

KABC170036102025



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

Dated this the 6th day of MARCH, 2026

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

Com.O.S.No.1610/2025

BETWEEN

PLAINTIFF : **Bank of Baroda,**
A body corporate, constituted under the
Banking Companies (Acquisition &
Transfer) Act, 1970
Having its Head Office
At Mondvi, Baroda in Gujarat State.
And a Branch at HBR Layout Branch
#805, 2nd Cross,
I Block, HBR Layout,
Kalyan Nagar,
Bengaluru-560043,
Represented by it Manager
IFSC: BARBOVJBHRL
PAN: AAACB1534F
Mobile: 8433888777/080-25454238
Mail ID: vjhbrl@bankofbaroda.com

(By Sri.K. Prakash, advocate)

- Vs -

DEFENDANT : **Mr. Shivaraju K.S.**
Prop: Aroma Spa,
S/o. Siddeshayya,
Aged about 32 years,
Residing at, No.107,
C Block, 1st Floor,
Nallurhalli,

Next to Glantree Academy,
Whitefield,
Bengaluru – 560066.

Also at,
No.3/2, Ground Floor,
Sarjapura Main Road,
Bellandur Gate,
Ambalipura,
Bengaluru – 560103.

Also at:
Konanakere,
Kadaba,
Tumkur – 572219.
Mob No: 8496944076
E-Mail: shivrajuks44076@gmail.com
PAN: KTBPS3583
Aadhaar No.9199 3202 0124 6029

(Exparte)

Date of Institution	: 19.11.2025
Nature of the suit	: Recovery of money
Date of the commencement of recording of the evidence	: 23.02.2026
Date on which Judgment was pronounced	: 06.03.2026
Total Duration	: Year/s Month/s Day/s
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(JITHENDRANATH C.S.)
LXXXVI Addl. City Civil & Sessions Judge,
(Commercial Court), Bengaluru.

J U D G M E N T

The plaintiff-bank filed this suit against defendant seeking a judgment and decree to direct the defendant to pay a sum of Rs.8,70,909.60 (Rupees Eight Lakh Seventy Thousand Nine Hundred Nine and Paise Sixty only) along with current and future interest at the rate of 10.95% p.a. with monthly rests from 17.06.2025 till the date of realization together with cost of the suit. The plaintiff bank has also sought for a direction to sale of hypothecated machinery.

The plaintiffs' case in a nutshell is as follows:-

2. The plaintiff is a Nationalized Bank incorporated under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, having its Head Office at Gujrat and one of its branches at HBR Layout branch, Bengaluru. The defendant was running a business and had approached plaintiff bank with a request to sanction a term loan under CGTMSE Scheme. Upon considering the request, the plaintiff bank had sanctioned a term loan of Rs.24,00,000/- on 17.11.2020. It was agreed that the loan amount should be repaid in 84 equated monthly installments of Rs.28,570/- inclusive of interest at the rate of 8.95% p.a. with monthly

rests subject to revision from time to time as per RBI guidelines and policy of the Bank. The defendant has also agreed to pay penal interest at the rate of 2% p.a. in case of default payments. By adhering terms and conditions imposed by the plaintiff bank, the defendant had executed composite hypothecation agreement, letter of undertaking, declarations cum undertaking authority, demand promissory note and other required documents in favour of the plaintiff bank. After the receipt of loan amount, the defendant became chronic defaulter in repaying the outstanding loan amount and inspite of repeated requests and demands made by the plaintiff bank the defendant did not regularize the loan account. The plaintiff bank computed the suit amount as follows:

Sl.No.	Particulars	Amount in Rs.
1	Amount due as per statement of account No.89590600002248	7,07,121.18
2	Unapplied interest	1,01,189.42
3	Compounding interest	62,599.00
Total		8,70,909.60

The plaintiff also approached the DLSA, Bengaluru in PIM No.3061/2024 and the defendant did not appear before the

DLSA and said authority issued a Non Starter Report. Hence the plaintiff filed this suit.

3. The suit summons were issued to the defendant through court process and by speed post. The suit summons were served to the defendant on 24.11.2025. The service was held sufficient. The defendant was supposed to appear before the court on 20.01.2026. That day the defendant was called absent, no representation. In spite of granting sufficient time of 30 days, the defendant did not come forward to file the written statement. Hence, the court proceeded to hear the case of the plaintiff by placing the defendant *exparte*.

4. Sri. Shrawan Kumar, the Chief Manager of the plaintiff-Bank examined as PW.1 and got marked Ex.P.1 to P.12.

5. The court heard the arguments of the learned counsel for the plaintiff.

6. The following points arise for court's consideration:

POINTS

- (1) *Whether the plaintiff bank proves that, the plaintiff-bank advanced a term loan of Rs.24,00,000/- to the defendant under CGTMSE Scheme and the defendant failed in repaying the loan amount?*
- (2) *Whether the plaintiff is entitled for the relief as sought for?*
- (3) *What order or decree?*

7. My answers to the above points are as under:

Point No.1 : In the **affirmative**,

Point No.2 : In the **affirmative**,

Point No.3 : As per the final order
for the following;

REASONS**Points No.1 & 2:-**

8. PW.1, Sri. Shrawan Kumar, the Chief Manager, in his chief examination affidavit reiterated the plaint averments. Ex.P.1 is the authorization Letter, Ex.P.2 is the certified copy of non-starter report, Ex.P.3 is the loan application, Ex.P.4 is the sanction letter, Ex.P.5 is the demand promissory note, Ex.P.6 is the letter of sole proprietorship, Ex.P.7 is the letter of installments, Ex.P.8 is the declaration cum-undertakings cum-authority, Ex.P.9 is

the composite hypothecation agreement, Ex.P.10 is the undertaking agreement, Ex.P.11 is the letter of authority to make payment directly to the dealers, Ex.P.12 is the statement of account along with Certificate under Bankers Book of Evidence Act.

9. On going through the oral and documentary evidence available on record, it is evident from Ex.P.4 that the plaintiff bank had sanctioned a term loan of Rs.24,00,000/- under CGTMSE Scheme to the defendant on 17.11.2020. As per documents produced at Ex.P.5, P.6, P.7, P.8, P.9, the defendant had executed demand promissory note, letter of sole proprietorship, letter of installments, declaration cum-undertakings cum-authority, hypothecation agreement in favour of the plaintiff bank. The statement of account extract produced at Ex.P.12 shows that the defendant became defaulter in repaying the loan amount towards the loan account No.89590600002248 and the outstanding due as on 16.06.2025 was Rs.7,07,121.18. The defendant did not come forward to file the written statement. The documents produced by the plaintiff corroborate its case. The court has no reason to disbelieve the version of plaintiff. Statement of

account marked as Ex.P.12 indicates that as on 22.03.2024, the Outstanding balance due was Rs.7,07,121/- to which the bank has imposed interest of Rs.1,01,189/- and compounding interest of Rs.62,599/- and arrived at a figure Rs.8,70,909/-.

10. In regard to the interest as claimed in the plaint is concerned, the plaintiff has claimed interest at the rate of 10.95% p.a. with monthly rests from 17.06.2025 from the date of suit 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 answers the above points in the affirmative.

Point No.3:-

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

ORDER

The suit of the plaintiff is hereby decreed with costs.

The defendant do pay a sum of Rs.8,70,909/- (Rupees Eight Lakh Seventy Thousand Nine Hundred and Nine Only) to the plaintiff along with interest at the rate of 10.95 % from 17.06.2025 till the date of realization.

Draw decree accordingly.

The plaintiff bank is at liberty to sell the hypothecated movables through the process of the court and adjust the sale price towards the decrethal amount.

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 6th day of March, 2026]

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

A N N E X U R E

List of witnesses examined on behalf of the plaintiff :

PW-1 Shrawan Kumar

List of documents marked on behalf of the plaintiff :

- Ex.P.1 Authorization Letter.
Ex.P.2 Certified copy of non-starter report.
Ex.P.3 Loan Application.
Ex.P.4 Sanction Letter.
Ex.P.5 Demand Promissory Note.
Ex.P.6 Letter of sole proprietorship.
Ex.P.7 Letter of Installments.
Ex.P.8 Declaration cum-undertakings cum-authority.
Ex.P.9 Composite Hypothecation Agreement.
Ex.P.10 Undertaking Agreement.
Ex.P.11 Letter of Authority to make payment directly to the Dealers.
Ex.P.12 Statement of account along with Certificate under Bankers Book of Evidence Act.

List of witnesses examined on behalf of the defendant :

Nil

List of documents marked on behalf of the defendant :

Nil

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