KACB010018862023

IN THE COURT OF THE PRINCIPAL DISTRICT JUDGE & COMMERCIAL COURT, AT CHIKKABALLAPURA

Dated this the 18th day of June - 2026

Present:

Sri. T.P. RAMALINGE GOWDA,

B.Sc., LL.M., M.B.A.

Principal District & Sessions Judge,
Chikkaballapura.

Com. O. S. NO. 163 OF 2023

Plaintiff : Plaintiffs	M/s State Bank of India Peresandra Branch, Chikkaballapura Taluk Represented by its Manager and power of attorney holder Sri. Vivek Kumar Pandy, S/o Late Surendra Pandy, Aged about 28 years, R/at Peresandra, Chikkaballapura Taluk, Chikkaballapura District. **(By Pleader Sri. N.K.P. Advocate)**

- V e r s u s -

Defendant : Defendant/s	1.	Sri. Narayanappa **(Dead by his Lr's)**
	1(a)	Smt.Lakshmidevamma W/o Late Narayanappa Aged about 50 years.

1(b) Sri.Ramanjanappa.G.N
S/o Late Narayanappa
Aged about 34 years.
Both are R/at., Gowdanahalli Village,
Chikkaballapura Taluk,
Chikkaballapura District.

2. Sri.Muni Reddy
S/o Maddanna
(Dead by his Lr's)

2(a) Mamatha.K
W/o Late Munireddy,
Aged about 45 years.

2(b) Dependu
S/o Late Munireddy,
Aged about 12 years.

2(c) Gnavi
D/o Late Munireddy,
Aged about 8 years.
[Since 2(b) and 2(c) are minors
represented by their natural guardian
their mother Mamatha.K]
All are R/at Peresandra Village,
Chikkaballapura Taluk,
Chikkaballapura District.
(D1(a), 1(b) & D2(a) to (c) - Exparte)

Date of Institution of the suit	:	06.11.2023
Nature of the suit [suit on pro-note, suit for declaration and possession suit for injunction etc.]	:	Recovery of money
Date of commencement of recording of the evidence	:	19.02.2026
Date on which the judgment was pronounced	:	18.06.2026

Total Duration	Year/s	Month/s	Day/s
	02	07	12

J U D G M E N T

This suit is filed by the plaintiff against the defendants for recovery of a sum of Rs.5,37,022/- together with current and future interest at the rate of 7% p.a. the date of the suit to till the date of payment and other consequential relief.

2. The brief facts of the case as averred in the plaint are that, the defendant No.1 is the principal borrower and mortgagor, defendants No.2 is the co-borrower for the loan availed by the defendant No.1. The defendants have approached the plaintiff bank for financial assistance for Kissan Credit Card loan of Rs.3,00,000/- on 13.11.2014 for the purpose of agriculture. The plaintiff bank after verification of all the documents and after ascertaining eligibility and feasibility of the defendant No.1, the plaintiff bank has considered the request of the defendant No.1 and sanctioned a loan of Rs.3,00,000/-. On the same day in consideration of the said loan, the defendants have executed necessary loan documents such as application form for agricultural credit, agricultural true banking Kisan Credit Card / terms and conditions letter, agreement for hypothecation, deed of guarantee by the defendant No.2, balance confirmation letter, simple registered mortgage deed by the defendant No.1 and other necessary documents in favour of the plaintiff bank. Thereby defendants have agreed to discharge the debt within 60 months from the date of loan with interest at the rate of 7% p.a subject to variation from time to time as per RBI directions. Further, the defendant No.1 has executed simple registered mortgage in favour of the plaintiff bank on 15.09.2014 by mortgaging the suit schedule properties in favour of the plaintiff bank as a security for the said loan. After availing the loan, the defendants have failed to discharge the debt fully even inspite of repeated requests and demands made by the plaintiff bank. The defendant No.2 being the guarantor and the defendant No.1 being the principal borrower are liable to discharge the debt jointly and severally. The plaintiff's bank has filed application U/Sec. 12(A) of Commercial Court Act before the District Legal Services Authority at Chikkaballapur to exhaust the remedy of mediation and it was numbered as P.I.M.S. No.39/2023. Therefore, the notice issued to defendant No.1 was returned as dead, but the plaintiff bank had not taken steps against defendant No.1, the notice was served to the defendant No.2, but the defendant No.2 has not appeared and the matter was not settled through mediation. So after completion of mediation process, the DLSA has issued NON-STARTER Report to the plaintiff bank. Therefore, the defendants are due for a sum of Rs.5,37,022/-.

Hence, this suit.

3. After institution of this suit, suit summons was sent to the defendants. The defendant No.1 and defendant No.2 were reported as dead and their LRs were brought on record as defendant No.1(a), 1(b) and defendant No.2(a) to 2(c). In pursuance of service of suit summons, Lr's of defendant No.1(a), 1(b), 2(a) to 2(c) remained absent, hence they have been placed as exparte.

4. In order to prove the case of the plaintiff bank, its branch Manager has been examined as PW1 and marked ten documents as per Ex.P1 to Ex.P10 and closed its side evidence.

5. Heard the arguments and perused the records.

6. The following points are arise for my consideration:-

1) Whether the plaintiff proves that the defendants have borrowed loan by mortgaging the plaint schedule property and agreeing to pay the interest in case of default as pleaded in the plaint?

2) Whether the plaintiff is entitled for the relief sought for?

3) What order or decree?

7. My findings on the above points are as follows:

Point No.1 : ***In the Affirmative.***

Point No.2 : ***In the Affirmative.***

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

REASONS

8. **Point No.1 and 2:** It is the specific case of the plaintiff that, the defendants No.1 has approached the plaintiff bank for Kissan Credit Card loan of Rs.3,00,000/- for the purpose of agriculture. The defendant No.2 stood as a guarantor to the loan obtained by defendant No.1. After proper verification of the documents and mortgage, the plaintiff Bank has sanctioned financial assistance to the extent of Rs.3,00,000/- to him. The defendant No.1 and 2 have also executed all the necessary loan document such as application form for agriculture credit, agricultural true banking Kisan Credit Card / terms and conditions letter, agreement for hypothecation, deed of guarantee by the defendant No.2, balance confirmation letter, simple registered mortgage deed from defendant No.1 and other necessary documents in favour of the plaintiff bank and have agreed to discharge the debt within 60 days from the date of loan with interest at the rate of 7% p.a subject to variation from time to time as per RBI directions. Further, the defendant No.1 has executed simple registered mortgage in favour of the plaintiff bank on 15.09.2014 by mortgaging suit schedule properties in favour of the plaintiff bank as security for the said loan. After availment of loan, the defendants have not been cleared the loan amount with up to date interest. The plaintiff had demanded many occasions to clear the loan. Inspite of it, the defendants have not cleared the loan amount with up to date interest.

9. It is also forthcoming that, the plaintiff's bank has exhausted the mediation process before the District Legal Services Authority at Chikkaballapur by filing necessary application U/Sec. 12(A) of Commercial Court Act vide P.I.M.S. No.39/2023. Even though, the notice issued to defendant No.1 was returned as dead, but the plaintiff bank has not taken steps against defendant No.1 and the notice was served to the defendant No.2, he has not appeared and participated in the mediation process. Hence, the matter was not settled. Therefore, after completion of mediation process, the DLSA has issued NON-STARTER Report to the plaintiff bank. Hence, the defendants are liable to pay the entire amount due amount of Rs.5,37,022/-.

10. In order to prove its case, the plaintiff bank has examined its Manager as PW1 and reiterated plaint averments and produced the documentary evidence such as Loan Application form at Ex.P1, Sanction memorandum at Ex.P2, Agricultural loan agreement at Ex.P3, Hypothecation agreement at Ex.P4, Deed of guarantee at Ex.P5, Mortgage deed at Ex.P6, Account statement for the period from 13.11.2014 to 01.02.2020 at Ex.P7, Latest account statement for the period from 01.01.2014 to 25.03.2026 at Ex.P8, Account closure statement at Ex.P9, Over draft enquiry statement at Ex.P10 and Certificate under Bankers Book Evidence Act at Ex.P11.

11. On perusal of the afore mentioned documentary evidence, it is amply forthcoming that the defendant No.1 has approached the plaintiff bank for financial assistance by mortgaging the suit schedule property for the purpose of crop loan and availed the loan of Rs.3,00,000/- and the same is evident from Ex.P1 and Ex.P6. It is also clear that the defendants No.1 has executed common deed of hypothecation and the same is evident from Ex.P4. It is also clear that the defendant No.2 stood as a guarantor and executed Deed of guarantee and the same is evident from Ex.P5. It is also clear that the accounts statement for the period from 13.11.2014 to 01.02.2020 at Ex.P7 and account statement for the period from 01.01.2014 to 25.03.2026 at Ex.P8, which discloses that the defendants were due for a sum of Rs.3,02,436/- as on 25.11.2019. It is also clear from the CC / OD Account Closure Enquiry at Ex.P9 and OverDraft Enquiry at Ex.P10, discloses that the defendants were due for a sum of Rs.7,07,032/-. Certificate under Bankers Books Evidence Act at Ex.P11 is produced in support of Account Statement is maintained and generated through the computer system to ensure the authenticity of accounts maintained by the bank. It is also clear that the Memorandum for Sanction of Short Term Loan (Crop Loan) at Ex.P2, discloses that the defendants have borrowed a loan of Rs.3,00,000/- from the plaintiff bank for the purpose of agriculture.

12. Having referred the oral and documentary evidence available on record it is worthy to mention that, defendants have borrowed the loan of Rs.3,00,000/- by mortgaging suit schedule properties for the purpose of agricultural assistance. As noted supra the defendant No.1 and 2 were reported as dead and their LRs are brought on record as defendant No.1(a), 1(b) and defendant No.2(a) to 2(c). The defendants No.1(a), 1(b) and defendants No.2(a) to 2(c) remained absent and placed exparte. As such, the entire oral and documentary evidence adduced by the plaintiff is remained unchallenged and uncontroverted. As a result, absolutely no contra evidence is forthcoming on record to disbelieve the case of the plaintiff. Thus it can be held that the plaintiff has established its case and thereby the defendants are jointly and severally liable to pay the outstanding loan amount as sought by the plaintiff.

13. Here it is worthy to mention that the plaintiff has filed this suit by claiming outstanding balance of Rs.5,37,022/- and accordingly valued the suit and paid the court fee. However, during the course of evidence the plaintiff has furnished account closure enquiry at Ex.P9 which shows the outstanding balance of Rs.7,07,032/-. Since in the event of decreed the suit, from the date of suit till the date of realization, which would cover the amount shown in the account closure enquiry at Ex.P9. As such consideration of the same and passing of decree on the basis of Ex.P9 is not necessary. Therefore it can be held that the plaintiff has established its case and thereby the defendants are jointly and severally liable to pay the outstanding loan amount as sought by the plaintiff. Thereby, defendants are jointly and severally liable to pay outstanding balance of **Rs.5,37,022/-.** Therefore, the defendants No.1(a), 1(b) and defendants No.2(a) to 2(c) are jointly and severally liable to pay the decretal amount. Accordingly, ***I answer point No.1 and 2 in the affirmative.***

14. **<u>Point No.3</u>**: In the result, I proceed to pass the following:

<u>O R D E R</u>

The suit of the plaintiff is decreed for Rs.5,37,022/- (Rupees Five Lakhs Thirty Seven Thousand and Twenty Two only) with cost.

The plaintiff is entitled for simple interest at the rate of 7% per annum on Rs.5,37,022/- from the date of the suit till the date of its realization.

The defendants No.1(a), 1(b) and defendants No.2(a) to 2(c) are jointly and severally liable to pay the decretal amount. If the defendants fail to pay the decretal amount, within three months, the plaintiff is at liberty to proceed against the suit schedule property.

Accordingly, office to draw up preliminary decree.

(Dictated to the STENOGRAPHER GRADE-III directly on computer, revised and corrected by me, signed and then pronounced in the open court on this the 18th day of June, 2026)

T P RAMALINGE GOWDA

Digitally signed by T P RAMALINGE GOWDA
Date: 2026.06.22 11:40:13 +0530

(T.P. RAMALINGE GOWDA)
Prl. District and Sessions Judge,
Chikkaballapura.

<u>A P P E N D I X</u>

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

PW1 : Santhosh Kumar.C

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

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

Ex.P1 : Loan application form

Ex.P2	:	Sanction memorandum
Ex.P3	:	Agricultural loan agreement
Ex.P4	:	Hypothecation agreement
Ex.P5	:	Deed of guarantee
Ex.P6	:	Mortgage deed
Ex.P7	:	Accounts statement for the period from 13.11.2014 to 01.02.2020
Ex.P8	:	Latest accounts statement for the period from 01.01.2014 to 25.03.2026
Ex.P9	:	Account closure statement
Ex.P10	:	Over draft enquiry statement
Ex.P11	:	Certificate under Bankers Book Evidence Act

List of documents marked on behalf of defendant:- - Nil -

T P RAMALINGE GOWDA

Digitally signed by T P RAMALINGE GOWDA
Date: 2026.06.22 11:40:23 +0530

(T.P. RAMALINGE GOWDA)
Prl. District and Sessions Judge,
Chikkaballapura.