KACB010006682026

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

Dated this the 5th day of August - 2026

Present:
Sri. T.P. RAMALINGE GOWDA,
B.Sc., LL.M., M.B.A.
Principal District & Sessions Judge,
Chikkaballapura.

Com. O. S. NO. 48 OF 2026

Plaintiff : Plaintiffs	Canara Bank A Bank Constituted under Banking Companies (Acquisition and Transfer of undertakings) Act 1980 Having its head Office at; JC Road, Bengaluru and Branch office at Gowribidanur Town Represented by its Branch Manager **(By Pleader Sri. G.M., Advocate)**

- V e r s u s -

Defendant : Defendant/s	1. Ashok Kumar.N S/o Nagaraj, Aged about 41 years, Prop : Nanjundeshwara Enterprises Railway Station Road, Gowribidanur Town. 2. Nagaraj S/o Narayanaswamy, Aged about 73 years,

3. Saraswathamma
W/o Nagaraju,
Aged about 65 years,

4. Pallavi
D/o Nagaraju,
Aged about 37 years,
All are R/at Udamalodu Village,
Kasaba Hobli,
Gowribidanur Taluk – 561208,
Chikkaballapura District.
(*Exparte*)

Date of Institution of the suit	: 22.04.2026
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	: 25.07.2026
Date on which the judgment was pronounced	: 05.08.2026

Total Duration	Year/s	Month/s	Day/s
	00	03	14

J U D G M E N T

This suit is filed by the plaintiff against the defendants for recovery of a sum of ₹.14,65,860.35/- with interest at the rate of 10.20 % p.a and penal interest at 2% p.a. from 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, on 28.03.2015 the defendant No.1 has requested the plaintiff bank for overdraft facilities to an extent of ₹.5,00,000/- for the purpose of using the same for business development. For having availed the loan to an extent of ₹.5,00,000/- the defendant No.1 has executed cash credit agreement on 28.03.2015 and on the same day the defendant No.1 has also executed Pronote in favour of the plaintiff bank. In addition to the security documents executed by the defendant No.1, defendants No.1 to 4 have jointly executed a deed of simple mortgage on 25.03.2015 in favour of the bank. Among other terms of agreement the defendants have agreed to pay interest on the amount borrowed at 10.20% p.a with monthly rests, subject to variation by head office of the plaintiff bank and have also agreed to pay penal interest at 2% p.a on the overdue amount. The defendants have not repaid the principal amount and accrued interest from time to time in terms of agreement. The officials of the plaintiff bank contacted the defendants several times and requested them to regularize their loan account. Though defendants have promised to pay the loan amount in terms of agreement, the defendants have not kept up the promises so made. As a result of irregularities committed by the defendants they are due and owing to the bank in a sum of ₹.14,65,860.35/- as on the date of suit. 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.15/2026. Therefore, the notice were served to the defendants, but the defendants have 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 ₹.14,65,860.35/-. Hence, this suit.

3. After institution of this suit, suit summons was sent to the defendants No.1 to 4. In pursuance of service of suit summons, the defendants No.1 to 4 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, on 28.03.2015 the defendant No.1 being the principal borrower has approached the plaintiff bank for overdraft facilities to an extent of ₹.5,00,000/- for the purpose of using the same for business development. For having availed the loan the defendant No.1 has executed cash credit agreement and pronote on 28.03.2015 in favour of the plaintiff bank. In addition to security defendants No.1 to 4 have jointly executed a simple mortgage deed on 25.03.2015 in favour of the plaintiff bank. Among other terms of agreement the defendants have agreed to pay interest on the amount borrowed at 10.20% p.a with monthly rests, subject to variation by head office of the plaintiff bank and also agreed to pay penal interest at 2% p.a on the overdue amount. After availment of overdraft facilities, the defendants have not repaid the principal amount and accrued interest from time to time. The plaintiff had demanded many occasions to regularize the loan account. 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.15/2026. Even though, the notice were served to the defendants, they have 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.

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, request for overdraft facility at Ex.P3, cash credit agreement at Ex.P4, demand promissory note at Ex.P5, simple mortgage deed at Ex.P6, encumbrance certificate at Ex.P7, recall notice at Ex.P8, account statement for the period from 02.04.2000 to 03.04.2026 at Ex.P9 and certificate under Bankers Book Evidence Act at Ex.P10.

11. On perusal of the oral and documentary evidence, it is clear that the defendant No.1 being the principal borrower has approached the plaintiff bank and availed the overdraft facilities of

₹.5,00,000/- for the purpose of utilizing the same for business development and the same is evident from Ex.P1 to P3. The defendant No.1 has also executed cash credit agreement, demand promissory note in favour of the plaintiff bank and the same is evident from Ex.P4 and P5. Further, the defendants No.1 to 4 have executed simple mortgage deed in favour of the plaintiff bank for security of the said overdraft facility and the same is evident from Ex.P6 and P7. It is also clear from the Account statement for the period from 02.04.2000 to 03.04.2026 at Ex.P9, which discloses that the closing balance of ₹.15,93,420.35/- was outstanding. Certificate under Bankers Books Evidence Act at Ex.P10 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. No doubt as could be seen from the exhibits the plaintiff bank has issued recall notice as per Ex.P8. But, except producing the recall notice absolutely no document is placed on record about having sent the notice nor about its due service of recall notice at Ex.P8 on the defendants. Under these factual scenario the oral evidence given by PW1 that bank has issued recall notice and mere recall notice at Ex.P8 in the absence of document about its due service, it is highly difficult to believe the case of the plaintiff that they have demanded the defendants for repayment of loan.

12. Having referred the oral and documentary evidence available on record it is worthy to mention that, defendants have availed the overdraft facilities to an extent of ₹.5,00,000/- for the purpose of utilizing the same for business development. As noted supra in pursuance of service of summons defendants have remained absent and are placed exparte. Thereby the defendants have not contested the suit by filing written statement and by cross-examining PW1. 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 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 ₹.14,65,860.35/- and accordingly valued the suit and paid the court fee. However, during the course of evidence the plaintiff has furnished the account statement at Ex.P9 which shows the outstanding balance of Rs.15,93,420.35/-. 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 statement 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 **₹.14,65,860.35/-, which is rounded off to ₹.14,65,860/-.**

14. If turned to the aspect of future interest as claimed in the plaint is concerned, since the loan was borrowed for their business development they has to pay the interest as agreed by them. Therefore, the defendants are jointly and severally liable to pay the decretal amount with interest at the rate of Rs.10.20% p.a with penal interest at the rate of 2% from the date of suit till the date of its realization. Accordingly, ***I answer point No.1 and 2 in the affirmative.***

15. **Point No.3**: In the result, I proceed to pass the following:

ORDER

The suit of the plaintiff is decreed for ₹.14,65,860/- (Rupees Fourteen Lakhs Sixty Five Thousand Eight Hundred and Sixty only) with cost.

The defendants are jointly and severally liable to pay the decretal amount ₹.14,65,860/- along with interest at the rate of 10.20% p.a. with penal interest at the rate of 2% p.a from the date of the suit till the date of its realization. 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 5th day of August, 2026)

T P RAMALINGE GOWDA

Digitally signed by T P RAMALINGE GOWDA
Date: 2026.08.07 14:46:53 +0530

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

A P P E N D I X

List of witnesses examined on behalf of plaintiff:-

PW1	:	Ayyavala Tulasi Chandra

List of witnesses examined on behalf of defendant:- - Nil -

List of documents marked on behalf of plaintiff:-

Ex.P1	:	Loan Application form
Ex.P2	:	Sanction memorandum
Ex.P3	:	Request for overdraft facility
Ex.P4	:	Cash credit agreement
Ex.P5	:	Demand promissory note
Ex.P6	:	Simple mortgage deed
Ex.P7	:	Encumbrance certificate
Ex.P8	:	Recall notice

Ex.P9	:	Account statement for the period from 02.04.2000 to 03.04.2026
Ex.P10	:	Certificate under Banker Books of Evidence

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

T P RAMALINGE GOWDA

Digitally signed by T P RAMALINGE GOWDA
Date: 2026.08.07 14:47:00 +0530

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