KAHV020002232023

Presented on : 21-03-2023
Registered on : 21-03-2023
Decided on : 13-07-2026
Duration : 3 years, 3 months, 23 days

IN THE COURT OF THE ADDL. SENIOR CIVIL JUDGE & JMFC, AT:HAVERI.

:: Present :

SMT. SHOBHA B.G., M.A. LL.B
Addl. Senior Civil Judge & JMFC, Haveri.

Dated this 13th day of July– 2026

S.C.No.9/2023

Plaintiff s: Bank of Baroda, Haveri, having its head office at Baroda branch at Haveri (Original Vijaya Bank, Haveri) represented by its Chief Manager, Sri.Jeevan G.N S/o Nagaraja N.M. Age: 39 years.

(Rep., by Sri. V.V.K., Adv.,)

-V/s-

Defendant:

1. Ishwar IDF JLG,
represented by its 'Mutual Guarantos"
Sri.Hanumantappa S/o Shankrappa Araleshwar,
Age:42 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

2. Sri.Shivanagouda
S/o Shankargouda Kodibasangoudra,
Age:56 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

3. Sri.Muragesh S/o Puttappa Allapur,
Age:30 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

4. Sri.Fakkirappa S/o Hanumantappa Sheshagiri,
Age:45 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

5. Sri.Maruthi S/o Shankrappa Araleshwar,
Age:43 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

6. Sri.Basayya S/o Gadigeyya Hiremath,
Age:31 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

7. Sri.Chandrappa S/o Ishwarappa Naregal,
Age:37 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

8. Sri.Shekhappa S/o Baavanneppa Byadagi,
Age:43 year, Occ:Agriculturist,
R/o:Benchihalli, Tq:Haveri.

(Exparte)

Date of institution of the suit	21.03.2023		
Nature of suit	Recovery of Money		
Date of commencement of Trial	22.06.2026		
Date on which the judgment was pronounced	13.07.2026		
Duration of suit	Year/s	Months	Days
	03	03	23

J U D G M E N T

The plaintiff Bank filed this suit for recovery of a sum of Rs.55,600/- along with interest at the rate of 7% p.a., half yearly rests with over due interest at 2% p.a. from the date of suit till its realization.

2. The brief facts of the case are as under: -

The plaintiff stated that the plaintiff is the Vijaya Bank, a Bank constituted and functioning under the Banking Companies Act, 1980 the said bank has been merged with Bank of Baroda. Having its Head office at Mandavi, Baroda and one of its a Branch office at Haveri, carrying on its business of banking. The defendants have jointly applied loan of Rs.70,000/- for agricultural and working capital purpose to Vijaya Bank Haveri on 28.02.2018. The plaintiff bank sanctioned said loan amount on the same day. The defendants have agreed to repay said loan amount at the rate of interest of 7% p.a., payable at half yearly rests in addition to over due interest at 2% p.a. As per terms of the agreement, defendants have to jointly repay the entire loan amount within 5 years. Inspite of repeated request and demand made by the plaintiff bank, defendants have not paid said loan amount. Therefore they are liable to repay the said loan amount jointly and severally. They have executed loan agreement cum hypothecation deed, acknowledgment of liability on 28.02.2018 in favour of plaintiff bank. Hence this suit is well within time. The plaintiff bank prayed to decree the suit with costs.

3. In spite of service of summons, the defendants remained absence. Hence they were placed exparte.

4. On the basis of the pleadings the following points that arise for my determination;

1. **Whether the plaintiff proves that the defendants have obtained an loan facility and due a loan of Rs.70,000/- to the plaintiff bank ?**
2. **Whether the plaintiff bank proves that the defendants have executed agreement and agreed to pay interest at 7% compounded half yearly rest and over due interest at 2% p.a., ?**
3. **Whether the plaintiff is entitled for the relief as sought for ?**
4. **What order or decree?**

5. In order to prove the case of the plaintiff Bank, the Manager of the plaintiff Bank examined himself as P.W.1 and 7 documents got marked at Exs.P.1 to 7. On the other the defendants were placed exparte.

6. Heard arguments and perused the materials placed before the Court.

7. My answer on the above points is as follows:-

Point Nos.1 and 2	**:**	**In the Affirmative;**
Point No.3	**:**	**In the Affirmative;**
Point No.4	**:**	**As per the final order, for the following:-**

REASONS

8. **Point Nos.1 and 2:-** Both these points are considered together as they require same set of discussion and same set of pleadings and documents.

9. In order to prove the case of the plaintiff's Bank, the current manager of plaintiff's bank examined himself as PW-1. He has filed affidavit in lieu of his examination-in-chief in which he reiterated averments of plaint. In support of his case, he has produced documents which were marked at Exs.P.1 to 7. Among them Ex.P.1 is authorization letter. Ex.P.2 reveals that on 28.02.2018 the defendants have applied loan of Rs.70,000/- to the plaintiff bank. Ex.P.3 reveals that the plaintiff's bank sanctioned loan of Rs.70,000/- to the defendants on 28.02.2018. Ex.P.4 reveals that the defendant No.1 has executed loan agreement cum hypothecation deed for priority sector advances in favour of plaintiff's bank on 28.02.2018. Ex.P.5 reveals that the defendants No.2 to 7 have executed joint liability agreement in favour of the plaintiff's bank on 28.02.2018. Ex.P.6 reveals that the defendant No.1 has executed letter of acknowledgment of liability debt on 19.03.2020 acknowledging his liability relating to said loan. Ex.P.7 is statement of account pertaining to defendant No.1, which reveals that defendants due a loan of Rs.53,600/-.

10. On perusal of above documents, it clearly disclose that the defendant No.1 has availed loan of Rs.70,000/- from the plaintiff's bank on 28.02.2018 in which the defendant No.2 to 8 stood as group guarantor and they have agreed for the terms and conditions stipulated therein. The defendant No.1 has executed hypothecation deed and all the defendants have executed agreement of joint liability on 28.02.2018. Ex.P.7 discloses that they have failed to repay the entire loan amount. The documentary evidence supported the oral evidence of plaintiff. In spite of service of summons defendants remained absent hence they were placed exparte. Hence the evidence of PW-1 remained unchallenged. There are no reason to disbelieve the testimony of PW-1. The documentary and oral evidence adduced by the plaintiff discloses that the defendants have availed loan as alleged by the plaintiff and they have failed to repay the same. Hence the defendants are severally and jointly liable to repay outstanding loan amount with interest.

11. As far as the interest is concerned according to section 34 of CPC, it contemplates awarding of reasonable interest to be paid on the principal amount adjudged from the date of suit till the date of decree and further interest at such rate not exceeding 6% p.a., but commercial transaction is concerned further rate of interest may exceed 6% p.a. but shall not exceed the contractual rate of interest. In this case the defendants have borrowed the loan for agricultural loan. As such the defendants are liable to pay the claim amount along with interest at the rate of 7% p.a. on the principal amount from the date of institution of suit till date of decree and also liable to pay penal interest at the rate of 2% from the date of suit till its realization. All the documents and oral evidence disclose that defendants have availed loan and they have failed to repay the same. Hence they are liable to pay said loan amount along with interest. Accordingly point Nos.1 and 2 are answered in the **affirmative.**

12. **Point No.3:-** The plaintiff bank has successfully established its case by adducing oral and documentary evidence. The limitation is concerned, the defendants have obtained loan on 28.02.2018, this suit is filed on 16.03.2023. As per Ex.P.6, the defendant No.1 has executed letter of acknowledgment on 19.03.2020, which means this suit is filed within period of limitation. Therefore the plaintiff bank is entitled for the relief as prayed in the plaint. Accordingly point No.3 is answered in the **affirmative.**

13. **Point No.4:-** In view of the above discussions, I proceed to pass the following;

ORDER

The suit of the plaintiff is hereby decreed with costs.

The defendants are jointly and severally liable to pay loan amount of Rs.55,600/- along with interest at the rate of 7% p.a. half yearly rests on the principal amount from the date of the suit to till the decree. The defendants are also liable to pay penal interest at rate of 2% p.a., from the date of suit till its realization.

Draw decree accordingly.

(Dictated to the stenographer directly on computer, revised, corrected and then pronounced by me in the open Court on this the 13^{h} day of July, 2026)

(Smt.Shobha B.G.)
Addl. Senior Civil Judge and
JMFC, Haveri.

ANNEXURES

List of witnesses examined on behalf of plaintiff/s :-

P.W.1	-	Nagesh P.K

List of documents marked on behalf of plaintiff/s :-

Ex.P.1	-	Authorization letter
Ex.P.2	-	Loan application
Ex.P.3	-	Loan sanction letter
Ex.P.4	-	Loan agreement cum hypothecation deed for priority sector advances
Ex.P.5	-	Joint liability agreement
Ex.P.6	-	Letter of acknowledgment debt
Ex.P.7	-	Loan account statement

List of witnesses examined on behalf of defendant/s :-

Nil

List of documents marked on behalf of defendant/s :-

Nil

(Smt.Shobha,B.G.)
Addl. Senior Civil Judge and
JMFC, Haveri.