MHKO190001202024	Presented on	26/02/2024		
	Registered on	28/02/2024		
	Decided on	24/07/2026		
	Duration	Yrs	Mths	Days
		02	04	25

IN THE COURT OF Jt. CIVIL JUDGE (JR.DN.) RADHANAGARI ,
DIST. KOLHAPUR
(PRESIDED OVER BY N.P.KAKADE)

Reg.Civil Suit No.51/2024
Exh. No.23/A

IDBI Bank Ltd Through Satyajeet Dinkar Jadhav
Age: 39, Yrs., Occ: Service
R/O. C/o. IDBI Bank Ltd., Radhanagari
Tal. Radhanagari, Dist. Kolhapur Branch … **Plaintiff**

VERSUS

M/s. Shrenika Trading Company
Through Jeevan Namdev Parte
Age: 40 Yrs., Occ: Business,
R/o. Banachiwadi, Tal. Radhanagari, Dist. Kolhapur … **Defendant**

SUIT FOR RECOVERY OF MONEY

The Ld. Advocate
for the plaintiff : Shri. O. S. Diwan
Defendant : Ex-parte

J U D G M E N T

(Delivered on **24th** Day of **July**, **2026**)

The plaintiff has instituted the suit for recovery of amount Rs. 2,07,102/-.

The brief facts of the plaintiff case are as under :

2. The plaintiff bank is a company incorporated under the Companies Act, 1956 and qualifies as a “banking company” within the meaning of Section 5(c) of the Banking Regulation Act, 1949. It maintains, *inter alia*, a branch at Radhanagari, Taluka Radhanagari, District Kolhapur. Defendant approached the plaintiff bank seeking sanction of a Cash Credit Term Loan of ₹2,22,000/-. Acting upon the request of defendant, the plaintiff bank sanctioned a Cash Credit Term Loan to the extent of ₹2,22,000/-. The sanction was on the condition that defendant would repay the said amount with interest at the rate of 8.85 % + 1.95% per annum. In pursuance of the sanction, the defendant executed a demand promissory note dated 11/10/2018. On the same day, defendant executed a hypothecation-cum-loan agreement, thereby hypothecating machinery purchased by the loan amount. For operational disbursement of the loan, the plaintiff bank opened a cash-credit account in the name of defendant, bearing Account No. 1823651100002899. It is the plaintiff’s case that defendant availed and utilized the loan facility but failed to repay the outstanding amount as per the agreed terms. Despite issuance of notice and repeated demands, the defendant allegedly neglected and refused to pay the dues. Hence, the plaintiff bank was constrained to file the present suit.

3. Defendant did not appear before the court. Hence, by appropriate order below Exh.1, the suit has proceeded *ex-parte*.

4. The plaintiff bank has filed additional affidavit in lieu of examination-in-chief of its branch manager Mr. Jabsheti at Exh.14 and closed its evidence by filing pursis at Exh.15. Moreover, the plaintiff bank to substantiate the case, has relied on the following documents :

I. Letter of intent at Exh.17,
II. Demand promissory note at Exh.18,
III. Demand promissory note delivery letter at Exh.19,
IV. Hypothecation cum loan agreement at Exh.20,
V. Loan account extract of account in the name of defendant at Exh.21,
VIII. Verified authority letter of plaintiff bank at Exh.16.

5. Heard learned advocate for the plaintiff bank.

6. On perusal of the record, the following issues arise for my consideration along with the findings therein as follows:

Sr. No.	**Issues**	**Findings**
1.	Does the plaintiff prove that defendant had borrowed loan of ₹ 2,22,000/-?	Yes
2.	Does the plaintiff prove that amount of ₹2,07,102/- is due from the defendant and	Yes (to the extent that the plaintiff is entitled to

	entitled to recover the same?	recover the principal amount ₹2,02,102/- along with ₹1,000/- towards costs of notice and miscellaneous charges.)
3.	Whether the plaintiff is entitled to interest on due amount at the rate of 14% as claimed? Or at what interest?	No (interest @ 10.80% pa is granted)
4.	What order and decree?	As per final order

REASONS

As to issue No. 1 :

7. Mr. Jabshetti, the Branch Manager of the plaintiff bank, has reiterated the averments made in the plaint through his affidavit at Exh.14. He has specifically deposed that he is duly authorized to represent the plaintiff bank under an authority letter dated 01/06/2024 (Exh.16). He further testified that defendant applied for and was sanctioned Cash Credit Term Loan of ₹2,22,000/-. In pursuance of the sanction, the defendants executed the demand promissory note (Exh.18), the demand promissory note delivery letter (Exh.19) and the hypothecation-cum-loan agreement (Exh.20) on 11/10/2018. The said documents support the witness deposition.

8. The witness has further clarified that the sanctioned amount was disbursed by opening a dedicated cash credit account in the name of defendant,

bearing Account No. 1823651100002899, and that a sum of ₹2,22,000/- was credited thereto.

9. It is relevant to record that defendant remained absent. The evidence of the plaintiff has therefore gone unchallenged and unrebutted. No material has been placed on record to discredit the plaintiff's testimony or the supporting documents. In the absence of cross-examination, the plaintiff's evidence stands accepted as true unless inherently improbable — which is not the case here.

10. Thus, applying the settled principle that unchallenged evidence can be safely accepted, and considering the contemporaneous loan documentation substantiating the transaction, it is clearly established that defendant availed a Cash Credit Term Loan of ₹2,22,000/- from the plaintiff bank. Accordingly, **issue No.1** is answered in the **affirmative**.

<u>As to issue No. 2 :</u>

11. Proceeding to issue No.2, it emerges from the testimony of Mr. Jabshetti that an amount of ₹2,02,102/- remained outstanding against defendant as on 01/01/2021. The loan account extract at Exh.21 duly corroborates this assertion. In view of the default, the plaintiff bank issued demand notices to the defendant. The witness has further deposed that despite service of notice and repeated demands, the defendants failed to liquidate the outstanding dues.

12. As observed while deciding issue No. 1, the defendants have neither filed a written statement nor subjected the plaintiff's witness to cross-examination. Consequently, the plaintiff's evidence stands unrebutted and there is

no material on record to displace the correctness of the account extract or oral testimony. Hence, the outstanding liability of ₹2,22,102/- as on 01/01/2021 stands duly proved.

13. With respect to the ancillary claim of ₹2,000/- towards notice charges and ₹3,000/- towards photocopying and miscellaneous expenses, the plaintiff has not produced any supporting document or proof quantifying such expenditure. In the absence of specific evidence, the full claim cannot be granted as made. However, it is just and reasonable to award a consolidated amount of ₹1,000/- towards notice and incidental expenses, which would sufficiently compensate the plaintiff for procedural outlays. Accordingly, **issue No.2** is answered in the **affirmative**, to the extent that the plaintiff is entitled to recover ₹2,02,102/- along with ₹1,000/- towards costs of notice and miscellaneous charges.

As to issue No. 3 :-

14. The plaintiff has claimed interest at the rate of 14% per annum from the date of filing of the suit till realization, contending that the present loan constitutes a commercial transaction and, therefore, a higher rate of interest is justified.

15. However, on careful perusal of the letter of intent at Exh.17 and demand promissory note Exh.18, it is seen that the parties had agreed upon an interest at 10.80% (MCLR + 1.95%) per annum.

16. There is nothing on record to show that the defendants ever agreed to pay interest at the rate of 14% per annum. No subsequent agreement, addendum or acknowledgment enhancing the rate of interest to 14% has been produced in evidence. Also the plaintiff has not brought on record bank's present MCLR rate. Hence, the contractual rate that emerges from the sanction terms is 10.80% per annum and not 14%.

17. In the above circumstances, awarding interest at 14% per annum would be excessive and not in consonance with the agreed terms between the parties. It would be just, reasonable and in accord with the sanction conditions to grant interest at the contractual rate of 10.80% per annum on the decretal amount from the date of filing of the suit till realization. The pre-suit interest component is already reflected in the outstanding figure of ₹2,02,102/-proved by the plaintiff as on 01/01/2021.

18. Accordingly, the plaintiff is not entitled to interest at 14% per annum as claimed. However, the plaintiff is entitled to interest at the rate of 10.80% per annum on the amount adjudged, from the date of the suit till realization. **Issue No. 3** is, therefore, answered in the **negative** as regards the rate of 14%, but partly in favour of the plaintiff to the limited extent of awarding **interest at 10.80%** per annum.

<u>As to issue No. 4 :</u>

19. It has already been held while deciding issues No.1 to 3 that defendant had availed a Cash Credit Term Loan of ₹2,22,000/- from the plaintiff bank, that a sum of ₹2,02,102/- was outstanding as on 01/01/2021, and that the

plaintiff is entitled to recover the said amount along with ₹1,000/- towards notice and incidental expenses and further interest at the rate of 10.80% per annum from the date of the suit till realization. Therefore, in answer to issue No.4, following order is passed :

ORDER

1. The suit is partly decreed with costs.

2. Defendant is liable to pay to the plaintiff bank a sum of ₹2,02,102/- (Rupees Two Lakh Two Thousand One Hundred and Two only).

3. The plaintiff bank is further entitled to ₹1,000/- (Rupees One Thousand only) towards notice and incidental expenses.

4. The plaintiff bank shall be entitled to interest at the rate of 10.80% per annum on the sum of ₹2,03,102/- from the date of filing of the suit till realization.

5. Costs of the suit be paid by defendant.

6. Decree be drawn up accordingly.

(Dictated and pronounced in open court.)

Sd/-

Radhanagari **(N. P. Kakade)**

Date: 24-07-2026 Jt. Civil Judge Junior Division,

Radhanagari.
