

KAUK010011582024



**IN THE COURT OF THE PRINCIPAL DISTRICT AND  
SESSIONS AND COMMERCIAL JUDGE,  
U.K-KARWAR**

**:- PRESENT :-**

**SRI. PARAMESHWARA PRASANNA.B.,** *B.A. LL.B.*  
Prl. District & Sessions Judge  
U.K-Karwar

**Dated this the 6<sup>th</sup> day of March, 2026**

**Com.O.S.No.19/2024**

**Plaintiff: -**

**I.D.B.I. Bank Ltd.,**  
Head office IDBI Tower, WTC complex,  
Cuffe Parade, Colaba,  
Mumbai – 400005,  
Branch at Dr. Pikle Road, Karwar,  
Represented by its Branch Manager,  
Mr. Sendhamizh Selvan S.  
S/o. Sundaramoorthy,  
Age: 39 years, Branch Manager,  
Karwar – 581 301

**(By Sri. P.S.Bhat, Advocate)**

**-Vs-**

**Defendant:-**

**M/s Shama Enterprises,**  
by Prop: Mrs. Reshma Shaikh,  
W/o. Arif Rizwan Shaikh,  
Age: 45 years, Occu: Business,  
Residing at # 8865,  
Behind Unity High School,

Unity Colony, Kodibag,  
Karwar, 581 303  
Mob: 9483594634

**(Exparte)**

Date of Institution of the suit : 06/08/2024  
Nature of the suit : Money Suit  
Date of the commencement  
of recording of evidence : 27/02/2026  
Date on which the Judgment  
is pronounced : 06/03/2026  
Total duration : Year/s Month/s Day/s  
01 07 --

**(PARAMESHWARA PRASANNA.B)**

**PRL. DISTRICT & SESSIONS  
AND COMMERCIAL JUDGE,  
U.K-KARWAR.**

**JUDGMENT**

The plaintiff bank has filed this Commercial Suit for recovery of a sum of Rs.13,07,238-35 along with future interest at the rate of 11% per annum with monthly rests from the date of suit till realisation of the suit claim, for the costs and such other reliefs as this

Court deems fit to grant under the circumstances of the case.

2. The case of the plaintiff in brief as culled out from the plaint is that, the plaintiff bank is a banking institution. That the defendant approached the plaintiff bank for a loan for the purpose of trade. After mutual discussion and also on verifying the documents, the plaintiff bank has sanctioned cash credit loan of Rs.10,00,000/- on 02/06/2020 to the defendant and the defendant has executed necessary documents in favour of the plaintiff bank by agreeing to repay the said loan together with interest @11% per annum compounded monthly. The defendant had hypothecated all the stocks and goods of the business in favour of the plaintiff bank for the said loan. Thereafter, the defendant defaulted in paying loan installments. The defendant by way of part payment has credited Rs.12,000/- by cash on 30/8/2022 and Rs.28,075/- on 20/12/2022 to his loan account. Subsequently, in spite of issuance of notice by calling upon defendant to repay the loan amount, she failed to pay the loan amount due. The plaintiff bank has preferred PIMS No.10/2024 before the District Legal Services Authority, Karwar, but it was of no avail. As on the date of the filing of the suit

the defendant is liable to pay sum of Rs.13,07,238-35 with interest @ 11% p.a., with monthly rests. Hence the plaintiff bank has been constrained to file this suit for recovery of said loan amount with interest.

3. After registering of this suit, summons issued to the defendant. Since despite of service of the suit summons issued by this Court, the defendant did not appear before the Court, she has been placed as *exparte*.

4. In order to prove its case the plaintiff bank got examined its Manager, Sri. Prasanna Ramamurthy Bhat., as PW-1 and got marked 9 documents as Ex.P.1 to P.9.

5. Heard arguments of the counsel for plaintiff Bank.

6. The following points that arise for my consideration is:

1. Whether the Plaintiff Bank proves that the defendant has availed loan of Rs.10,00,000/- on 2/06/2020 from the plaintiff Bank?
2. Whether the Defendant is liable to pay Rs.13,07,238-35- with future

interest @ 11% per annum to the Plaintiff Bank?

3. What Order or Decree?

7. My answers to the above points are as follows;

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

Point No.2 : **Partly in the Affirmative**

Point No.3 : As per final Order,  
for the following:

### **REASONS**

8. **Points No.1 and 2:-** Since these points are interlinked with each other, they are taken up together for discussion to avoid the repetition.

9. In order to prove its case Sri. Prasanna Ramamurthy Bhat, the Branch Manager of the Plaintiff Bank got examined himself as PW.1 and he got marked 9 documents as Ex.P.1 to P.9. PW.1 in his affidavit filed towards examination-in-chief has reiterated the averments made in the plaint. Ex.P.1 is the authority letter dated 24/02/2026 issued by the General Manager and Senior Regional Head of Mangaluru Region of IDBI Bank, in favour of PW.1, wherein the PW.1 has been authorized to represent the plaintiff bank. Ex.P.2 is the

Loan Application Form MSE Product – Saral Vyapar Loan, duly signed by the defendant, wherein the proprietor of M/s Shama Enterprises has sought cash credit loan of Rs.10,00,000/- for trade. Ex.P.3 is the Sanction Letter, which shows that the plaintiff bank has sanctioned loan of Rs.10,00,000/- to the defendant. Ex.P.4 is the demand promissory note executed by the defendant in favour of plaintiff bank dtd: 2/06/2020. Ex.P.5 is the original DP note Delivery letter executed by the defendant in favour of the plaintiff bank dtd: 2/06/2020. Ex.P.6 is the Hypothecation cum agreement dtd: 02/06/2020 executed by the defendant where under defendant has hypothecated the stocks in trade in favour of the plaintiff bank. Ex.P.7 is the original letter of authority issued by the defendant in favour of the plaintiff dtd: 02/06/2020. Ex.P.8 is the certified copy of statement of account pertaining to the defendant, which shows that as on 01/08/2024 Rs.13,07,238-35 is due and outstanding from the defendant to the plaintiff Bank. Ex.P.9 is the Non Starter Report of District Legal Services Authority, Uttara Kannada, Karwar in PIMS No.10/2024 dated 12/06/2024.

10. Ex.P.2 loan application, Ex.P.3 sanction letter and Ex.P.4 demand promissory note shows that the defendant applied and borrowed term loan of Rs.10,00,000/- from the plaintiff bank and promised to pay with interest @11% per annum in monthly installments from 02/06/2020. Ex.P.6 hypothecation cum agreement make it clear that the defendant has availed term loan of Rs.10,00,000/- from the Plaintiff Bank for trade purpose and she hypothecated the stocks in trade in favour of plaintiff Bank. Ex.P.8 statement of account shows that the defendant defaulted in paying loan installments and as on 01/08/2024 the loan outstanding in respect of the term loan is Rs.13,07,238.35.

11. After the service of suit summons, the defendant did not appear before the Court and hence she has been placed as *exparte*. Since the defendant failed to appear and contest the suit, the oral evidence as well as documentary evidence put forth by the Plaintiff Bank remains unchallenged and un rebutted.

12. Having regard to the above materials, this Court has no reason to disbelieve or discard the claim of the Plaintiff Bank in any manner. Through the evidence

of PW.1 and Ex.P.1 to P.8 the plaintiff bank has proved that the defendant availed loan of Rs.10,00,000/- from the plaintiff bank on 02/06/2020 by agreeing to repay the same with interest. Further the plaintiff bank has proved that as on the date of suit Rs.13,07,235.35 is outstanding from the defendant to the plaintiff bank. Hence the defendant is liable to pay the aforesaid loan amount due to the Plaintiff Bank.

13. However, considering the facts and circumstances and the purpose of the borrowal, I am of the view that the future interest at the rate of 11% per annum compoundable with monthly rests claimed by the plaintiff bank on suit claim of Rs. 13,07,238.35 till realization is exorbitant and the granting of the interest @ 9% p.a., from the date of suit till realization is reasonable and adequate. Hence, I have answered Point No.1 in the '**Affirmative**' and Point No.2 '**Partly in the Affirmative**'.

14. **Point No.3:** In view of my findings given on Points No.1 & 2, the suit deserves to be decreed in part. In the result, I proceed to pass the following:-

### **ORDER**

The suit filed by the Plaintiff Bank is hereby ***partly decreed with cost.***

The Plaintiff is entitled to recover the suit claim of Rs.13,07,238.35 with interest at the rate of 9% per annum from the date of suit till realization from the defendant and the defendant is liable to pay the aforesaid amount with interest to the Plaintiff Bank.

Draw decree accordingly.

*(Dictated to the Stenographer directly on system, corrected, signed and pronounced by me in the open Court on this the 6<sup>th</sup> day of March, 2026).*

**(PARAMESHWARA PRASANNA.B)**  
**PRL. DISTRICT & SESSIONS**  
**AND COMMERCIAL JUDGE,**  
**U.K-KARWAR.**

### **A N N E X U R E**

**1. List of witnesses examined on behalf of Plaintiff:-**

PW.1 : Sri. Prasanna Ramamurthy Bhat

**2. List of witnesses examined on behalf of defendant :-**

-NIL-

**3. List of documents got marked on behalf of Plaintiff :-**

- Ex.P.1 : Authority letter dtd: 24/02/2026 issued in favour of P.W.1 by General Manager and Senior Regional Head of Mangaluru Region of IDBI Bank
- Ex.P.2 : Original Loan Application dtd: 22/05/2020
- Ex.P.3 : Original Sanction confirmation dtd: 02/06/2020
- Ex.P.4 : Original Demand Promissory Note of defendant dtd: 02/06/2020
- Ex.P.5 : Original DP note Delivery letter of defendant dtd: 02/06/2020
- Ex.P.6 : Original Loan hypothecation cum agreement dtd: 02/06/2020
- Ex.P.7 : Original letter of authority issued by the defendant in favour of the plaintiff bank dtd: 02/06/2020
- Ex.P.8 : Certified copy of statement of loan account
- Ex.P.9 : Non Starter Report dtd: 12/06/2024

**4. List of documents got marked on behalf of the defendant:-**

-NIL-

**PRL. DISTRICT & SESSIONS  
AND COMMERCIAL JUDGE,  
U.K-KARWAR.**