MHKO190005832019	Presented on	28/08/2019		
	Registered on	05/09/2019		
	Decided on	16/07/2026		
	Duration	Yrs	Mths	Days
		06	10	11

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

Reg.Civil Suit No.132/2019
Exh. No.30/A

IDBI Bank Ltd. Branch Radhanagari thr. Ranbir Kumar Singh

Age: 51, Yrs., Occ: Service

R/O. C/o. IDBI Bank Ltd., Radhanagari

Tal. Radhanagari, Dist. Kolhapur Branch … **Plaintiff**

VERSUS

1. Kundlik Nanu Jambhale

Age: 44 Yrs., Occ: Agri,

R/o. Kasaba Arale, Tal. Karveer, Dist. Kolhapur

2. Keraba Vithu Veer

Age: 55 Yrs., Occ: Agri

R/O. Ghanawade, Tal. Karveer,

Dist. Kolhapur

3. Santaram Gopala Veer

Age: 53 Yrs., Occ: Agri

R/O. Ghanawade, Tal. Karveer,

Dist. Kolhapur … **Defendants**

SUIT FOR RECOVERY OF MONEY

The Ld. Advocate for the plaintiff	: Shri. O. S. Diwan
Defendant No. 1	: Shri. S. K. Ranadive
Defendant No. 2 & 3	: Ex-parte

JUDGMENT

(Delivered on **16th** Day of **July**, **2026**)

The plaintiff has instituted the suit for recovery of amount Rs. 1,75,074/-.

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 No.1 approached the plaintiff bank seeking sanction of a crop loan of ₹2,58,000/-. Defendant Nos. 2 and 3 expressed their willingness to stand as guarantors for due repayment of the said loan. Acting upon the request of defendant No.1, the plaintiff bank sanctioned a Kisan Credit Card (KCC) facility to the extent of ₹2,58,000/-. The

sanction was on the condition that Defendant No.1 would repay the said amount with interest at the rate of one-year MCLR (floating), with monthly rests, subject to a minimum rate of 9.30% per annum. In pursuance of the sanction, the defendants executed a demand promissory note dated 24/03/2017. On the same day, defendant No.1 executed a hypothecation-cum-loan agreement, thereby hypothecating the standing sugarcane crop in Block Nos. 43/b, 105, 101 and 559 situated at Ghanawade, Taluka Karveer, District Kolhapur. For operational disbursement of the KCC facility, the plaintiff bank opened a cash-credit account in the name of defendant No.1, bearing Account No. 1823651100001953. It is the plaintiff's case that defendant No.1 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 defendants allegedly neglected and refused to pay the dues. Hence, the plaintiff bank was constrained to file the present suit.

3. Defendant No.1 had appeared before the court, however, failed to file the written statement and defendant No.2 and 3 did not appear before the court. Hence, by appropriate order below Exh.1, the suit has proceeded without written statement of defendant. No.1 and *ex-parte* against defendant No. 2 and 3.

4. The plaintiff bank has filed affidavit in lieu of examination-in-chief of its branch manager Mr. Jabsheti at Exh.17 and closed its evidence by filing pursis at Exh.18. Moreover, the plaintiff bank to substantiate the case, has relied on the following documents :

I. Sanction letter at Exh.19,

II. Demand promissory note at Exh.20,

III. Demand promissory note delivery letter at Exh.21,

IV. Hypothecation cum loan agreement at Exh.22,

V. Common guarantee deed at Exh.23,

VI. Declarative mortgage deed at Exh.24,

VII. Loan account extract of account in the name of defendant No.1 at Exh.25,

VIII. Demand notices sent to defendant Nos. 1 to 3 and its acknowledgment at Exh.26 to 28

IX. Verified authority letter of plaintiff bank at Exh.29

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 No.1 had borrowed loan of ₹2,58,000/-?	Yes
2	Does the plaintiff prove that amount of ₹1,75,074/- is due from the defendants and entitled to recover the same?	Yes (to the extent that the plaintiff is entitled to recover the principal amount ₹ 1,71,074 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 @ 7% 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.17. He has specifically deposed that he is duly authorized to represent the plaintiff bank under an authority letter dated 01/06/2024 (Exh.29). He further testified that defendant No.1 applied for and was sanctioned a crop loan of ₹2,58,000/-, and that defendant Nos. 2 and 3 agreed to stand as guarantors. In pursuance of the sanction, the defendants executed the demand promissory note (Exh.20), the demand promissory note delivery letter (Exh.21), the hypothecation-cum-loan agreement (Exh. 22), and the common guarantee deed (Exh.23) on 24/03/2017. Defendant No.1 subsequently executed a declaratory mortgage deed on 27/03/2017 (Exh.24).

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

No.1, bearing Account No. 1823651100001953, and that a sum of ₹2,58,000/- was credited thereto. This fact stands corroborated by the loan account extract placed at Exh..25

9. It is relevant to record that defendant No.1, despite appearing before the court, failed to file a written statement or contest the claim, and defendant Nos. 2 and 3 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 No.1 availed a crop loan of ₹2,58,000/- from the plaintiff bank. Accordingly, **issue No.1** is answered in the **affirmative**.

As to issue No. 2 :

11. Proceeding to issue No.2, it emerges from the testimony of Mr. Jabshetti that an amount of ₹1,71,074/- remained outstanding against defendant No.1 as on 30/03/2019. The loan account extract at Exh.25 duly corroborates this assertion. In view of the default, the plaintiff bank issued demand notices to the defendants on 14/06/2019, which were duly served, as evidenced by Exh.27 and

28. 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 ₹1,71,074/- as on 30/03/2019 stands duly proved.

13. With respect to the ancillary claim of ₹2,000/- towards notice charges and ₹2,000/- 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 ₹1,71,074/- along with ₹1,000/- towards costs of notice and miscellaneous charges.

<u>As to issue No. 3 :-</u>

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 sanction letter at Exh.19, it is seen that the parties had agreed upon a bifurcated structure of interest, namely, interest at 7% per annum on the initial amount up to ₹3,00,000/-, and interest on the balance amount, if any, in excess of ₹3,00,000/-, to be linked with the bank's MCLR. In the present case, the Kisan Credit Card facility sanctioned and disbursed to defendant No.1 was only to the tune of ₹2,58,000/-. Thus, the entire loan falls within the first slab, and no amount attracts the MCLR-linked slab.

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. Hence, the contractual rate that emerges from the sanction terms is 7% per annum and not 14%.

17. It is true that the plaintiff bank is a commercial entity, but the loan in question is a crop loan under the KCC scheme, availed by defendant No.1 as a borrower for agricultural purposes. Even assuming that the transaction bears a commercial element from the bank's perspective, this Court, while exercising discretion under Section 34 of the Code of Civil Procedure, is not bound to grant interest at the higher rate claimed, particularly when such rate is not borne out from the contract, and when the loan is essentially agricultural in nature.

18. In the 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 7% 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 ₹1,71,074/- proved by the plaintiff as on 30/03/2019.

19. 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 7% 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 7% per annum.

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

20. It has already been held while deciding issues No.1 to 3 that defendant No. 1 had availed a crop loan of ₹2,58,000/- from the plaintiff bank, that a sum of ₹1,71,074/- was outstanding as on 30/03/2019, 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 7% per annum from the date of the suit till realization.

21. The remaining question is whether the liability to pay the decretal amount rests only on defendant No.1 as borrower, or extends also to defendant

Nos. 2 and 3 who signed as guarantors. From the evidence of the Branch Manager, Mr. Jabsheti (Exh.17), and the documentary record, particularly the common guarantee deed at Exh.23, it stands proved that defendant Nos. 2 and 3 voluntarily agreed to stand as guarantors for due repayment of the loan availed by defendant No.1. Under the said guarantee, they undertook to be liable for the entire outstanding in the loan account of defendant No.1 in the event of default. Defendant Nos. 2 and 3 have chosen not to appear and contest the suit. Consequently, the execution and contents of the guarantee deed remain unchallenged and unrebutted on record.

22. In law, the liability of a surety is co-extensive with that of the principal debtor, unless a contract to the contrary is proved. No material has been brought on record to show that the liability of defendant Nos. 2 and 3 was limited, conditional, or otherwise different from that of defendant No.1, or that they were discharged as guarantors for any reason. There is also no evidence to suggest that the plaintiff bank varied the terms of the contract, released securities or acted in any manner so as to discharge the guarantors. In these circumstances, all three defendants are liable for the suit claim. Defendant No.1, as principal borrower, and defendant Nos. 2 and 3, as guarantors under the common guarantee deed, are jointly and severally liable to pay the outstanding dues to the plaintiff bank. Therefore, the suit deserves to be partly decreed with costs, and the plaintiff is entitled to recover from Defendant Nos. 1 to 3, jointly and severally, the sum of ₹1,71,074/- plus ₹1,000/- towards notice and miscellaneous expenses, together with interest at the rate of 7% per annum from the date of the suit till realisation, along with costs of the suit. Therefore, in answer to issue No.4,

following order is passed :

ORDER

1. The suit is partly decreed with costs.
2. Defendant Nos. 1 to 3 are jointly and severally liable to pay to the plaintiff bank a sum of ₹1,71,074/- (Rupees One Lakh Seventy One Thousand and Seventy Four 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 7% per annum on the sum of ₹1,72,074/- from the date of filing of the suit till realization.
5. Costs of the suit be paid by defendant Nos. 1 to 3.
6. Decree be drawn up accordingly.

(Dictated and pronounced in open court.)

Sd/-

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

Date: 16-07-2026 Jt. Civil Judge Junior Division,

Radhanagari.