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

DATED THIS THE 10TH DAY OF MARCH, 2026

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

SMALL CAUSE SUIT NO.02/2025

PLAINTIFF/S : The Karnataka Bank. Ltd.,
Branch: Karki,
Represented by its Manager
Sri Mahesha Pai,
S/o Manjunatha Pai,
Aged about 39 years,
R/o Karki, Taluk: Honavar.

(By Sri. SMB, Advocate)

VERSUS

DEFENDANT/S : Sri Ravindra Gajanan Naik,
Aged about 25 years,
Occupation: Business,
R/o Nagarabastikeri,
Taluk: Honavar - 581384.

(By Sri. VRN, Advocate)

Date of institution of the suit	20-08-2025
Nature of the suit	Suit for Recovery of Money

Date of commencement of recording evidence	10-02-2026		
Date of pronouncement of judgment	10-03-2026		
Total duration	Year/s	Month/s	Day/s
	00	06	18

J U D G M E N T

The plaintiff bank has filed this suit against the defendant to recovery in a sum of Rs.56,390.08/- with interest at the rate of 15.38% p.a. compounded monthly.

02. The brief facts of the case of the plaintiff bank are that, the defendant has applied for a DPN loan of Rs.93,000/- for working capital requirement for Bakery business and the plaintiff bank has sanctioned the said loan on 06-04-2024. The defendant has executed hypothecation agreement, demand promissory note, undertaking letter, declaration and other necessary and relevant documents. The defendant has agreed to repay the loan with the interest at the rate of 11.71% p.a. compounded monthly with 31 equal monthly installment (after holiday period of 03 months) of Rs.35915/- due from 06-08-2024 subject to the enhancement or variation time to time. The rate of interest is linked to EBLR rate which will be decided by the individual banker. The defendant

has also agreed to pay the penal interest at the rate of 5% p.a. above overdue amount and agreed to repay the entire loan amount on or before 06-02-2027. The defendant has hypothecated stock in trade as security for the said loan by executing hypothecation agreement.

03. The plaintiff bank further averred that the defendant has failed to repay the loan as agreed by him. Hence the plaintiff bank has issued several notices to the defendant but he did not repay the loan dues. Finally the plaintiff bank has issued notice through lawyer on 19-07-2025 and even after the receipt of said notice, the defendant has not paid the loan account dues. Hence the plaintiff bank has filed this suit to recover the loan dues of defendant in a sum of Rs.56,390.08/- with the interest at the rate of 15.38% p.a. (including penal interest of 5%) compounded monthly from the date of suit till its realization.

04. In response of summons issued by this court the defendant has appeared through counsel, but not filed any written statement.

05. In order to prove the claim, the Manager of the plaintiff bank has examined as PW-1 and produced 23 documents as Ex.P-1 to 23. On the other hand the defendant has not led any defendant evidence.

06. Heard the arguments of counsel for the plaintiff.

07. Based on the above in the following points are arisen for my consideration:

POINTS

01. Whether the plaintiff bank proves that the defendant has availed term loan of Rs.93,000/- on 06-04-2024 by agreeing to repay the same with interest at the rate of 11.71% p.a. and penal interest at the rate of 5% p.a. and he has executed necessary documents, but he has failed to repay the loan as agreed by him and became the defaulter and he is liable to repay the same with agreed interest?

02. What order or decree?

08. My answers to the above issues are as here under:

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

REASONS

09. **Point No.1:** According to the plaintiff bank the defendant has availed the DPN loan of Rs.93,000/- and executed necessary documents. But he failed to repay the loan amount as agreed by him and now he is liable to pay the loan amount of Rs.56,390.08/- with future interest. In order to prove the claim, the Manager of plaintiff bank has examined as PW-1 and reiterated the plaint averments in his affidavit.

10. Apart from the oral evidence, Ex.P-1 is the report on advance. Ex.P-2 is the credit sanction intimation by the plaintiff bank to defendant. Ex.P-3 is the Key Fact Statement, Ex.P-4 is

the declaration in Form No.952, Ex.P-5 is the declaration letter and Ex.P-6 is the declaration in Form No.1119 and they issued by defendant in favour of the plaintiff bank. Ex.P-7 is the undertaking letter. Ex.P-8 is the EMI Extension letter. Ex.P-9 is the Annexure-II. Ex.P-10 is the Annexure-B. Ex.P-11 is the MITC of MSME loan. Ex.P-12 is the consent letter for sharing/furnishing of Aadhaar details. Ex.P-13 is the Aadhaar EKYC Identity details. Ex.P-14 is the hypothecation agreement executed by defendant on 06-04-2024 in favour of the plaintiff bank. Ex.P-15 is the take delivery letter in Form No.959 K. Ex.P-16 is the promissory note executed by the defendant and it discloses that the defendant has promised to pay the loan amount of Rs.93,000/- with interest. Ex.P-17 is the confirmation letter. Ex.P-18 is the self attested copy of certificate issued by Khadi and Village Industries Commission. Ex.P-19 is the office copy of recall notice dated 03-07-2025. Ex.P-20 is the postal acknowledgement. Ex.P-21 is the legal notice dated 19-07-2025 issued by counsel for the plaintiff bank to defendant calling upon him to repay the outstanding loan amount. Ex.P-22 is postal receipt and Ex.P-23 is the postal acknowledgement. Ex.P-24 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 18-08-2025 the outstanding is Rs.56,390.08/-. The above oral and documentary evidence are crystal clear that the defendant has availed the loan of Rs.93,000/ from the plaintiff bank and agreed to pay the same with interest at the rate of 11.71% p.a. But he has failed to repay the same and become defaulter as per Ex.P-24 the statement of account. Hence

the defendant is became the defaulter and liable to pay the said amount.

11. Since the defendant has not filed any written statement, 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 plaintiff bank has successfully proved the loan 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**.

12. **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.56,390.08/- within 60 days from the date of this order with current and future interest at the rate of 11% 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 10th day of March, 2026)

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

PW-1 : Sri Mahesh S/o Manjunath Pai

List of documents exhibited for Plaintiff/s:

Ex.P-1 : Report on Advance
Ex.P-2 : Credit Sanction Intimation
Ex.P-3 : Key Fact Statement
Ex.P-4 : Declaration in Form No.952
Ex.P-5 : Declaration letter
Ex.P-6 : Declaration in Form No.1119
Ex.P-7 : Undertaking letter
Ex.P-8 : EMI Extension letter
Ex.P-9 : Annexure-II
Ex.P-10 : Annexure-B
Ex.P-11 : MITC of MSME loan
Ex.P-12 : Consent letter for sharing Aadhaar details
Ex.P-13 : Aadhaar EKYC identity details
Ex.P-14 : Hypothication Agreement
Ex.P-15 : Take delivery letter
Ex.P-16 : Promissory note
Ex.P-17 : Confirmation letter
Ex.P-18 : Copy of Certificate issued by KVIC
Ex.P-19 : Office copy of Recall notice
Ex.P-20 : Postal Acknowledgment
Ex.P-21 : Legal notice
Ex.P-22 : Postal receipt
Ex.P-23 : Postal Acknowledgment
Ex.P-24 : Statement of loan account

List of witnesses examined for Defendant/s:

-NIL-

List of documents exhibited for Defendant/s:

-NIL-