KABC170004012025

IN THE COURT OF LXXXVI ADDL. CITY CIVIL & SESSIONS JUDGE, (COMMERCIAL COURT), BENGALURU (CCH-87)

Dated this the 25th day of APRIL, 2026

Present: SRI. JITHENDRANATH C.S., B.A., LL.M.,
LXXXVI ADDL. CITY CIVIL & SESSIONS JUDGE
BENGALURU.

<u>Com.O.S.No.123/2025</u>

<u>BETWEEN</u>

PLAINTIFF : **UNION BANK OF INDIA,**
Having its Head Office at
Mumbai and inter-alia
Branch Office at
Basaveshwar Nagar,
Bangalore,
Represented by its Manager
and Authorized Officer,
Smt.Bindu.P

(By Sri.Devagururaja H.M, advocate)

- Vs -

DEFENDANT : **SRI CHIRAJ.J @ CHIRAG.J,**
S/o.Sri Jayaprakash Basavaraju,
Aged about 28 years,
Unit No.176/6,
Magadi Main Road,
Near Pooja Conversion Hall,
Sajjepalya Pate,
Channappa Industrial Estate,
Kamakshipalaya
Bangalore-560079.

(By Sri. Anjan Kumar C.R., advocate)

Date of Institution : 27.01.2025

Nature of the suit	: Recovery of money
Date of the commencement of recording of the evidence	: 19.02.2026
Date on which Judgment was pronounced	: 25.04.2026
Total Duration	: Year/s Month/s Day/s
	01 **02** **29**

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(JITHENDRANATH C.S.)
LXXXVI Addl. City Civil & Sessions Judge,
(Commercial Court), Bengaluru.

J U D G M E N T

Plaintiff filed this suit against defendant seeking a judgment and decree to direct the defendant to pay a sum of Rs.10,05,965.27/- (Rupees Ten Lakh Five Thousand Nine Hundred Sixty Five and Paise Twenty Seven Only) along with interest at the rate of 11.20% p.a. from 31.12.2024 till realization compounded monthly together with cost of the suit. The plaintiff bank has also sought for a direction to sell hypothecated machinery and to appropriate the sale proceeds towards the balance decrethal amount together with interest.

<u>The plaintiff's case in a nutshell is as follows:-</u>

2. The plaintiff is a Banking Company and a body corporate constituted under the Banking Companies (Acquisition and Transfer) of undertaking Act, 1970, having its head office at Nariman Point, Mumbai and one of its branches at Basaveshwaranagar, Bengaluru. The defendant had approached plaintiff bank with a request to sanction financial facility. Upon considering the request of the defendant the plaintiff bank had sanctioned term loan of Rs.23,75,000/- under the loan account No.564806390000053. The defendant had agreed to repay the loan amount along with interest at the rate of 8.50% being EBLR rate (Comprising of RBI Repo Rate and Spread) compounded monthly rest in 84 equated monthly installments of Rs.28,273/- + interest. By adhering to the terms and condition imposed by the plaintiff bank the defendant had executed General Term Loan Agreement, Demand Promissory Note, letter of continuity, letter of hypothecation and other required documents in favor of the plaintiff bank. After availing the loan facilities, the defendant had failed to adhere to the terms and conditions of the loan agreement and became defaulter in repaying the loan amount. Inspite of repeated requests and demands made by the plaintiff bank the defendant did not come forward to clear the outstanding balance amount. The plaintiff, therefore, issued demand notice dated 20.07.2024 calling upon the defendant to clear the outstanding balance. Despite receipt of the notice, the defendant did not complied the same. As per loan account statements maintained by the plaintiff bank the defendant was in due of Rs.10,05,965.27. The plaintiff bank approached District Legal Services Authority, Bengaluru and filed an application in PIM No.2101/2024. The defendant was not present before the DLSA and the said authority issued Non-Starter Report on 22.10.2024. Hence, the plaintiff bank filed this suit for recovery of money.

3. On service of suit summons, Sri C.R.A., Advocate, filed vakalath for the defendant. Thereafter, the matter was referred to Lok Adalath, wherein both parties appeared but the matter was not settled. However, in the written statement, the defendant has not denied availing the loan from the plaintiff bank. The contention of the defendant is that the suit claim is barred by limitation, though the defendant has made payments, the plaintiff has not furnished proper accounts. According to the defendant, under the scheme assured by the bank, upon regular payment of EMIs for one year, the defendant was entitled to subsidy of Rs.6,00,000/- which has not been considered. By suppressing the material facts the plaintiff bank is seeking recovery of a time-barred debt without lawful right or merit. Hence, he prayed the court to dismiss the suit.

4. On the basis of the above pleadings, this court has framed the following issues:

ISSUES

1. Whether the claim of the plaintiff is barred by limitation?
2. Whether the plaintiff is entitled for the reliefs sought for?
3. What order or decree?

5. In order to prove its case, Smt.Geetanjali Sahoo, the Chief Manager and Authorized officer of the plaintiff bank examined as PW.1 and relied upon Ex.P.1 to Ex.P.16. Even though the defendant had filed the written statement, he has not adduced any evidence nor cross-examined PW.1.

6. The court has heard the arguments.

7. Court answers to the above issues are as under:

Issue No.1 : In the **negative,**
Issue No.2 : In the **affirmative,**
Issue No.3 : As per the final order
for the following;

R E A S O N S

Evidence before the court:

8. PW.1, Smt.Geetanjali Sahoo, in her chief examination affidavit reiterated the plaint averments. Ex.P.1 is the letter of sanction, Ex.P.2 is the general term loan agreement, Ex.P.3 is the demand promissory note, Ex.P.4 is the letter of continuity, Ex.P.5 is the letter of general lien and set-off, Ex.P.6 & P.7 are the letters of undertaking, Ex.P.8 is the term loan agreement, Ex.P.9 is the interest agreement, Ex.P.10 is the letter of undertaking, Ex.P.11 is the office copy of legal notice, Ex.P.12 is the postal receipts, Ex.P.13 is the unserved postal envelope, Ex.P.13(a) is the notice sent through Ex.P.13, Ex.P.14 is the PIM report, Ex.P.15 is the account statement, Ex.P.16 is the Certificate under Bankers Book of Evidence Act.

<u>Re.Issues No.1 & 2:</u>-

9. On going through the oral and documentary evidence available on record, it is evident from Ex.P.1 that the plaintiff bank had sanctioned a term loan of Rs.23,75,000/- to the defendant on 11.11.2020. As per documents produced at Ex.P.3, P.8, P.9, P.10, the defendant had executed demand promissory note, term loan agreement, interest agreement, letter of undertaking in favour of the plaintiff bank. The statement of account extract produced at Ex.P.15 shows that the defendant became defaulter in repaying the loan amount towards the loan account No.564806390000053 and the outstanding due as on 31.12.2024 was Rs.10,05,965.27. In the month of June and July 2024 the defendant has made certain payments towards the loan account. Therefore, it can be safely conclude that the suit is filed within the period of limitation.

10. The defendant was present before the court on 16.04.2026. On that day he requested the court to permit him to clear of the Outstanding balance dues on monthly installments of Rs.30,000/- each. He had also filed a memo to that effect. It is to be noted that the plaintiff bank had sanctioned him Rs.23,75,000/-. The defendant has paid not less than 50% of loan amount and interest thereon. He had agreed to pay loan amount on equated monthly installment of of Rs.28,981/-. The defendant beseeches the court to permit him to pay in monthly installments since he has incurred losses in his business. The court has no reason to disbelieve his submission.

11. In regard to the interest as claimed in the plaint is concerned, the plaintiff has claimed interest at the rate of 11.20% p.a. with monthly rests from 31.12.2024 till the date of realization. The interest claimed by the plaintiff is said to be in accordance with the guidelines issued by the RBI. The court cannot direct the parties to pay compounded future interest. Accordingly the court answered the issues accordingly.

<u>Issue No.3:-</u>

12. In view of the findings on aforesaid issues, I proceed to pass the following:-

O R D E R

The suit of the plaintiff is hereby decreed with costs.

The defendant do pay a sum of Rs.10,05,965/- (Rupees Ten Lakh Five Thousand Nine Hundred Sixty Five Only) to the plaintiff along with interest at the rate of 11.20 % from 31.12.2024 till the date of realization.

The defendant is permitted to pay the decreetal amount in equated monthly installments of Rs.30,000/- each.

Draw decree accordingly.

The office is hereby directed to send a soft copy of this judgment to the parties to the proceedings to their respective e-mail IDs as required under Order XX Rule 1 of CPC and as amended under section 16 of the Commercial Courts Act, 2015.

[Dictated to the Stenographer, transcribed by her, corrected and signed by me then pronounced in the Open Court, dated this the ***25th day of April, 2026****]*

JITHENDRANATH S CHELUR
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(JITHENDRANATH C.S.)
LXXXVI Addl. City Civil & Sessions Judge,
(Commercial Court), Bengaluru.

<u>A N N E X U R E</u>

<u>List of witnesses examined on behalf of the plaintiff :</u>

PW.1 Smt.Geetanjali Sahoo

<u>List of documents marked on behalf of the plaintiff :</u>

Ex.P.1	Letter of sanction
Ex.P.2	General term loan agreement
Ex.P.3	Demand promissory note
Ex.P.4	Letter of continuity
Ex.P.5	Letter of general lien and setoff
Ex.P.6 & P.7	Letters of undertaking
Ex.P.8	Term loan agreement
Ex.P.9	Interest agreement
Ex.P.10	Letter of undertaking
Ex.P.11	Office copy of legal notice
Ex.P.12	Postal receipts
Ex.P.13	Unserved postal envelope
Ex.P.13(a)	Notice sent through Ex.P.13
Ex.P.14	PIM report
Ex.P.15	Account statement
Ex.P.16	Certificate under Bankers Book of Evidence Act

<u>List of witnesses examined on behalf of the defendant :</u>

Nil

<u>List of documents marked on behalf of the defendant :</u>

Nil

JITHENDRANATH S CHELUR

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(**JITHENDRANATH C.S.**)
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