KADK010014692026

Presented on : 01-04-2026
Registered on : 04-04-2026
Decided on : 17-06-2026

IN THE COURT OF I ADDITIONAL DISTRICT JUDGE & COMMERCIAL COURT, D.K., MANGALURU

Present

Sri. Vinay Devaraj, **B.Com., LL.M., ACS.**
I Addl. District & Sessions Judge,
Dakshina Kannada, Mangaluru.

Dated this the 17th day of June, 2026

Com. O.S./106/2026

Plaintiff :

Bank of Baroda
Constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, Having its Head Office at Mandvi Baroda and Corporate Office at Baroda, Corporate Centre, C-26, G-Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Inter alia a branch at Bejai, Mangaluru
Rep. by its Branch Manager and Authorized officer

(By Sri. Ravichandra P.M., Advocate)

/Versus/

Defendant:

Mr. Kashinath
S/o Sheena Gatti
Aged about 56 years
R/at No.16-65/1, Ombattukere,
Ullal, Mangaluru – 575 020

(Exparte)

JUDGMENT

This suit is filed by the plaintiff Bank as against the defendant for recovery of Rs.3,86,812/- with future interest and cost of the suit.

2. In brief, contents of the plaint may be stated as under:

That the defendant had borrowed MSME PMMY loan of Rs.4,55,000/- on 21.10.2023 for the purpose of business by executing necessary loan documents agreeing to repay the entire loan amount with interest at 11.60% p.a. repayable in 84 EMIs of Rs.5,416.66 plus interest and 2% penal interest in case of default. Thereafter, the defendant is highly irregular in repayment of loan installments, even after repeated reminders/notices. Hence, the loan account is classified as NPA on 08.09.2025. Therefore, the plaintiff bank has issued legal notice dated 19.09.2025 calling upon the defendant to repay the entire loan amount due from him. Even after receipt of the notice, he has neither given any reply nor complied the terms of notice. The plaintiff has also approached DLSA, Mangaluru vide PIM No.402/2025, but, the defendant not claimed the notice, hence, the case was closed and non-starter report dated 08.01.2026 was issued. As per the statement of accounts maintained by the plaintiff bank, the defendant is in due of Rs.3,84,812/- as on 28.02.2026. Therefore, the plaintiff has no other efficacious remedy other than to approach this court. Hence, this suit.

3. After institution of the suit, suit summons issued to the defendant was served on 15.04.2026. In spite of service of summons the defendant remained absent and hence he was placed exparte.

4. In order to establish its case, the plaintiff bank examined its Chief Manager as PW.1 and got marked Ex.P1 to Ex.P11 documents.

5. I have heard the learned counsel for the plaintiff bank and carefully perused the materials available on record.

6. The following points would arise for my consideration :

1. Whether the suit of the plaintiff is within limitation?

2. Whether the plaintiff–bank is entitled for recovery of outstanding loan amount of Rs.3,84,812/- along with future interest at 10.60% p.a. from 28.02.2026 till realization and costs as prayed for?

3. What order ?

7. On the basis of the available materials on record, my findings on the above points are here under:

Point 1: In the Affirmative

Point 2: Partly in the Affirmative

Point 3: As per the final order
for the following:

R E A S O N S

8. **Point No.1:-** As per Ex.P3/ Sanction letter dated 21.10.2023, loan of Rs.4,55,000/- is sanctioned. The suit is instituted on 01.04.2026. Evidently, the suit is filed after 02 years 05 months and 11 days. Article 37 of the Limitation Act provides three years from the date of default in payment of installments. As such, suit is within time and therefore **point No.1 is held in Affirmative**.

9. **Point No.2:-** In the instant case, plaintiff–bank represented by its Chief Manager has approached this Court seeking realization of outstanding loan amount of Rs.3,84,812/- with future interest and costs.

10. In order to establish the claim put forth by the plaintiff-bank, the Chief Manager of plaintiff bank is examined as P.W.1 by filing an affidavit in lieu of examination in chief by reiterating the plaint averments in toto and also relied upon the documentary evidence marked at Ex.P1 to Ex.P11.

Ex.P1 is the Authorization letter, Ex.P.2 is the Loan application form, Ex.P.3 is the Letter of sanction, Ex.P.4 is the Loan agreement, Ex.P.5 is the Draft undertaking, Ex.P.6 is the Office copy of the lawyer's notice with postal receipt and postal acknowledgment, Ex.P.7 is the Statement of account along with certificate, Ex.P.8 is the Non Starter report issued by DLSA, D.K., Ex.P.9 is the Computerized copy of Udyam Registration Certificate, Ex.P.10 is the Quotation issued by Vidyuth, Kirloskar Oil Engineers and Ex.P.11 is the Invoice issued by Vidyuth.

11. In the instant suit, as defendant has not filed written statement, not cross-examined P.W.1 and not contested the suit, the plaint averments as well as oral and documentary evidence placed on record by the plaintiff-bank have remained totally unchallenged or uncontroverted and thereby, entitling the plaintiff to obtain a lawful decree under Order VIII Rule.10 of C.P.C.

12. That apart, when the plaint averments are appreciated in the light of oral testimony of P.W.1 and duly marked documents at Ex.P1 to P11 it reflects that, the defendant has borrowed business loan of Rs.4,55,000/- by executing necessary loan documents. It further reflects from appreciation of contents of statements of bank account maintained by the plaintiff-bank in the ordinary course of its business marked at Ex.P7 that as on 06.09.2025 the defendant is due Rs.3,52,083/- and as per shadow account statement the amount due as on 28.02.2026 is Rs.3,84,812/- (unapplied interest of Rs. 21,038.75 + unserviced interest 10,007/- + Compounding interest 1,683/-). In fact, statement of account marked at Ex.P7 provides for a prima facie evidentiary value about the genuineness of the entries as contemplated U/s. 4, S.2(8) r/w. S.2A of the Banker's Books of Evidence Act. Thus, outstanding arrears of Rs.3,84,812/- as on 28.2.2026 is proved by the bank.

13. The documentary evidence marked at Ex.P1 to Ex.P11 and reflects that, loan transaction between the plaintiff-bank and defendant is purely a commercial one.

14. Section 34 of C.P.C provides for awarding of interest by the Court. Section 34 of CPC has no application to interest prior to the institution of this suit. Section 34 CPC provides that Court may in the decree, order, interest at such rate as the Court deems reasonable to be paid on the principal sum adjudicated from the date of suit to the date of decree.

15. The interest awarded by the Court may conveniently be divided under 03 different heads :

1. Interest prior to filing of suit - Section 34 has no application to interest prior to the institution of the suit since it is a matter of substantive law, it can be awarded only when there is an agreement express or implied between the parties or by way of damages.

2. Interest *pendente lite* i.e., from date of the suit to the date of decree - The award of interest from the date of suit, to the date of decree is at the discretion of the Court.

3. Interest from the date of decree till payment.

16. The award of interest from the date of decree to the date of payment is also at the discretion of the Court but not exceeding 6% p.a. However, the proviso as added by the amendment Act of 1976 empowers the Court to grant further interest at the existing rate 6% p.a. but not exceeding the contractual rate of interest and in the absence of contract to that effect at the rate on which money is or rent or advanced by nationalized banks in relation to commercial transactions provided that liability arises out of the commercial transaction.

17. In this case, on careful examination of Ex.P3/sanction letter and Ex.P4/loan agreement there is mention of interest at 11.60%p.a. However the plaintiff has claimed interest at 10.60% p.a. and 2%penal interest. Hence, this Court finds it appropriate to direct the defendant to pay Rs.3,84,812/- along with interest at 10.60%p.a. from 01.03.2026, till realization. Accordingly, point No.2 is answered **partly in the Affirmative**.

18. **Point No.3:-** In view of the above, I proceed to pass the following :

ORDER

Suit of the plaintiff-bank is hereby decreed in part with future interest and costs.

Plaintiff-bank is held entitled to recover the outstanding loan amount of **Rs.3,84,812/-** along with interest at 10.60% p.a. from 01.03.2026, till realization and costs of the suit.

Defendant is hereby directed to deposit the above sum within 30 days of this judgment, failing which, the plaintiff-bank shall be at liberty to recover the same in terms of decreetal command in accordance with law.

Office is directed to draw decree accordingly.

(Dictated to the Stenographer Grade-I directly on computer, corrected, then signed and pronounced by me in the open court on this 17th day of June, 2026)

(VINAY. D)
I Addl. District & Commercial Court Judge
D.K., MANGALURU

ANNEXURE

Witnesses examined on behalf of Plaintiff Bank:

PW.1 Shyam Ponnappa K.

List of documents marked on behalf of Plaintiff Bank:

Ex.P.1	: Authorization letter
Ex.P.2	: Loan application form
Ex.P.3	: Letter of sanction
Ex.P.4	: Loan agreement
Ex.P.5	: Draft undertaking
Ex.P.6	: Office copy of the lawyer's notice with postal receipt and postal acknowledgment
Ex.P.7	: Statement of account along with certificate
Ex.P.8	: Non Starter report issued by DLSA, D.K.
Ex.P.9	: Computerized copy of Udyam Registration Certificate
Ex.P.10	: Quotation issued by Vidyuth, Kirloskar Oil Engineers
Ex.P.11	: Invoice issued by Vidyuth

Witnesses examined on behalf of Defendant:

- Nil -

List of document marked on behalf of Defendant:

-Nil-

(VINAY.D)
I Additional District & Commercial Court Judge
D.K., MANGALURU

VINAY DEVARAJ

Digitally signed by VINAY DEVARAJ
Date: 2026.06.27 13:21:33 +0530