IN THE COURT OF SH. RAJESH KUMAR GOEL
District Judge (Commercial Court) -02,
Central, Tis Hazari

DLCT010033182026

CS (COMM.) No. 223/2026
CNR No. DLCT010184152023

UCO Bank
Having its Head Office at:-
10,BTM Sarani, Kolkata-700001

And having its Branch Office at :-
3602, First Floor, Chawri Bazar,
Delhi -110006

Through its Branch Manager ***…...Plaintiff***

Versus

1. M/s Magnetic Devices
Through its Proprietor
Sh Saurabh Bhati
s/o Sh Surender Bhati
office at :- WZ-555/A, 1st Floor
(Left Portion),
Block-WZ,
Village Naraina City
Near Booster Petrol Pump
South-West Delhi
Delhi-110028

2. **Saurabh Bhati**
proprietor of M/s Magnetic Devices
s/o Sh. Surender Bhati

RAJESH KUMAR GOEL
Digitally signed by RAJESH KUMAR GOEL
Date: 2026.07.14 16:07:46 +0530

r/o WZ-564, Block-WZ,
Village Naraina,
South West Delhi
Delhi 110028 ……*defendants*

Date of institution	**:**	**21.02.2026**
Date of Argument	**:**	**13.07.2026**
Date of Judgment	**:**	**14.07.2026**

JUDGMENT (Exparte)

1. Vide this judgment, I shall dispose off the present suit for recovery of Rs 6,70,191/-*(Rupees Six Lakh Seventy Thousand One Hundred and Ninety One only)* filed by the UCO Bank through its Branch Manager***(herein after referred to as "plaintiff bank")*** against the defendants M/s Magnetic Devices through its Proprietor (D-1) and Saurabh Bhati, proprietor of M/s Magnetic Devices (D-2) ***(herein after referred to as " defendants").***

FACTUAL MATRIX

2. Brief facts of the case as made out from the plaint are that the plaintiff bank is a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 having its Head Office at Kolkata and one of its

RAJESH KUMAR GOEL Digitally signed by RAJESH KUMAR GOEL Date: 2026.07.14 16:07:52 +0530

branch office at Chawri Bazar, Delhi; present suit has been filed by the plaintiff bank through its Branch Manager Kumar Abhishek duly constituted attorney of the plaintiff bank

3. As per the case set up by the plaintiff bank, defendants had approached the plaintiff bank for a Credit Facility-cum-Cash Credit Limit under the Pradhan Mantri Mudra Yojana Scheme; the defendants submitted the loan application as well as KYC documents on dated 13.02.2024; the plaintiff bank considered the said request of the defendants and sanctioned the credit facility-cum-cash credit loan of Rs 6,00,000/- to the defendants on 13.02.2024 and opened a separate loan account in its books of accounts; on 13.2.2024, the defendants exeucted the loan agreement, Composite Deed of Hypothecation, Letter of Waiver, Demand Promissory Note, Letter of Continuity, Personal Guarantee and other necessary loan documents in favour of the plaintiff bank; the plaintiff bank disbursed an amount of Rs 6,00,000/- to the defendants in Credit Facility-cum-Cash Credit Limit account no. 00700510001233;

RAJESH KUMAR GOEL Digitally signed by RAJESH KUMAR GOEL Date: 2026.07.14 16:08:26 +0530

4. It is the case of the plaintiff bank that the defendants availed the aforesaid loan facility but did not observe and comply with the financial discipline and started committing default in repayment of the dues; the plaintiff bank sent several letters and reminders to the defendants to adjust the overdue but defendants failed to adhere to the financial discipline; the loan account of the defendants was classified as NPA on 15.08.2025; as per the statement of account, an amount of Rs 6,24,984.52 /- is due and outstanding against the defendants as on 31.07.2025 plus interest in the sum of Rs 45,207/- @ 12.4 % p.a from 1.8.2025 to 31.12.2025; thus, a total amount of Rs 6,70,191/- is due and outstanding against the defendants; legal notice dated 18.08.2025 was sent to the defendants but despite that defendants failed to make any payment.

5. Since, the subject matter of the suit is a commercial dispute, therefore, in terms of Section 2(1)(c) of the Commercial Courts Act, 2015, as amended to date, plaintiff bank appears to have filed a pre-litigation mediation application before the Delhi Legal Service Authority, Central District, Tis Hazari

Courts, Delhi, (in short "DLSA") against the defendants. Central DLSA has released a non-starter report dated 03.11.2025. Hence, the present suit was filed.

6. Summons of the suit were issued to the defendants but despite service nobody on behalf of the defendants appeared, therefore, vide order dated 29.05.2026, defendants was proceeded *ex-parte* .

7. Vide order dated 29.05.2026, following issues were framed and the schedule of second case management hearing was fixed :

1. Whether this court has territorial jurisdiction to entertain and try the present case ? (OPP)

2. Whether the present suit of the plaintiff is within the period of limitation ? (OPP)

3. Whether the plaintiff is entitled for recovery of Rs.6,70,191/- as prayed for ? (OPP)

4. In case the issue no. 3 is decided in affirmative, whether the plaintiff is entitled for any interest ? If so, at what rate and for what period ? (OPP).

5. Relief.

8. In support of its case, the plaintiff bank has examined Kumar Abhishek, AR of the plaintiff bank

RAJESH KUMAR GOEL Digitally signed by RAJESH KUMAR GOEL Date: 2026.07.14 16:08:38 +0530

as PW1 who has filed his evidence by way of an affidavit **Ex.PW1/A**. PW1 has relied upon the following documents:-

Sl. No.	Document	Exhibit
1.	Copy of the Board Resolution and Branch Manager letter	**ExPW1/1 (colly)**
2.	Copy of loan application statement of means and copy of KYC documents	**ExPW1/2(colly)**
3.	Copy of sanction letter dated 13.2.2024	**ExPW1/3**
4.	Copy of composite deed of hypothecation demand promissory note and other loan documents	**ExPW1/4 (colly)**
5.	Copy of statement of account	**ExPW1/5**
6.	Copy of recall notice and legal demand notice alongwith the postal receipts	**ExPW1/6 (colly)**
7.	Interest Certificate	**ExPW1/7**
8.	Non-starter report dated 03.11.2025	**ExPW1/8**
9.	Certificate/Declaration u/o XI Rule 6 CPC	**ExPW1/9**
10.	Certificate u/s 63 of BSA, 2023	**ExPW1/10**
11.	Certificate in terms of Section 2 A (b) of Bankers Book of Evidence Act	**ExPW1/11**

9. No other witness was examined by the plaintiff and the exparte plaintiff evidence was closed on

RAJESH KUMAR GOEL
Digitally signed by RAJESH KUMAR GOEL
Date: 2026.07.14 16:08:45 +0530

03.07.2026 and the case was adjourned for exparte final arguments.

10. I have perused the record and heard the Counsel for the plaintiff bank .

Issue No.1

Whether this court has territorial jurisdiction to entertain and try the present case ? (OPP)

11. As per the case set up by the plaintiff bank, the loan was sanctioned and disbursed from Chawri Bazar, Delhi; the documents i.e loan application **ExPW1/2 (colly)**, Sanction letter **ExPW1/3,** recall notice **ExPW1/6** etc. have either been executed or generated from Chawri Bazar branch, which falls within the jurisdiction of this court. That being so, this court has territorial jurisdiction to try and entertain the present case. Hence, issue no.1 is decided in favour of the plaintiff bank and against the defendants.

Issue No.2

Whether the present suit is barred by limitation? (OPD)

RAJESH KUMAR GOEL Digitally signed by RAJESH KUMAR GOEL Date: 2026.07.14 16:08:53 +0530

12. The plaintiff bank has filed the present suit for recovery of money, for which the limitation is three

years from the date when the cause of action arises.

13. From the evidence adduced by the plaintiff bank, it has come on record that the vide loan application **ExPW1/2(colly),** defendants applied for working capital loan in the sum of Rs 6,00,000/-. It has come on record that the loan of Rs 6,00,000/- was sanctioned by the plaintiff bank vide sanction letter dated 13.2.2024 **ExPW1/3 (colly);** the defendants executed the composite deed of hypothecation, demand promissory note and other loan documents **ExPW1/4 (colly)** dated **13.2.2024 & 15.2.2024** in favour of the plaintiff bank; as per the statement of account **ExPW1/5**, last payment of Rs 12,000/- was received by the plaintiff bank on **26.08.2025**. The present suit has been filed on **21.02.2026**. Thus, the present suit has been filed within the period of limitation. Thus, issue no.2 is also decided in favour of the plaintiff bank and against the defendants.

Issue No.3

Whether the plaintiff bank is entitled for recovery of Rs 6,70,191/- as prayed for? (OPP)

14. Ld. Counsel for the plaintiff bank submitted that the plaintiff bank has been able to establish its

RAJESH KUMAR GOEL Digitally signed by RAJESH KUMAR GOEL Date: 2026.07.14 16:08:59 +0530

case. He submitted that despite the service, defendants have chosen not to appear and the case of the plaintiff bank has gone unchallenged, therefore, the plaintiff bank is entitled to the decree, as prayed for. He further submitted that the PW1 Kumar Abhishek has proved all the relevant documents from **ExPW1/1** to **ExPW1/11** and his testimony has gone unchallenged and unrebutted.

15. The plaintiff bank has examined PW1 Kumar Abhishek, who deposed that the defendants applied for Credit Facility-cum-Cash Credit Limit under the Pradhan Mantri Mudra Yojana Scheme vide loan application **ExPW1/2** which were duly sanctioned by the plaintiff bank vide sanction letter **ExPW1/3 (colly)**. PW1 further deposed that the amount of Rs 6,00,000/- was disbursed in the account of the defendants maintained with the plaintiff bank. There is no contest to the present case of the plaintiff bank as the defendants has chosen not to appear despite the service. The testimony of PW1 Kumar Abhishek has gone un-rebutted and un-controverted and there is nothing on record to disbelieve the same.

RAJESH KUMAR GOEL
Digitally signed by RAJESH KUMAR GOEL
Date: 2026.07.14 16:09:04 +0530

16. The plaintiff bank has further proved that as per the statement of account **ExPW1/5 (colly)**, as on 31.07.2025, principal amount of **Rs 6,24,984.52/-** was due and outstanding against the defendants. Further, as per Interst Certificate **ExPW1/7**, interest to the extent of **Rs 45,207/-** calculated from 1.8.2025 to 31.12.2025 is also due and outstanding against the defendants. Thus,a total amount of **Rs 6,70,191/-** (***Rs 6,24,984.52 principal amount + Rs 45,207/- interest***) is due and outstanding against the defendants and accordingly, plaintiff bank is entitled for decree, as prayed for. Issue no.3 stands answered accordingly.

Issue No.4

If the issue no.3 is decided in affirmative, whether the plaintiff bank is entitled for any interest? If yes, on what rate and for what period? (OPP)

17. As regards the interest, the plaintiff bank has claimed the pendentelite and future interest @ 15% pa. Keeping in view the overall facts and circumstances of the case, Court is of the view that same is on higher side. Interest of justice would be met by awarding interest @ 8% per annum. Accordingly, the plaintiff bank is awarded the

RAJESH KUMAR GOEL Digitally signed by RAJESH KUMAR GOEL Date: 2026.07.14 16:09:10 +0530

pendentelite and future interest @ 8 % p.a. Issue no.4 is answered accordingly.

Issue No.5. Relief

18. In view of my aforesaid discussion, the Court is of the view that the plaintiff bank has been able to prove its case against the defendants. Thus, the suit is decreed in favour of plaintiff bank and against the defendants and following reliefs are granted:-

(i.) **The plaintiff bank is entitled to recover an amount of Rs 6,70,191/- (Rs *Six Lakh Seventy Thousand One Hundred and Ninety One only)* from the defendants.**

(ii.) **The plaintiff bank is also awarded the pendente-lite and future interest @ 8% per annum from the defendants.**

(iii.) **Cost of the suit is also awarded in favour of the plaintiff bank .**

19. Decree sheet be prepared accordingly.

20. File be consigned to Record Room, after due compliance.

RAJESH KUMAR GOEL

Digitally signed by RAJESH KUMAR GOEL
Date: 2026.07.14 16:09:15 +0530

(Rajesh Kumar Goel)
District Judge (Commercial)-02
Central, Tis Hazari Courts
14.07.2026

Announced in the Open Court
today i.e: 14.07.2026