

KAHS510024452024



Presented on : 22-11-2024  
Registered on : 22-11-2024  
Decided on : 19-06-2026  
Duration : 01year, 05months, 27days

**IN THE COURT OF PRL.CIVIL JUDGE AND JMFC., BELUR**

**Present:-**

**Sri. Nagendra.,  
B.A., LL.B.,  
Prl.Civil Judge and JMFC., Belur.**

**Dated this the 19<sup>th</sup> day of June 2026**

**O.S.No.447/2024**

**Between:**

**KARNATAKA BANK LTD,  
Kesagodu Branch,  
Kesagodu, Biccodu Hobli,  
Belur Taluk, Hassan District.**

***Represented by its Branch Manager***

Sri.Rajeev K.N.  
S/o.Nagendra K.S.  
Aged about 47 years.

***...Plaintiff***

***(Sri.S.N.Lingesh, Advocate for Plaintiff)***

**And:**

1. Smt.Sunitha K.R.  
W/o.Yogesha K.M.,  
Aged about 40 years.
2. Sri.Devaraju  
S/o.Manjayya,  
Aged about 41 years.

Both are residing at  
Keraluru Village,  
Vatehole Post,  
Biccodu Hobli,  
Belur Taluk.

**.. Defendants**

**(Defendants – Ex-parte)**

Date of institution of the suit	22.11.2024		
Nature of the suit	Suit for Recovery of Money		
Date of commencement of recording evidence	08.04.2026		
Date of the closing of evidence	08.04.2026		
Date on which the Judgment is pronounced	19.06.2026		
Duration	Years	Months	Days
	01	05	27

### **JUDGMENT**

This suit is filed by the plaintiff bank against the defendants for recovery of sum of Rs.75,785/- due against the loan with interest at the rate of 10.85% p.a., plus 5% penal interest from date of filing of the suit till realization.

**2. The brief facts leading to the present suit are as under:**

It is case of the plaintiff bank that, the defendants are the permanent residents of the address mentioned above. Further stated that, on 23.05.2016 the defendant No.1 has approached the plaintiff Bank for financial assistance of a sum of Rs.80,000/- (Rupees Eighty Thousand Only) for the purpose of provision store business under PSTL Scheme. On 24.05.2016 the plaintiff bank has sanctioned the loan amount of Rs.80,000/- (Rupees Eighty Thousand Only) and the defendant No.1 and 2 have signed the sanction order agreeing to the terms and conditions of the sanction order of the plaintiff bank. In terms of security, the defendant No.1 has hypothecated the provision store. The defendant No.1 and 2 have executed the necessary documents towards availing of the said loan amount of Rs.80,000/- (Rupees Eighty Thousand Only) agreeing to repay the loan amount with interest within 60 EMI of Rs.1,705/- plus interest at the rate of 10.20% p.a. The rate of interest at the time of sanction of the loan was 10.20% p.a. rate of interest as per

circulars of the plaintiff bank may be changed from time to time as per direction of Reserve Bank of India.

3. It is further stated that, the defendant No.1 has received the loan amount from the plaintiff bank through the loan account No.5887001800008101 and benefited from the loan amount. The defendant has agreed to repay the loan amount within 60 EMI of Rs.1,708/-. The interest is of floating type linked to base rate (PLR) minimum rate of interest agreed to be paid on the date of loan sanction is at 10.20% p.a. The rate of interest is subject to changed from time to time and rate of penal interest agreed to be paid 5%. But, the defendants did not repay the loan amount with interest as agreed. The first defendant offered the second defendant as a Co-obligant / Guarantor to the above said loan and both of them have agreed to repay the loan with interest.

4. It is further stated that, there is a balance of Rs.73,833.01/-(Rupees Seventy Three Thousand Eight Hundred Thirty Three and One Paisa only) as on

09.08.2024, with interest. The loan account has been classified as Non-performing Asset as per the guidelines of Reserve Bank of India as on 23.04.2019. However, the plaintiff bank is entitled to claim interest upto the date of realization. The defendants are having sufficient means, but failed to repay the loan and also not regularize the loan account as per the terms and conditions of sanction in spite of repeated requests, demands and bank notice dated 08.08.2023. It is further stated that, the defendants have executed Acknowledgment of Debts in favour of plaintiff bank on 21.05.2019, 19.04.2022, 27.04.2023. As per the guidelines of Reserve Bank of India, the present rate of interest is at 10.85% p.a. plus 5% penal interest. Hence, the defendants are bound to pay the interest at the rate mentioned above from the date of suit till the date of realization on the amount due. Hence, the plaintiff bank has preferred this suit for recovery of money.

5. On service of summons held to be sufficient on the defendants, they did not appear before the court and remained absent and accordingly, they have been placed

ex-parte. As such the claim of the plaintiff bank remained unchallenged.

6. Basing on the pleadings, the following points would arise for consideration of this court.

**POINTS**

- 1) Whether the plaintiff bank is entitled to recover an amount of Rs.75,785/- due against the loan with interest at the rate of 10.85% p.a., plus 5% penal interest on the claimed amount from the defendants from the date of suit, till the date of realization?
- 2) What order or decree?

7. In order to establish the case of the plaintiff bank, the Branch Manager of plaintiff bank by name Sri.Rajeev K.N. S/o.Nagendra K.S. got himself examined as PW1, got marked Ex.P1 to Ex.P.15 and closed his side. Since the defendants remained ex-parte, the evidence adduced by the plaintiff remained unquestioned and unrebutted.

8. Heard arguments.

9. On the basis of pleadings, oral and documentary evidence as well as all the materials available on record, answer of this court to the above points is as under:

Point No.1 : **In the Affirmative.**

Point No.2 : **As per final order  
for the following:**

### **REASONS**

10. **Point No.1:** This suit is filed by the plaintiff bank for recovery of sum of Rs.75,785/- due against the loan with interest at the rate of 10.85% p.a., plus 5% penal interest on the claimed amount from the defendants. In order to establish the claim, the Branch Manager of plaintiff bank by name Sri.Rajeev K.N. S/o.Nagendra K.S. got himself examined as PW1, filed affidavit in lieu of his examination in chief and reiterated the plaint averments. The PW1 has deposed regarding sanction of loan to the defendants and execution of Declaration by Co-obligent, Declaration, Hypothecation agreement, Term loan agreement, Hypothecation of vehicle, Consent letter from borrower, Consent letter from Co-obligent and Acknowledgment of

debts in favour of plaintiff bank. PW-1 further deposed regarding non repayment of said loan by the defendants, issuance of Bank notice and Legal notice, service of the same on the defendants and failure on the part of the defendants to repay the loan and also account extract of loan account of the defendants.

11. Ex.P1 is Loan application form executed by the defendant No.1, Ex.P2 is Credit Sanction intimation, Ex.P3 is Declaration by Co-obligent dated 24.05.2016, Ex.P4 is Declaration dated 24.05.2016, Ex.P5 is Hypothecation agreement dated 24.05.2016, Ex.P6 is Term loan agreement dated 24.05.2016, Ex.P7 is Hypothecation of vehicle dated 24.05.2016, Ex.P8 is Consent letter from borrower dated 24.05.2016, Ex.P9 is Consent letter from Co-obligent dated 24.05.2016, Ex.P10 to 12 are Acknowledgment of debts dated 21.05.2019, 19.04.2022 and 27.04.2023, Ex.P13 is Bank notice dated 08.08.2023, Ex.P14 is Postal acknowledgment and Ex.P15 is Bank Statement of defendant No.1.

12. The above documents amply establish that, the plaintiff bank has sanctioned loan of Rs.80,000/- to the defendants at the rate of 11.20% p.a., with interest. The defendants have executed Declaration by Co-obligent, Declaration, Hypothecation agreement, Term loan agreement, Hypothecation of vehicle, Consent letter from borrower, Consent letter from Co-obligent and Acknowledgment of debts in favour of plaintiff bank as per Ex.P3 to 12. The Ex.P15 is the loan account extract of the defendant No.1. Even after institution of suit and on issuance of summons the defendants remained absent without contesting the claim of the plaintiff bank. The defendant No.1 is borrower and defendant No.2 is guarantor ought to have established regarding non availment of loan, if they wished to do so. On the other hand, the defendants have impliedly accepted the claim of the plaintiff bank by acknowledging the debt. The defendants failed to test the veracity of evidence adduced by the plaintiff bank. As such this court left with no other option except to accept the claim of the plaintiff bank by

drawing inference against the defendants.

13. By the oral testimony coupled with documentary evidence, the plaintiff bank has certainly established the sanctioning of loan and non repayment of loan by the defendants. Hence, this court has come to the conclusion that, the defendants are liable to pay the amount sought to be recovered by the plaintiff bank. There is contractual obligation on the part of the defendants and by way of loan agreement, they have agreed to pay the interest to the plaintiff and they are bound by the same. As such, the suit is required to be decreed and the plaintiff bank is entitled to recover the claim amount as sought for. Accordingly, this court answered ***Point No.1 in the Affirmative***. This court is of the further consideration that, if the defendants are eligible for relaxation under the loan waiver scheme of either Central or State Government, the plaintiff bank may consider the same and extend such benefit to the defendants, if any.

14. **Point No.2:** For the foregoing reasons and

discussions made above, this court proceed to pass the following:

**::ORDER::**

The suit of the plaintiff bank is hereby decreed as sought for with costs.

The defendants are jointly and severally liable to pay plaintiff bank a sum of Rs.75,785/- due against the loan with interest at the rate of 10.85% p.a., plus 5% penal interest on the claimed amount from the date of the suit till the date of decree.

The plaintiff bank is also entitled to recover future interest of 6% per annum over the decretal amount from the date of decree till realization of entire dues.

Draw decree accordingly.

*(Dictated to the stenographer directly on computer, corrected by me and then pronounced in the open court on this the **19<sup>th</sup> day of June 2026**)*

**(Sri.Nagendra)  
Prl. Civil Judge & JMFC,  
Belur.**

**-ANNEXURE-**

**I. WITNESSES EXAMINED FOR THE PLAINTIFF:**

**PW-1:** Sri.Rajeev K.N. S/o.Nagendra K.S.

**II. DOCUMENTS PRODUCED BY THE PLAINTIFF:**

- Ex.P1 : Loan application form  
executed by the defendant No.1.
- Ex.P2 : Credit Sanction Intimation.
- Ex.P3 : Declaration by Co-obligent  
dated 24.05.2016.
- Ex.P4 : Declaration dated 24.05.2016,
- Ex.P5 : Hypothecation agreement  
dated 24.05.2016.
- Ex.P6 : Term loan agreement  
dated 24.05.2016,
- Ex.P7 : Hypothecation of vehicle  
dated 24.05.2016.
- Ex.P8 : Consent letter from borrower  
dated 24.05.2016.
- Ex.P9 : Consent letter from Co-obligent  
dated 24.05.2016.
- Ex.P10 to 12 : Acknowledgment of debts  
dated 21.05.2019, 19.04.2022 and  
27.04.2023.

- Ex.P13 : Bank notice dated 08.08.2023.  
Ex.P14 : Postal acknowledgment.  
Ex.P15 : Bank Statement of defendant No.1.

**III. WITNESSES EXAMINED FOR THE DEFENDANTS:**

**Nil**

**IV. DOCUMENTS MARKED FOR THE DEFENDANTS:**

**Nil**

**(Sri.Nagendra)  
Pri.Civil Judge & JMFC,  
Belur.**