

KAUK610000152026



**IN THE COURT OF SENIOR CIVIL JUDGE AND JUDICIAL
MAGISTRATE OF FIRST CLASS AT HONNAVAR**

DATED THIS THE 12TH DAY OF MARCH, 2026

**PRESENT : SRI B.C. CHANDRASHEKAR., B.A., LL.B
SENIOR CIVIL JUDGE AND JMFC
HONNAVAR**

ORIGINAL SUIT NO.04/2026

PLAINTIFF : “CANARA BANK”
A bank constituted and functioning
under the Banking Companies
(Acquisition and Transfer of
Undertakings) Act 1970, with their
Head Office at Bangalore and one of
its Branch at: Haldipur, Tq: Honavar,
Represented by its Branch Manager
being the Principal Officer
Shri. Pavan Mokashi,
S/o Shri Madhukar Mokashi,
Age: 37 years,
Residing at Kumta.

(By Sri RSK, Advocate)

VERSUS

DEFENDANT/S : Sri Raghavendra H. Harikant,
S/o Hanumant Harikant,
Aged about 40 years,
Occ: H.No.1685, Goudkuli,
Tenginhittal, Post: Haldipur,
Tq: Honavar.

(Defendant is placed Ex-parte)

Date of institution of the suit	20-01-2026
Nature of the suit	Suit for recovery of money
Date of commencement of recording evidence	26-02-2026
Date of pronouncement of Judgment	12-03-2026
Total duration	Year/s Month/s Day/s 00 01 20

J U D G M E N T

The plaintiff bank has filed this suit seeking directions to the defendant to repay in a sum of Rs.11,29,602/- with interest at the rate of 12.90% p.a. and cost of the suit.

02. The brief facts of the case of the plaintiff bank are that, the defendant has applied for a Term loan facility under PMEGP Scheme for the purpose of manufacturing of food products and beverages as a commercial loan. The defendant has availed loan facility of Rs.7,33,400/- on 09-11-2022. The defendant has agreed to repay the loan amount with interest at the rate of 10.90% p.a. compounded monthly and repayable in 57 monthly installments of Rs.16,829/- each and the first installment commencing from 10-03-2023. The defendant is liable to pay the

enhanced interest as per the circulars and guidelines of RBI as well as plaintiff bank. The defendant has also agreed to pay overdue rate of interest at 2% p.a. above the regular rate of interest and he is liable to pay overdue rate of interest. The defendant has agreed to submit monthly stock statement to the plaintiff bank.

03. It has further averred that the defendant has availed another Credit facility limit of Rs.2,16,600/- from the plaintiff bank on 09-11-2022 for the aforesaid purpose as a commercial loan. The defendant has agreed to repay the interest at 10.50% p.a. compounded monthly on the amount due in the account subject to enhancement and verification as per the RBI circulars and directions time to time. The said credit facility was tenable for one year and yearly renewable. As per the terms and conditions of the said credit facility he has agreed to renew the loan account every year. Besides, he has agreed to pay overdue rate of interest at 2% p.a. above the regular rate of interest it is charged from time to time in the event of default in repaying the loan amount and he is also liable to pay overdue rate of interest.

04. It has further averred that the defendant has executed the loan documents towards term loan i.e., Agreement cum Deed of Hypothecation, Common Hypothecation Agreement and he has also executed the loan documents towards another Credit facility i.e., cash credit agreement, on demand promissory note and other necessary documents. The defendant has failed to operate the credit facility account regularly and also failed to pay the

monthly installment under term loan account as per the agreed terms and conditions. He has also failed to submit stock statement. Since the defendant has failed to repay the loan amount, the plaintiff bank has issued several notices to the defendant to pay the dues. But the defendant has failed to repay the loan dues. Hence the plaintiff bank has filed this suit to recover the loan dues of defendant. The total amount due under Term loan in a sum of Rs.7,99,034.44/- and also the total amount due under Credit facility in a sum of Rs.3,28,567.56/-. The total amount due under both the loan accounts is Rs.11,29,602/- with future interest at the rate of 12.90% p.a. compounded monthly from 20-01-2026 till its realization. Hence the plaintiff bank has filed this suit to recover the loan dues from the defendant.

05. In spite of service of summons the defendant did not appear before the court, hence he has been placed ex-parte.

06. In order to prove the claim, the Manager of the plaintiff bank has examined as PW-1 and produced 10 documents as Ex.P-1 to 10. On the other hand the defendant has not led any defendant evidence.

07. Heard the arguments of counsel for the plaintiff.

08. Based on the above the following points have arisen for my consideration:

POINTS

01. Whether the plaintiff bank proves that the defendant has availed term loan of Rs.7,33,400/- on 09-11-2022 and another Credit facility limit of Rs.2,16,600/- on 09-11-2022 and executed necessary documents by agreeing to repay the same with interest subject to terms and conditions of the agreement?

02. What order or decree?

09. My answers to the above points are as here under:

Point No.1 : In the affirmative,
Point No.2 : As per the final order
for the following:

REASONS

10. Point No.1: This suit is by the plaintiff bank to recover the loan amount of Rs.11,29,602/- from the defendant. According to the plaintiff bank the defendant has obtained the Term loan of Rs.7,33,400/- and Credit facility limit of Rs.2,16,600/- and executed necessary documents. But failed to repay the loan amount as agreed. In order to prove the claim, the Manager of plaintiff bank has examined as PW-1 and reiterated the plaint averments in his affidavit.

11. Apart from the oral evidence, Ex.P-1 is the application form for loans to micro, small and medium enterprises (MSMEs) and it is disclosing that the defendant has approached the plaintiff bank for cash credit of Rs.2,16,600/- and term loan Rs.7,33,400/- on 07-11-2022. Ex.P-2 is the Agreement cum

Deed of Hypothecation, Ex.P-3 is the Common Hypothecation Agreement and Ex.P-4 is the Deed of Hypothecation Re: Machinery executed by the defendant on 09-11-2022 in favour of the plaintiff bank pertaining to availment of loan facility and they contains the terms and conditions of repayment of the loan and the defendant hypothecated the stock in trade as security for repayment of the loan. Ex.P-5 is the letter of revival executed by defendant on 17-03-2025 with regarding to term loan of Rs.7,33,400/-. Ex.P-6 is the Cash Credit Agreement executed by defendant on 09-11-2022. Ex.P-7 is the Pronote executed by the defendant and it discloses that the defendant has promised to pay the loan amount of Rs.2,16,600/- with interest. Ex.P-8 is the letter of revival executed by defendant 17-03-2025 with regarding to MSME OD loan of Rs.2,16,600/-. Ex.P-9 is the loan account extract and it is disclosing that the defendant became the defaulter and still he is liable to repay the loan amount as on 10-11-2025 the outstanding is Rs.7,95,703.69/-. Ex.P-10 is the another loan account extract and it is disclosing that the defendant became the defaulter and still he is liable to repay the loan amount as on 30-11-2025 the outstanding is Rs.3,27,619.97/-. The above oral and documentary evidence are crystal clear that the defendant has availed the term loan of Rs.7,33,400/- and credit facility of Rs.2,16,600/- from the plaintiff bank and agreed to pay the same with interest at the rate of 10.90% p.a. and 10.50% p.a. But the defendant has failed to repay the same and become defaulter as per Ex.P-9 and 10 the statement of accounts. Hence the defendant is became the defaulter and liable to pay the said amount.

12. Since the defendant has been placed ex-parte, the evidence of PW-1 remained unchallenged. Accordingly this court has no hesitation to accept the evidence of PW-1. On the basis of the said evidence the plaintiff bank has successfully proved the loans availed by the defendant and he has not repay the same. Since the defendant has borrowed the loan from the plaintiff bank, he is liable to repay the same as prayed for by the plaintiff bank. Hence, I answered **Point No.1 in the affirmative**.

13. **Point No.2:** In view of the above discussion, I proceed to pass the following:

ORDER

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

The defendant is directed to repay the loan amount of Rs.11,29,602/- within 60 days from the date of this order with current and future interest at the rate of 10% per annum, till its realization.

Draw a decree accordingly.

(Dictated to the stenographer directly on the computer, typed by her, corrected, then signed and pronounced in the open court on this 12th day of March, 2026)

ANNEXURE**List of witnesses examined for Plaintiff/s:**

PW-1 : Sri Pavan Mokashi

List of documents exhibited for Plaintiff/s:

Ex.P-1 : Application form for MSMEs
Ex.P-2 : Agreement cum Deed of Hypothecation
Ex.P-3 : Common Hypothecation Agreement
Ex.P-4 : Deed of Hypothecation Re: Machinery
Ex.P-5 : Letter of revival
Ex.P-6 : Cash Credit Agreement
Ex.P-7 : Pronote
Ex.P-8 : Letter of revival
Ex.P-9 and 10 : Loan account extracts

List of witnesses examined for Defendant/s:

-NIL-

List of documents exhibited for Defendant/s:

-NIL-