KAGD010006202025

THE COURT OF THE ADDITIONAL DISTRICT AND SESSIONS JUDGE, GADAG

Dated this 03rd day of August 2026

PRESENT:

Ms. GEETA SHINDHE,

B.A. LL.B(Hons), LL.M.

Addl. District and Sessions Judge, Gadag

Com O.S. No. 08/2025

Plaintiff : Canara Bank, Gadag
Represented by the Branch Manager
Sri. Panjagala Venkareshwarlu
S/o. Ramaiah, Aged 35 years,
Occ.: Branch Manager, Canara Bank-II
Rotary Circle, Opposite Mahalaxmi
Theatre, Gadag

(By Sri.R.S.Vadralli Advocate)

Vs.

Defendants : 1. Haseenbegum M. Lakkundi
Age: 53 years, Occ.: Weet products
R/o.: Gangapur peth, Door Galli,
Gadag.

2. Dilshad S Shaikh
Age : 53 years, Occ.: Business
Gangapur peth, Door Galli, Gadag

(Placed Ex-parte)

Date of institution of suit.	:	07.03.2025
Nature of the suit	:	Recovery of money
Date of commencement of recording of Evidence.	:	23.04.2026
Date on which the judgment was pronounced	:	03.08.2026
Total duration	:	Year/s Month/s Day/s 01 04 27

GEETA SHINDHE Digitally signed by GEETA SHINDHE Date: 2026.08.03 18:41:36 +0530

(Geeta Shindhe),
Addl. District & Sessions Judge,
Gadag

J U D G M E N T

The plaintiff, Canara Bank, has filed this suit U/o.VII Rule 1 of CPC against the defendants for recovery of Rs. 4,16,549.65/- together with penal interest @ 2% and interest @ 18% pertill its full realization along with costs of the suit and any other equitable reliefs.

2. **The facts stated in the plaint in brief are as under:**

a. Plaintiff Bank is a body corporate represented by its Branch Manager. Defendant no. 1, the owner of Adarsh

Sweets Products, carrying business of Sweet Products, requested loan of ₹1,00,000 /- to carry out business by submitting a loan application. The plaintiff bank sanctioned the loan of ₹1,00,000 /- on 10.05.2014 in Loan Account No. 12077890000307 at 10.20% interest for a term of 61 months produced name 1791 OSL-MISC Securities-BR.

b. The Defendant No. 1 has executed necessary documents in favour of the plaintiff, agreeing to the terms and rate of interest variable from time to time, as per bank directives. The Defendant No. 2 voluntarily agreed and stood as surety for prompt and regular payment of loan availed by Defendant No. 1.

c. The defendant No. 1, after availing the loan and utilizing to carry out business, failed to follow the terms and conditions of loan transaction and became defaulter. The defendant No. 2 failed to discharge his liability. The plaintiff has kept the books of account in ordinary course of business. The lower account of defendant No. 1 shows a debit balance of ₹4,16,549.65.

d. On 05.02.2018 the defendant no. 1 has executed acknowledgment of debt revival letter and on 10.02.2015 and 02.02.2021, confirming the balance outstanding in the form of AOD for the loan availed to carry out the business.

e. The defendant no. 1, with an intention to grab the plaintiff's bank amount, has kept quiet and failed to clear the debt.

3. Upon registration of the suit, this Court issued summon to the defendants. On 29.04.2025, the summons to defendant no. 1 was served. Defendant no. 1 remained absent. Hence defendant no. 1 was placed Ex-parte. On 18.10.2025, the summons to defendant no. 2 returned as refused. The service was held valid. Defendant no. 2 was called out. He remained absent. Hence was placed ex-parte.

4. The plaintiff bank to prove its case, examined Sri. Panjagala Venkateshwaralu, Senior Manager, Canara Bank-II, Gadag, as PW-1 and got marked 12 documents at Ex. P1 to P12 and closed the evidence. As defendants were placed Ex-parte, the case was posted for arguments.

5. On 13.07.2026, the counsel for the plaintiff filed written arguments and submitted that there are no oral arguments. This court has perused the written arguments of the counsel for the plaintiff and the records available in this Court. In the written arguments filed, the plaintiff has reiterated the facts mentioned in the plaint.

6. Based on the material on record, the points that would arises for my consideration are as under:

POINTS FOR CONSIDERATION

(1) Whether the plaintiff bank proves that the defendant No.1 has borrowed Rs. 1,00,000/- and agreeing to repay the said amount with agreed rate of interest and defendant No.2 stood as guarantor to the said loan amount?

(2) Whether the plaintiff bank proves that the defendant No.1 after availing loan did not repay the loan amount as agreed?

(3) Whether the plaintiff bank is entitled to recover the loan amount from the defendants with penal interest @ 2% and interest @ 18% per annum.?

(4) What order or decree?

7. The findings of this Court on the above points are as follows:

Point No.1 : In the Affirmative

Point No.2 : In the Affirmative

Point No.3 : Partly in the affirmative

Point No.4 : As per final order, for the following:

REASONS

8. **Points No.1 to 3:** These points are interconnected with each other as such, they are taken up for discussion together to avoid the repetition of facts.

9. The plaintiff bank has filed this suit for recovery of loan amount borrowed by the defendant No.1. To prove its case, the plaintiff bank has examined its Senior Manager by name Sri. Panjagala Venkateshwaralu as PW1.

10. The defendants despite services of summons have not appeared before the Court and they placed Ex-parte, hence, there is no cross-examination of PW-1 by the defendants.

11. PW-1 has reiterated the plaint averments in her affidavit filed in lieu of examination-in-chief. The evidence of the PW-1 remained unchallenged and uncontroverted. The gist of the material placed by PW-1 is as under: Exhibit P1 is the loan application dated 24.11.2011. It discloses that loan of ₹1,00,000 /- was requested by defendant no. 1. The rate of interest mentioned is 12%. In Exhibit P1, the name of defendant No. 2 is shown as Co-Obligant/Guarantor. Exhibit P2 is the receipt of loan of ₹1,00,000/- executed by the defendant no. 1. dated 29.02.2012.

12. Exhibit P3 is the Annexure 9 executed by the defendants which discloses that a loan of ₹1,00,000 was obtained for the base rate of 10.25% interest per annum. Exhibit P4 is undertaking letter dated 29.02.2012 executed by defendant No. 1. Exhibit P5 is the letter of undertaking executed by defendant No. 2 as surety/co-obligant for the loan availed by defendant No. 1. Exhibit P6 is the composite hypothecation agreement executed by the defendant no. 1 dated 29.2.2012 wherein the goods hypothecated are shown as stock in trade. Exhibit P7 is the guarantee agreement executed by defendant no. 2 for the loan availed by defendant no. 1 dated 29.02.2012.

13. Exhibit P8 is acknowledgment of debt executed by defendant No. 1 on 10.02.2015 and Exhibit P9 is the acknowledgment of debt executed on 05.06.2018 by defendant no. 1. Exhibit P10 is the letter of revival dated 02.02.2021 executed by defendant no. 1 which shows that the loan of ₹1,00,000 /- availed through loan papers dated 29.02.2012 is revived.

14. Exhibit P11 is the statement of account for general and agri advances for the period of 29.02.2012 to 31.12.2022 which is a print copy. The outstanding as per the Exhibit P11 is ₹ 4,16,549.45. As this document is a print document, it is supported by Exhibit P11A which is a certificate under Section

65B of the Indian Evidence Act. Exhibit P12 is the non-starter report to show that Section 10A of the Commercial Codes Act have been complied and an attempt was made to settle the case prior to institution of the suit against defendant.

15. The documents produced before the Court, loan application at Ex. P1, receipt at Ex. P2 and Ex. P3 t0 P7 which are supporting documents executed by the defendant No. 1 and 2 clearly discloses that loan was sanctioned by the plaintiff bank and defendant No.1 being the principal borrower and defendant No.2 stood as guarantor/Co-obligant to the said loan amount have executed documents pertaining to the loan. Exhibit P8, P9 and P10 shows that the defendant no. 1 has acknowledged and agreed to pay the loan amount by executing the acknowledgment of debt letters and letter of revival.

16. It is the contention of the plaintiff bank that the defendant No.1 borrowed amount, sanctioned for the purpose carry business of sweet products. As on the date of suit, total amount outstanding is of Rs.4,16,549.65/-. It was principal sum and on that amount the plaintiff is entitled for interest. Said submission is acceptable. Therefore, the defendants are liable to pay the amount i.e., Rs.4,16,549.65/- from the date of suit till realization of the entire amount.

17. On perusal of the records, it reveals that there are no documents in support of the claim of the plaintiff that on outstanding amount, 18% interest is applicable till realization. Exhibit P1 shows that applicable rate of interest is 12%. With respect to the rate of interest, the suit of the plaintiff is partly decreed. Hence, the plaintiff bank is entitled for recovery of the said amount with interest @ 12% p.a from the date of the suit till realization. Hence, this Court answered point No.1 and 2 in the affirmative and point No.3 partly in the affirmative.

18. **Point No.4:-** In view of the above discussions, this court proceeds to pass the following:

O R D E R

The suit of the plaintiff bank is partly decreed with cost.

The defendant is directed to pay the outstanding loan amount of Rs.4,16,549.65/- along with future interest at the rate of 12% per annum from the date of the suit until realization of the entire due amount to the plaintiff bank.

Further the defendants are directed to deposit the outstanding loan amount, along with future interest, within 3 months from the date of this order.

On default of stipulated period if the defendants failed to repay the due amount, the plaintiff bank is at liberty to proceed against the persons and property of the defendants in accordance with law.

Office is directed to send the copy of the judgment and decree to the plaintiff bank through E-mail as required U/o. XX Rule 1 of CPC.

Draw decree accordingly.

(Dictated using Adalath AI, corrected and pronounced by me in the open court on 3rd day of August 2026)

GEETA SHINDHE
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Date: 2026.08.03 18:41:52 +0530

(Geeta Shindhe),
Addl. District & Sessions Judge,
Gadag.

A N N E X U R E S

List of witnesses examined on behalf of plaintiff bank:

PW-1 : Sri. Panjagala Venkateshwaralu

List of documents marked on behalf of plaintiff bank:

Ex.P1 - Application for advance dt. 24.11.2011

Ex.P2 - Receipt executed by defendant dt. 29.02.2012

Ex.P3	-	Annexure-9 executed by defendants
Ex.P4	-	Undertaking letter executed by D-1
Ex.P5	-	Loan sanction acknowledgment executed by D-2.
Ex.P6	-	Composite Hypothecation Agreement dtd. 29.02.2012
Ex.P7	-	Guarantee agreement dated 17.11.2011
Ex.P8	-	Acknowledgment of Debt dated 10.02.2015
Ex.P9	-	Acknowledgment of Debt dated 05.02.2018
Ex.P10	-	Letter of revival dated 02.02.2021
Ex.P11	-	Print copy of the Statemetn of account of D-1 loan account
Ex.P11(a)	-	Certificate U/Sec. 65(b) of Indian Evidence Act
Ex.P11(b)	-	Signature of PW1 .
Ex.P12	-	Non-starter report

List of witnesses examined on behalf of the defendants:

Nil

List of documents marked on behalf of the defendants:

Nil

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(Geeta Shindhe),

Addl. District & Sessions Judge,

Gadag.