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IN THE COURT OF THE II ADDITIONAL DISTRICT JUDGE, COMMERCIAL COURT AT TUMAKURU.

Dated this the 8th day of June 2026

PRESENT : Smt. N.Narasamma B.A.L., LL.B.,
II Additional District Judge,
Tumakuru.

COMMERCIAL O.S.No.51/2025

PLAINTIFF: Karnataka Bank Ltd.,
A Company Reg. Under the
Indian Companies Act- 1913 and
having one of its branch at
Batawadi No.435/A,
Shanthala Complex,
Batawadi, B.H.Road,
Tumakuru.

Represented by its Branch
Manager, Deepak Kinnal
S/o Shivanand Kinnal.

(By Sri. GBA., Advocate)

- versus -

DEFENDANTS: 1.M/s Wood Pulversing Industries
Pro: Mohamed Zabi,

2. Mohamed Zabi
S/o Mohamed Sadiq,
Aged 41 years,

Both are R/at No.251,
BCC Layout, Chandra Layout,
Bangalore- 560040.

(D.1 & D.2- Exparte)

Date of Institution of Suit :	31.07.2025
Nature of Suit :	Recovery of money
Date for appearance of defendant :	Exparte
Date for recording of plaintiff's evidence:	05.06.2026
Date of Judgment :	08.06.2026

Total Duration :	Years	Months	Days
	01	01	23

JUDGMENT

The plaintiff Bank has filed this commercial suit under Order VII Rule 1 and 2 r/w Sec.26 of Code of Civil Procedure r/w Section 3 of Commercial Courts Act against the defendants seeking recovery of total outstanding loan amount of **Rs.17,50,838.23/-** together with cost and interest comounded monthly till the date of realisation by slae of hypothecated materials and other movable and immovable properties belongs to defendant No.1 and 2.

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

i) Plaintiff-Bank is a body corporate constituted under the Karnataka Bank Limited having its Corporate Center at Mangalore and local regional office at Sadashivanagar, Tumakuru and branches at Batawadi, B.H.Road, Shanthala Complex.

ii) It is case of the plaintiff-Bank that, defendant No.1 and 2 have approached the bank for financial assistance and have borrowed term loan of Rs.10,00,000/- on 15.02.2016 under OD loan scheme for the purpose of working capital and duly executed the relevant documents in favour of plaintiff bank by promising to repay the same in 12 EMI with interest at 10.70% per anum plus penal interest at 5% p.a. vide account No.7697000600014301 which is subject to change from time to time. And the defendant No.1 and 2 have also hypothecated amenities, assets available at the residence of borrower i.e., defendant No.1 & 2 in favour of plaintiff bank.

iii) After availing the loan, the defendants have become defaulters and inspite of requests and demands made by the bank, the defendants have not paid the loan amount. The defendants are due to the plaintiff bank a sum of **Rs.17,50,838.23/-** as on 31.03.2024. Hence this suit.

3. In answer to summons issued by this court, the defendants have not appeared before the court and they were placed exparte.

4. Heard arguments of plaintiff.

5. The following points that arises for my determination:

1. Whether the plaintiff bank is entitled to recover the suit claim with interest as prayed for from the defendants ?

2. Whether plaintiff Bank proves that suit is filed within limitation period?

3. What order or decree?

6. In order to establish the case of the plaintiff–bank, the present Branch Manager of Plaintiff Bank is examined as P.W.1 that is Sri. Deepak Kinnal and got marked documents at Exs.P.1 to P.13. And the defendants have placed exparte.

7. My answer to the above points are as under:

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

Point No.2: In the **Affirmative**.

Point No.3: As per final order for the following:

: R E A S O N S :

8. Point No.1:- In order to prove the plaintiff's case the Branch Manager of the plaintiff Bank adduced evidence as P.W.1 and reiterated the plaint averments in his affidavit filed for examination in chief and produced the documents, that is, Ex.P.1 is the Non-starter report, Ex.P.2 is the True copy of statement of account, Ex.P.3 is the Credit Sanction intimation, Ex.P.4 is the Hypothecation agreement, Ex.P.5 is the Original Declaration, Ex.P.6 is the Original General power of Attorney, Ex.P.7 is the Original Take Delivery Letter, Ex.P.8 is the Original Account opening form proprietorship, Ex.P.9 and 10 are Original

Acknowledgment of debts , Ex.P.11 is the Legal notice. Ex.P.12 is the 2 Original RPAD receipts and Ex.P.13 is the Original RPAD return cover.

9. On perusal of oral and documentary evidence of PW.1, it clearly reveals that on 15.02.2016 the defendant No.1 and 2 have availed loan of Rs.10,00,000/- under O.D. scheme for the purpose of working capital and the same was renewed on 24.02.2022 and 20.05.2023 asper Ex.P.9 and 10. The defendant No.1 & 2 have not repaid the said loan though they have agreed to repay the same in 12 EMI with interest at rate of 10.70% per annum plus penal interest at 5% p.a. As such the defendants are liable to repay the said loan borrowed by them. As per ExP.2 to 5, P.7 to P.10 the defendants have executed the relevant documents in favour of plaintiff bank by agreeing to repay the loan to the plaintiff bank and as per statement of account produced at Ex.P.2,

there is outstanding balance amount of **Rs.17,50,838.23/**- by the defendants to the plaintiff bank.

10. The oral evidence of PW.1 and documentary evidence produced by the Manager at Ex.P-1 to P-13 are remained unchallenged as the defendant No.1 & 2have not appeared before the court and they were placed exparte in spite of service of summons. On perusal of the oral and documentary evidence of plaintiff bank, I find no reason to disbelieve the testimony of PW.1 and the veracity of documentary evidence. Therefore, it must be held that the plaintiff bank has proved that the defendants are liable to pay the suit claim of **Rs.17,50,838.23/-**. So for as the interest is concerned, I am of the view that awarding current rate of interest and future interest at the rate of 10.70% would sub-serve the ends of justice. Accordingly, Point No.1 is held in the **Affirmative.**

<u>11. Point No.2 :-</u> In view of Section 3 of Limitation Act, even though defendants not raised any objection with regard to limitation, court is duty bound to examine the point of limitation. In this case evidently the plaintiff bank paid loan to the defendant on 15.02.2016, and as per Ex.P.9 and P.10 acknowledgment of debts executed by defendants was on 24.02.2022 and 20.05.2023 The suit is instituted before this court on 31.07.2025. Article 23 of Limitation Act provides that, period of limitation is three years for recovery suit from the date of payment of money. In this case, suit is filed within three years. Hence, I answer Point No.2 in the **Affirmative**.

12. **<u>Point No.3:-</u>** For the reasons as stated in Point No.1 and 2, I proceed to pass the following:

<u>: ORDER :</u>

The Suit of the plaintiff bank is hereby decreed with cost.

The defendants No.1 & 2 are liable to pay the suit claim amount of **Rs.17,50,838.23/-** together with interest at the rate of 10.70% p.a. with penal interest at 5% p.a. from the date of filing of this suit, till its realization.

The defendants shall pay the decreetal amount with interest within three months from the date of this order.

If, they fails to deposit the amount, the plaintiff bank is at liberty to recover the same in accordance with law.

Draw decree accordingly.

(Dictated to the Stenographer directly on computer, copy corrected and then pronounced by me in the open Court on this the 8th day of June 2026.)

(N.Narasamma)
II Addl., District Judge,
Commercial Court, Tumakuru.

: ANNEXURE :

List of witnesses examined for the plaintiff:

PW.1 : Sri.Deepak Kinnal

List of documents marked for the plaintiff:

Ex.P.1 -	Non-starter report,
Ex.P.2 -	True copy of statement of account
Ex.P.3 -	Credit Sanction intimation,
Ex.P.4-	Hypothecation agreement,
Ex.P.5-	Original Declaration
Ex.P.6 -	Original General power of Attorney
Ex.P.7-	Original Take Delivery Letter
Ex.P.8-	Original Account opening form proprietorship
Ex.P.9, 10-	Original Acknowledgment debts
Ex.P.11-	Legal notice
Ex.P.12-	2 Original RPAD receipts
Ex.P.13-	Original RPAD return cover.

List of witnesses examined for the defendant:

- NONE -

List of documents marked for the defendant:

- NIL -.

II Addl. District Judge,
Commercial Court, Tumakuru.