



CNR: KAHC010286802022

NC: 2026:KHC:40443
WP No. 13043 of 2022

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 3RD DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.G.S. KAMAL

WRIT PETITION NO. 13043 OF 2022 (GM-RES)

BETWEEN:

BANK OF BARODA
(FORMERLY VIJAYA BANK)
ARKULA BRANCH
D K DIST- 574143
REP BY ITS SR. MANAGER
MR. SHIVARAM SHETTY

...PETITIONER

(BY SRI. N SUKUMAR JAIN., ADVOCATE)

AND:

1. M/S GANESH ENTERPRISES
(PROPRIETORSHIP CONCERNED)
OLD ROAD, FARANGIPETE
BANTWAL TQ, D K DIST -574143
REP BY ITS PROP
SRI RADHAKRISHNA HEGDE
2. SMT GEETHA G, HEGDE
W/O LATE GANESH HEGDE
NO.SRIRAM NIVAS
ARKULA BANTWAL TQ
D K DIST-574143

...RESPONDENTS

(BY SRI. SANATH KUMAR SHETTY K., ADVOCATE)

Digitally
signed by
SUMA B N
Location:
HIGH COURT
OF
KARNATAKA



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THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER DTD. 30.08.2021 PASSED BY THE PERMANENT LOK ADALAT MANAGALORE D.K. DIST, IN PLD NO.481/2014 MARKED AS ANNEX-A. AND ETC.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING IN B GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

ORAL ORDER

The petitioner - Bank, who had admittedly lent financial assistance to the respondents in a sum of Rs.13,00,000/- on 27.06.2008 repayable with interest at 13.50% per annum, had initiated proceedings by filing a petition for recovery of a sum of Rs.10,84,149.83 before the Lok Adalath, Mangalore.

2. Notices of the proceedings were initiated. It is contended that a memo dated 24.06.2015 came to be filed by the respondent, duly represented by his counsel, admitting the transaction. However, subsequently



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statement of objections were filed refuting the claim of the petitioner by engaging a different advocate.

3. Subsequently, the Lok Adalath proceeded with the matter and by impugned order dated 30.08.2021, dismissed the petition filed by the petitioner - Bank solely on the premise of claim having been barred by limitation.

4. Being aggrieved with the same, the petitioner - bank is before this Court.

5. The learned counsel for the petitioner drawing attention of this Court to paragraph 9 of the impugned order submits that the Lok Adalath itself had taken note of the memo that had been earlier filed by the respondents - borrower through his counsel categorically admitting the outstanding amount and undertaking to repay the same. That despite taking note of the same, the Lok Adalath declined to consider the claim of the petitioner - Bank on the sole premise of the petitioner - Bank having



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approached the Court purportedly after lapse of period of limitation. He submits that the respondents had by communication dated 22.09.2011 had requested the petitioner's bank to provide concession in the rate of interest enabling them to repay the loan amount, which is not considered by the Lok Adalath. Hence, seeks for allowing the petition.

6. The learned counsel for the respondents on the other hand, justifying the order passed by the Lok Adalath submits that there was no acknowledgment of debt within the meaning of law. Communication dated 22.09.2011 produce at Annexure - D, cannot be construed as acknowledgment of debt. Therefore, he submits that no error can be found with the order passed by the Lok Adalath.

7. Heard and perused the records.



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8. Records reveal that in the list of documents, the petitioner - Bank had furnished letters dated 31.03.2010 and 31.03.2011, which are stated to be the acknowledgment of liability issued by the respondents. The document at Annexure - D indicates that the respondent had pleaded their inability to repay the loan as they had incurred loss in the business and had asked for settling the dues provided, the petitioner - Bank had given concession in the rate of interest and for extension of time. This content of the letter has not been accepted by the Lok Adalath as an acknowledgment of debt.

9. Be that as it is, at paragraph 9, the Lok Adalat has noted as under:-

"9. The respondent No.1 on 24-06-2015 filed the memo through his previous advocate Sri. V.P admitted entire suit transaction subsequently the first respondent engaged another advocate and filed written statement by denying entire transaction regarding borrowing of loan, execution of documents etc., the respondent No.1 admitted the facts before the authority in writing and subsequently cannot be allow to deny the previous admission. The written statement filed by the respondent No.1 through another advocate cannot be sustainable. The doctrine of estoppel come in to operation, the first respondent cannot be allowed to deny the previous admission."



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10. Having taken note of the facts as above, as rightly pointed out by the learned counsel for the petitioner - Bank, the Lok Adalath could not have held that the claim made by the petitioner - Bank is barred by time.

11. In that view of the matter, Petition is **allowed**. Impugned order dated 30.08.2021 at Annexure - A is quashed. Matter is remitted to the Lok Adalath for fresh consideration, in accordance with law.

Sd/-
(M.G.S. KAMAL)
JUDGE

Vmb
List No.: 1 Sl No.: 30