agreement under Ex.P-1, it is crystal clear that there is a specific reference regarding payment of interest at the rate of 11.35% per annum on the amount borrowed. Thus, it is crystal clear that the defendants No.1 to 3 as borrowers and defendant No.4 as guarantor have availed loan of a sum of Rs.8,00,000/- by agreeing to repay the same together with interest at the rate of 11.35% per annum. The defendants have also taken a specific contention that they have paid several installments and the plaintiff Bank has not deducted the same. In order to substantiate the



said aspects, the defendants have produced the loan pass-book under Ex.D-1, but in consideration of loan account statement under Ex.P-6, which contains the complete loan details and repayments demonstrates that as on 31.01.2023 the defendants are due a sum of Rs.10,63,347/- after deducting all the sums paid. Therefore, the plaintiff Bank is entitled to recover the aforesaid amount together with agreed interest since the loan borrowed was for commercial purpose. Therefore, the plaintiff Bank is entitled for agreed rate of interest.

11. The defendants by putting forth their difficulties due to natural calamities such as covid-19 as well as drought situation have sought for granting of time to repay the amount in installments. The said loan was admittedly borrowed in the year 2017, which had also carried



considerable interest at the rate of 11.35% per annum and even after lapse of nine years, the defendants are due to a sum of Rs.10,63,347/- and if again they are granted half yearly installments, it would again cause burden not only upon the defendants but also to the plaintiff Banking institution, which is accountable for public money. Hence, the defendants are liable to pay decretal amount within a stipulated period under the decree. Accordingly, **the issues No.1 and 2 under consideration are answered partly in the Affirmative.**

12. **Issue No.3:-** In view of the findings on the foregoing issues, the following;

ORDER

Suit is partly decreed with
cost.



The plaintiff-bank is entitled to recover a sum of **Rs.10,63,347-00** and it shall be entitled for current and future interest on the aforesaid amount at the rate of 8.00% p.a. on the adjudicated sum, till its realization.

The defendants No.1 to 4 together are liable to deposit the aforesaid sum together with accrued interest within the period of three months and upon failure, the plaintiff-bank shall be entitled to initiate final decree proceedings for recovery of due amount by selling the suit schedule property in accordance with law.



Draw preliminary decree
accordingly.

(Dictated to the Stenographer, directly on computer, printout taken by him,
corrected and then pronounced by me in the open court, today this 9th day of
June-2026)

[IRFAN]
Senior Civil Judge,
Kadur.

ANNEXURE

I List of witnesses examined on behalf of the plaintiff:

PW-1 : Sri. Santhosh.

II List of witnesses examined on behalf of defendants:

DW-1 : Sri. Mohammed Haneef.

III List of documents marked on behalf of the plaintiff:

- Ex.P.1 : Loan Agreement cum Hypothecation
Deed for Priority / Non-Priority
Sector Advances.
- Ex.P.2 : Letter of Guarantee.
- Ex.P.3 : Registered Mortgage Deed dated 22.09.2017.
- Ex.P.4 : RTC (Sy.No.15 of Keresante village)
- Ex.P.5 : Estimation for construction of Poultry Shed
in Agricultural Land.
- Ex.P.6 : NPA Account Statement.



IV List of documents marked on behalf of defendants:

Ex.D.1 : Original Bank Pass-book.

[IRFAN]
Senior Civil Judge,
Kadur.

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