

KACB010020482025



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

Dated this the 15th day of April - 2026

Present:

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

Com. O. S. NO. 187 OF 2025

Plaintiff :
Plaintiffs

Union Bank of India
A Bank Constituted under Banking
Companies (Acquisition and Transfer
of undertakings) Act 1980
Having its head Office at; Mumbai
and Branch office at Gudibanda Town
Represented by its Manager
(Change in the name of Applicant is
as per Notification No. CG-DL-E
04032020-216535 Dated 04.03.2020
Telephone No. 8074033970
9491829097

(By Pleader Sri. G.M., Advocate)

- V e r s u s -

Defendant :
Defendant/s

1. Sri. Eerappa
S/o Late Ashwathappa
Aged about 38 years.
Mob. No.9880295402.
2. Sri. Veerashankar
S/o Late Ashwathappa
Aged about 35 years.

Mob. No.8861955125

3. Sri. N. Venkatareddy
S/o Doddanarayanappa
Aged about 48 years.
Mob. No.9632237696.
**(D1 & D2 Rep. By Sri. A.V. - Advocate
& D3 - Exparte)**

Date of Institution of the suit : 06.12.2025

Nature of the suit [suit on pro- : Recovery of money
note, suit for declaration and
possession suit for injunction etc.]

Date of commencement of : 26.03.2026
recording of the evidence

Date on which the judgment was : 15.04.2026
pronounced

Total Duration	Year/s	Month/s	Day/s
	00	04	09

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.8,57,778/- as on 04.12.2025 with current and future interest at the rate of 10.65 % p.a. and penal interest at 2% p.a. with half yearly rest 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 22.06.2015 the defendant No.1 has approached the plaintiff bank and requested for a loan to extent of Rs.10,00,000/- for cultivation of crops. By considering the request of the defendant, the

plaintiff bank has sanctioned and paid a loan of Rs.6,00,000/- to the defendant. On 25.06.2015 the defendants No.1 and 2 have executed a common deed of hypothecation for Agricultural Loan and other necessary documents in favor of the plaintiff bank. The defendant No.3 stood as guarantor to the loan obtained by the defendant No.1 and 2 and executed deed of guarantee agreement for agricultural loan dated 25.06.2015. The defendants No.1 and 2 have also executed a Deed of Simple Mortgage on 22.06.2015 in favor of the plaintiff bank. Thereby, the defendants have agreed to pay interest on the amount borrowed at 11% p.a. with half yearly rest, subject to variation by Head office of the plaintiff bank and he has also agreed to pay penal interest at 2% p.a. on the over due amount. After availment of loan, the defendants have not cleared the loan amount with up to date interest. The plaintiff had demanded on many occasions to clear the loan. In spite of it, the defendants have not cleared the loan amount with up to date interest. 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.358/2025. Therefore, the notice were served to the defendants, but the defendants were 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.8,57,778/-. Hence, this suit.

3. After institution of this suit, suit summons was sent to the defendants. In pursuance of service of suit summons, the defendants, the defendants No.1 and 2 appeared through their counsel, they did not chosen to contest the suit by filing written statement and defendant No.3 remained absent and he has been placed exparte.

4. In order to prove the case of the plaintiff bank, its branch Manager has been examined as PW1 and marked thirteen documents as per Ex.P1 to Ex.P13. PW1 was not subjected for cross-examination by the defendants No.1 and 2.

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 properties 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 : ***Partly 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 defendant No.1 and 2 being a principal borrower has approached the plaintiff bank for the loan of Rs.10,00,000/- by mortgaging the schedule properties for the purpose of cultivation of crops. The defendant No.3 stood as a guarantor to the loan availed by defendant No.1 and 2. After proper verification of the documents and mortgage, the plaintiff Bank has sanctioned financial assistance to the extent of Rs.6,00,000/- to them. They have also executed all the necessary loan document such as Common deed of Hypothecation for agricultural loan and they have agreed to pay the interest at the rate of 11.00% p.a. along with 2% p.a. subject to variation from time to time as per Head Office directions. 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. In spite 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.358/2025. Even though, the notice were served to the defendants, they were 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.8,57,778/-.

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, Credit sanction intimation at Ex.P2, Hypothecation Deed at Ex.P3, Deed of guarantee at Ex.P4, Simple Mortgage Deed at Ex.P5, Encumbrance Certificate at Ex.P6, Letter requesting of crop loan to term loan at Ex.P7, Amendment agreement at Ex.P8, Advise of rephasing repayment schedule at Ex.P9, Account statement for the period from 31.08.2023 to 29.10.2025 at Ex.P10, Legal Notice at Ex.P11, Latest Account statement for the period from 29.06.2018 to

25.03.2026 at Ex.P12 and Certificate under Sec. 65 B of Indian Evidence Act at Ex.P13.

11. On perusal of the afore mentioned documentary evidence, it is amply forthcoming that the defendants No.1 and 2 being a principal borrowers have approached the plaintiff bank for financial assistance by mortgaging the suit schedule properties for the purpose of cultivation of crops and availed the loan of Rs.6,00,000/- and the same is evident from Ex.P1, Ex.P2 and Ex.P5. It is also clear that the defendants No.1 and has executed Common deed of hypothecation and the same is evident from Ex.P3. It is also clear that the defendant No.3 stood as a guarantor and executed deed of guarantee and the same is evident from Ex.P4. It is also clear that the defendants have also executed Encumbrance certificate at Ex.P6. It is also clear that the defendant No.1 has executed Letter requesting of crop loan to term loan, Amendment agreement and advise of rephasing repayment schedule and the same is evident from Ex.P7 to Ex.P9. It is also clear that the accounts statement for the period from 31.08.2023 to 29.10.2025 at Ex.P10, which discloses that the defendants were due for a sum of Rs.8,57,778/- as on 29.10.2025. It is also clear that the plaintiff has issued legal notice dated 20.02.2025 to the defendant No.1 at Ex.P11 discloses that the

defendant has defaulted in making payment of loan installments as agreed and the defendants to pay the outstanding amount of Rs.8,05,581.60/- as on 21.02.2025. It is also clear from the account statement for period from 29.06.2018 to 25.03.2026 at Ex.P12, discloses that the defendants were due for a sum of Rs.8,57,778/- as on 30.09.2025. Certificate under Bankers Books Evidence Act at Ex.P13 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.

12. Having referred the oral and documentary evidence available on record it is worthy to mention that, defendants have borrowed the loan of Rs.6,00,000/- by mortgaging the suit schedule properties for the purpose of agricultural assistance. As noted supra the defendants No.1 and 2 have appeared before the court through their counsel but did not chosen to file written statement. Thereby, the defendants No.1 and 2 have not contested the suit by filing written statement and by cross-examining PW1. The defendant No.3 remained absent and he has been 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. Thereby, defendants are jointly and severally liable to pay outstanding balance of **Rs.8,57,778/-**.

13. If turned to the aspect of future interest as claimed in the plaint is concerned, the loan agreement provides together with interest at the rate of 11.00% p.a. along with penal interest at 2% p.a. As could be seen from the plaint averments, the defendants have borrowed the loan for agricultural purpose. Thereby, justice would met if the interest is awarded at the rate of 9% p.a. on the outstanding balance amount of Rs.8,57,778/- from the date of the suit till the date of its realization. Therefore, the defendants No.1 to 3 are jointly and severally liable to pay the decretal amount. Accordingly, ***I answer point No.1 in the affirmative and point No.2 partly in the affirmative.***

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

ORDER

The suit of the plaintiff is decreed for
Rs.8,57,778/- (Rupees Eight Lakhs Fifty

Seven Thousand Seven Hundred and Seventy Eight only) with cost.

The plaintiff is entitled for simple interest at the rate of 9% per annum on Rs.8,57,778/- from the date of the suit till the date of its realization.

The defendants No.1 to 3 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 properties.

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 15th day of April, 2026)

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

APPENDIX

List of witnesses examined on behalf of plaintiff:-

PW1 : Ramudu Gajula

List of witnesses examined on behalf of defendant:-

- Nil -

List of documents marked on behalf of plaintiff:-

Ex.P1 : Loan application form

Ex.P2 : Credit sanction intimation

Ex.P3	:	Hypothecation Deed
Ex.P4	:	Deed of Guarantee
Ex.P5	:	Simple mortgage deed
Ex.P6	:	Encumbrance certificate
Ex.P7	:	Letter requesting of crop loan to term loan
Ex.P8	:	Amendment agreement
Ex.P9	:	Advise of rephasing repayment schedule
Ex.P10	:	Accounts statement for the period from 31.08.2023 to 29.10.2025
Ex.P11	:	Legal notice
Ex.P12	:	Accounts statement for the period from 29.06.2018 to 25.03.2026
Ex.P13	:	Certificate under Bankers Book Evidence Act

List of documents marked on behalf of defendant:-

- Nil -

(T.P. RAMALINGE GOWDA)

Prl. District and Sessions Judge,
Chikkaballapura.