

KAUK010015572025



**IN THE COURT OF THE PRL. 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 02nd day of May, 2026

Com.O.S.No.36/2025

Plaintiff: -

Karnataka Vikas Grameena Bank,
(Before amalgamation Varada Grameena
Bank) A Bank Constituted and
functioning Under the Regional Rural
Banks Act 1976 with its head office
at Dharwad and Branch office at
Mundgod Tal: Mundgod (U.K)
Represented by its Manager &
P.A.Holder, Sri. Prithvi
S/o: K.Chandrashekhar,
Aged about 35 years, R/o: Mundgod,
Tal: Mundgod.

(By Sri. C.S.Ganiger, Advocate)

-Vs-

Defendants:-

1) Shri. Vijayan Nayar S/o Krishnapilai
Major, Occu: Vinay Engineering
works R/o: Opp. Rotary School
Building, Mundgod, Tal: Mundgod.
U.K.

(Exparte)

2) Shri. Kumar S/o. Sankrappa Lamani
Major, Occu: Business,
R/o: Agadi, Tal: Mundgod (U.K.)

(Absent)

Date of Institution of the suit : 05/11/2025
Nature of the suit : Money Suit
Date of the commencement
of recording of evidence : 16/04/2026
Date on which the Judgment
is pronounced : 02/05/2026
Total duration : Year/s Month/s Day/s
00 05 27

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

JUDGMENT

The plaintiff bank has filed this Commercial Suit against defendants for recovery of a sum of Rs.3,23,774/- along with future interest at the rate of 14% 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. The defendant No.1 approached the plaintiff bank for loan for the purpose of running his garage and welding works. After mutual discussion and also on verifying the documents, the plaintiff bank has sanctioned loan of Rs.3,00,000/- to the defendant No.1 on 06/02/2017 and the defendant No.2 stood as guarantor to the said loan availed by defendant No.1. The defendant No.1 and 2 have executed composite hypothecation agreement, stamped receipts and other documents infavour of plaintiff bank. The defendants have agreed to repay the said loan together with interest @13% per annum compounded monthly and also 2% per annum on the overdue amount or at such rate as may be fixed by the bank from time to time. Thereafter, the defendants have not repaid the loan dues as agreed. Subsequently the defendants sent revival letter to the plaintiff on 1/8/2022. Thereafter, inspite of issuance of notice dtd:29/11/2023 by calling upon them to repay the loan amount, the defendants failed to pay the loan amount due. Once again legal notice is issued to the defendants dtd: 7/12/2023, but the defendants failed to

repay the balance loan amount due. The plaintiff bank has preferred PIMS No.36/2025 before the District Legal Services Authority, Karwar, but it was of no avail. As on the date of filing of the suit, the defendants are liable to pay sum of Rs.3,23,774/- with interest @ 14% 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 defendants. Since despite of service of the suit summons issued by this Court, the defendants did not appear before the Court they have been placed as *exparte*.

4. In order to prove its case the plaintiff bank got examined its Manager, Prithvi S/o. Chandrashekhar K. as PW-1 and got marked 15 documents as Ex.P.1 to P.15.

5. Heard arguments of the counsel for the plaintiff Bank.

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

1. Whether the Plaintiff Bank proves that the defendant No.1 has availed loan of Rs.3,00,000/- on 06/02/2017 from the plaintiff Bank

and defendant No.2 stood as guarantor to the said loan?

2. Whether the Defendants No.1 & 2 are jointly and severally liable to pay Rs.3,23,774/- with future interest @ 14% 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. **Point 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. Prithvi S/o. Chandrashekhar K., the Branch Manager and Principal Officer of the Plaintiff Bank got examined himself as PW-1 and got marked 15 documents as Ex.P.1 to P.15. PW-1 in his affidavit filed towards examination-in-chief has reiterated the averments made in the plaint.

10. Ex.P.1 is the Self attested copy of General Power of Attorney dtd: 21/12/2017, wherein the PW.1 has been authorised to represent the plaintiff bank. Ex.P.2 is the General Loan Application Form duly signed by the defendant No.1 dated 06-02-2017, wherein the defendant No.1 has sought loan of Rs.3,00,000/- for the purpose of running garage and welding work. Ex.P.3 is the Composite Hypothecation Agreement, shows that on 06/02/2017 the defendant No.1 applied and borrowed a sum of Rs.3,00,000/- from the plaintiff bank by promising to repay it with interest at 13% per annum. Ex.P.4 is the guarantee agreement dtd: 6/2/2017, which shows that the defendant No.2 has stood as guarantor to the loan availed by the defendant No.1. Ex.P.5 is the security letter dtd: 6/2/2017 given by the defendant No.1 in favour of the plaintiff bank. Ex.P.6 is the receipt wherein the defendant No.1 has acknowledged the receipt of Rs.3,00,000/- from the plaintiff bank. Ex.P.7 is the letter of revival dtd: 1/8/2022, which shows that loan was revived by defendants on 01/08/2022. Ex.P.8 is the office copy of legal notice dtd: 28/11/2023 issued by the plaintiff bank through its counsel to the defendants. Ex.P.9 is the returned registered postal envelop duly addressed to the defendant No.1 with postal shara 'unclaimed' dtd: 29/11/2023. Ex.P.10 is the postal acknowledgment

of defendant No.2, which shows that the legal notice was served on defendant No.2. Ex.P.1 is the office copy of amended legal notice dtd: 7/12/2023. Ex.P.12 is the postal acknowledgment of defendant No.1, which shows that the said amended notice is served on defendant No.1. Ex.P.12 is the postal acknowledgment of defendant No.2, which shows that the said Amended legal notice is served on defendant No.2. Ex.P.14 is the statement of account which shows that as on 05/07/2024 Rs.3,23,774/- (i.e. principal amount of Rs.1,83,990.92 + interest of Rs.1,39,783/-) is due and outstanding from the defendants to the plaintiff Bank. Ex.P.15 is the original non starter Report of PIMS NO.36/2025 dtd: 10/06/2025.

11. The case of the Plaintiff Bank is that the Defendant No.1 availed loan of Rs.3,00,000/- for the purpose of running his garage and welding work, from the said bank on 06/02/2017 by promising to repay the same with interest @13% p.a subject to changes in interest rate made by the bank from time to time and he also agreed to pay penal interest @ 2% in the event account becoming overdue in monthly installments with effect from 06/02/2017 and defendant No.2 stood as guarantor to the said loan. The defendant No.1 hypothecated all the goods pertaining to garage and

welding works as security by executing the Composite Hypothecation Agreement in favour of plaintiff Bank. The defendants have failed to repay the loan as agreed and as on 20-07-2024 Rs.3,23,774/- is due and outstanding from the defendants. Defendant No.1 & 2 are liable to pay the said loan. Hence Plaintiff bank constrained to file this suit.

12. Ex.P.2 loan application and Ex.P.3 Composite Hypothecation agreement shows that the defendant No.1 applied and borrowed a sum of Rs.3,00,000/- from the plaintiff bank and promised to pay with interest @13% per annum in monthly installments from 06/02/2017. Ex.P.3 make it clear that the defendant No.1 has availed loan of Rs.3,00,000/- from the Plaintiff Bank for business purpose and he hypothecated all the goods pertaining to garage and welding works in favour of plaintiff Bank. Ex.P.7 is the Revival Letter shows that the said loan was revived by the defendant on 01/08/2022 and hence the suit of Plaintiff Bank is not barred by time.

13. Even after the service of suit summons, the defendants did not appear before the Court and hence defendant No.1 and defendant No.2 have been placed as *exparte*.

14. Since the defendants have not contested the plaintiff's suit, the oral evidence as well as documentary evidence put forth by the Plaintiff Bank remaining unchallenged and un rebutted.

15. 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.15 the plaintiff bank has proved that the defendant No.1 availed loan of Rs.3,00,000/- from the plaintiff bank on 06/02/2017 by agreeing to repay the same with interest at the rate of 13% p.a. compoundable with monthly rest and they also agreed to pay an overdue rate of interest at 2% in case of default and defendant No.2 stood as guarantor to the said loan. Further the plaintiff bank has proved that as on 20/07/2024 Rs.3,23,774/- is due and outstanding from the defendants to the plaintiff bank and they are liable to repay the loan amount to the plaintiff bank. Hence the defendant No.1 & 2 are jointly and severally is liable to pay the loan dues to the Plaintiff Bank.

16. 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 14% p.a., interest claimed by the plaintiff bank from 21/07/2024 on suit claim of Rs.3,23,774/- till realization is

exorbitant and granting of the interest @9% p.a., from 21/07/2024 till realization is reasonable and adequate. Hence, I have answered Point No.1 in the '**Affirmative**' and Point No.2 '**Partly in the Affirmative**'.

17. **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.3,23,774/- with interest at the rate of 9% per annum from 21/07/2024 till realization from the defendants and defendant No.1 & 2 are jointly and severally 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 2nd day of May, 2026).

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

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

PW.1 : Sri. Prithvi S/o: Chandrashekhar K.

2. List of witnesses examined on behalf of defendants :-

-NIL-

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

Ex.P.1 : Self attested copy of GPA
Ex.P.2 : General Loan Application
Ex.P.3 : Composite Hypothecation Agreement
Ex.P.4 : Guarantee agreement
Ex.P.5 : Security letter
Ex.P.6 : Receipt for having received the loan amount
Ex.P.7 : Letter of Revival dtd: 1/8/2022
Ex.P.8 : Office copy of legal notice
Ex.P.9 : Returned registered postal envelop
Ex.P.10 : Postal acknowledgment of D-2
Ex.P.11 : Office copy of amended legal notice
Ex.P.12 : Postal Acknowledgment of D-1
Ex.P.13 : Postal Acknowledgment of D-2
Ex.P.14 : Statement of account
Ex.P.15 : Non Starter Report

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

-NIL-

**PRL. DISTRICT & SESSIONS
AND COMMERCIAL JUDGE,
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