KACB010020112025

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. 178 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. Byra Reddy S/o Late Bayyanna Aged about 64 years, Mob. No. 9741083463.
	2.	Sri. B. Manjunatha Reddy S/o B. Byra Reddy Aged about 38 years.

Mob. No.7353947802.

3. Smt. Kondamma
W/o Late Bayyanna
Aged about 60 years.

4. Smt. B. Arunamma
D/o B. Byra Reddy,
Aged about 36 years.

All are R/at., Endrikayalapalli Village,
Kasaba Hobli,
Bagepalli Taluk
(D1 to D4 - Exparte)

Date of Institution of the suit	:	03.12.2025
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	:	26.03.2026
Date on which the judgment was pronounced	:	15.04.2026

Total Duration	Year/s	Month/s	Day/s
	00	04	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.5,82,321/- 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 25.04.2016 the defendants No.1 and 2 have approached the plaintiff bank and requested for a loan to extent of Rs.5,00,000/- for cultivation of crops. By considering the request of the defendants, the plaintiff bank has sanctioned and paid a loan of Rs.5,00,000/- to the defendants. On 26.04.2016 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 defendants No.1 to 4 have also executed a Deed of Simple Mortgage on 25.04.2026 in favor of the plaintiff bank. Thereby, the defendants have agreed to pay interest on the amount borrowed at 10.65% 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. Inspite 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.369/2025. 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.5,82,321/-. Hence, this suit.

3. After institution of this suit, suit summons was sent to the defendants. 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 eight documents as per Ex.P1 to Ex.P8 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 : ***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 defendants No.1 and 2 being a principal borrower have approached the plaintiff bank for the loan of Rs.5,00,000/- along with defendants No.3 and 4 by mortgaging the schedule property for the purpose of cultivation of crops. After proper verification of the documents and mortgage, the plaintiff Bank has sanctioned financial assistance to the extent of Rs.5,00,000/- 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 10.65% 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. 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.369/2025. 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.5,82,321/-.

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 deed at Ex.P2, Hypothecation deed at Ex.P3, Simple Mortgage Deed at Ex.P4, Account statement for the period from 24.06.2019 to 29.10.2025 at Ex.P5, Legal Notice at Ex.P6, Account statement for the period from 24.06.2019 to 25.03.2026 at Ex.P7 and Certificate under Sec. 65 B of Indian Evidence Act at Ex.P8.

11. On perusal of the afore mentioned documentary evidence, it is amply forthcoming that the defendants No.1 and 2 being a principal borrower have approached the plaintiff bank for financial assistance by mortgaging the suit schedule property along with defendants No.3 and 4 for the purpose of cultivation of crops and availed the loan of Rs.5,00,000/- and the same is evident from

Ex.P1, Ex.P2 and Ex.P4. It is also clear that the defendants No.1 and 2 have executed common deed of hypothecation and the same is evident from Ex.P3. It is also clear that the accounts statement for the period from 24.06.2019 to 29.10.2025 at Ex.P5, which discloses that the defendants were due for a sum of Rs.5,82,321/- as on 29.10.2025. It is also clear that the plaintiff has issued legal notice dated 20.02.2015 to the defendant No.1 at Ex.P6 discloses that the defendant has defaulted in making payment of loan installments as agreed and the defendants to pay the outstanding amount of Rs.5,48,253.95/- as on 20.02.2025. It is also clear from the account statement for period from 24.06.2019 to 25.03.2026 at Ex.P7, discloses that the defendants were due for a sum of Rs.5,83,321/- as on 30.09.2025. Certificate under Bankers Books Evidence Act at Ex.P8 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.5,00,000/- by mortgaging the suit schedule property for the purpose of agricultural assistance. As noted supra the defendant No.1 to 4 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. Thereby, defendants are jointly and severally liable to pay outstanding balance of **Rs.5,82,321/-.**

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 10.65% 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.5,82,321/- from the date of the suit till the date of its realization. Therefore, the defendants No.1 to 4 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:

O R D E R

The suit of the plaintiff is decreed for Rs.5,82,321/- (Rupees Five Lakhs Eighty Two Thousand Three Hundred and Twenty One only) with cost.

The plaintiff is entitled for simple interest at the rate of 9% per annum on Rs.5,82,321/- from the date of the suit till the date of its realization.

The defendants No.1 to 4 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 15th day of April, 2026)

T P RAMALINGE GOWDA

Digitally signed by T P RAMALINGE GOWDA
Date: 2026.04.18 11:25:49 +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 : 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 deed
Ex.P3	:	Hypothecation Deed
Ex.P4	:	Simple mortgage deed
Ex.P5	:	Accounts statement for the period from 24.06.2019 to 29.10.2025
Ex.P6	:	Legal notice
Ex.P7	:	Accounts statement for the period from 24.06.2019 to 25.03.2026
Ex.P8	:	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: 2026.04.18 11:25:55 +0530

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