IN THE COURT OF THE PRINCIPAL DISTRICT JUDGE /COMMERCIAL COURT, UDUPI DISTRICT AT UDUPI

PRESENT

Sri K.S. Gangannavar, B.Com., L.L.B., (Spl.).
Principal District Judge, Udupi/
Presiding Officer, Commercial Court, Udupi.

Dated this the 5th day of August, 2026

Commercial O.S.No.55/2026

Plaintiff:

Canara Bank, with its Head Office at Bangalore Karnataka State inter alia having its Branch office at Barkur, Brahmavara Taluk, Udupi District and Rep. by its Branch Manager and GPA Holder Sunitha S. W/o Prakash Prabhu V., Aged about 49 years, R/at Udupi Town.

(By Sri Prasad S.S., Advocate)

Versus

Defendant:

Ravindra S/o Venkatesh Suvarna,
Aged about 51years,
R/at 130 1 Maski Baily, Herady Post,
Barkur 576210
Brahmavara Taluk,
Udupi District.

(- Ex parte -)

Nature of the suit	Recovery of money
Date of institution of suit	11.03.2026
Date of service of summons on the defendant	20.05.2026

Date of appearance of the defendant	Did not appear
Date of filing of the written statement and document	Not Applicable
Date of the commencement of recording of the evidence	15.07.2026
Date on which the judgment was pronounced	05.08.2026

	Year/s	Month/s	Day/s
Total Duration	0	4	26

JUDGMENT

Plaintiff has filed this suit to recover amount of Rs.6,17,360.09 from the defendant along with cost and future interest at the rate of 12.45% p.a., compounded at monthly rests from 01.03.2026 till realization.

2. According to the plaintiff, the defendant availed a Term Loan of Rs.6,50,000/- under Account No.170013157710 on 27.06.2024. As per the terms of the loan, defendant agreed to repay the loan in 84 equated monthly installments of Rs.11,370/- each with interest at 9.25% per annum and in default to pay penal interest at 2.45% per annum. As security, defendant hypothecated scheduled movable properties

in favour of the plaintiff bank. In this connection, defendant executed necessary documents.

3. Defendant having availed the loan as above, committed default in repayment thereof. As on 28.02.2026 the defendant is liable to pay Rs.6,17,360.09 with interest from 01.03.2026 till realization.

4. Before filing the suit, the plaintiff bank filed PIMS No.82/2026 dated 18.02.2026 before DLSA, Udupi. Since the defendant failed to turn up for settlement by way of mediation, after obtaining non-starter report dated 04.03.2026 plaintiff bank approached this Court.

5. After filing the suit, defendant was duly served with suit summons. However, he did not turn up. Hence, he was placed ex parte.

6. In support of the suit claim, presently serving Branch Manager of the plaintiff bank has filed

affidavit for examination-in-chief as PW.1 and got marked Ex. Ps.1 to 7 and closed the side.

7. Heard. Perused the materials. Points that would arise for consideration are:

(1) Does the plaintiff entitled to recover the suit claim amount with interest as prayed?

(2) What Order or decree?

8. The answers to the above points are as under:

Point No.1	:	Partly affirmative
Point No.2	:	As per final order

for the following:

REASONS

Point No.1 :-

9. Plaintiff bank in support of the suit claim has examined the Branch Manager of the plaintiff bank as PW.1 who in support of oral evidence has marked Ex. P.1 to 7. The oral evidence canvassed by the affidavit reiterated the plaint averments, wherein it is contended that defendant availed loan of Rs.6,50,000/-

on 26.06.2024, so also executed necessary documents. However, he failed to repay the loan as agreed.

10. Plaintiff in support of examination-in-chief, has produced documents at Ex. P.1 to 7.

11. Ex. P.1 is the copy of GPA authorizing PW1 to represent the plaintiff bank in this suit. Documents relating to loan transactions are marked at Ex.P.2 to Ex.P.5.

12. Ex.P2 is the Loan Application submitted by the defendant seeking term loan of Rs.6,50,000/-. Taxi vehicle agreeing to terms and conditions.

13. Ex. P.3 is the Sanction Letter by plaintiff bank informing defendant about sanctioning of loan as applied for, subject to certain terms and conditions.

14. Ex.P4 is the Agreement cum deed of Hypothecation in respect of Term Loan. By way of this document, defendant has agreed to abide by many terms and conditions including repayment of loan in 84

equated monthly installments of Rs.11,370/- each in default to pay penal interest.

15. Ex. P.5 is the Take delivery letter along with promissory note wherein defendant promised to pay Rs.6,50,000/- with interest at 11.70% p.a. on demand.

16. All these documents clearly disclose that defendant has availed suit loan agreeing to specific terms and conditions imposed by the plaintiff bank.

17. Ex.P6 is the statement of account of both the loans. It shows that as on 27.02.2026 the defendant is liable to pay Rs.6,17,360.29, which itself is the suit claim amount. In this document, present rate of interest is shown as 10.45% per annum.

18. Ex.P.7 is the Non-Starter Report, which indicates that plaintiff bank has complied with Section 12(A) of Commercial Courts Act before filing this suit.

19. As against this, the defendant did not appear in spite of due service of suit summons and was placed ex parte. Thus, the claim set up by the plaintiff

bank remained unchallenged. This Court has no reason to disbelieve the same, having regard to the oral and documentary evidence placed on record. Therefore, there is no impediment to hold that the plaintiff bank has established its claim by producing cogent, oral and documentary evidence. Consequently, plaintiff bank is entitled for recovery of suit claim.

20. As regards the rate of interest, plaintiff bank has claimed interest to be compounded at monthly rests. Though defendant is placed ex parte, it does not dispense with the Court's obligation to examine whether the relief sought is just and equitable.

21. In the present case, this court feels, compounding of interest at monthly rest would substantially enhance the decretal amount and may result in irrecoverable financial burden upon both the parties. In the absence of any contest by the defendant and there being no material placed before the Court to demonstrate any commercial necessity warranting

monthly compounding of interest, it would not be appropriate to grant interest with monthly rests merely because such a stipulation is contained in the contract. Therefore, this court finds it appropriate to grant interest at agreed rate but to be compounded quarterly.

22. Accordingly, point No.1 is answered partly in the affirmative.

Point No.2 :-

23. In view of finding on Point No.1, suit deserves to be decreed in part. Hence, the following:

ORDER

The Suit is decreed in part with costs.

The plaintiff is entitled to recover Rs.6,17,360.09from the defendant along with cost and future interest at the rate of 12.45% p.a., compounded on quarterly rests from 01.03.2026 till the realization.

Plaintiff is entitled to recover the same by attachment and sale of movable and immovable properties of the defendant and has right to proceed against the defendant in person also.

Draw decree accordingly.

(Dictated to the Stenographer Grade-I, transcript revised, corrected and then pronounced in the open court, on this the 5th day of August, 2026)

(K.S. Gangannavar)
Principal District Judge/
P.O., Commercial Court, Udupi.

ANNEXURE

List of witnesses examined for the Plaintiff:

PW.1 - Vimal S/o Vijayakumar S.

List of witnesses examined for the Defendants: None

List of documents marked for the Plaintiff:

Ex. P.1	-	Copy of GPA
Ex. P.2	-	Loan Application
Ex. P.3	-	Letter of Sanction
Ex. P.4	-	Hypothecation Agreement
Ex. P.5	-	Take Delivery Letter to DPN
Ex. P.6	-	Statement of accounts
Ex. P.7	-	Non-Starter Report

List of documents marked for the Defendants: Nil

(K.S. Gangannavar)
Principal District Judge/
P.O. Commercial Court,
Udupi