KACM700001022025

Presented on : 17.02.2025
Registered on : 17.02.2025
Decided on : 22-06-2026
Duration : 01 year, 4 months, 5 days

IN THE COURT OF THE SENIOR CIVIL JUDGE & JMFC, TARIKERE

P R E S E N T

MUZAFFAR A. MANJARI,
B.A., LL.B.

SENIOR CIVIL JUDGE & JMFC, TARIKERE.

DATED THIS THE 22nd DAY OF JUNE - 2026

ORIGINAL SUIT NO.43/2025

PLAINTIFF :

UNION BANK OF INDIA, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its Head Office at Mumbai, having branch offices among other places and also at Hunasaghatta, Tarikere Taluk, Chikkamagaluru District, Represented by its Manager, Kiran Kumar Mandla S/o M.Pedda Reddaiah, aged about 34 years, Manager, Union Bank of India, Hunasaghatta Branch, Tarikere Taluk, Chikkamagaluru District.

(By Sri. Avinash T.J., Adv.)

//Versus//

DEFENDANT :

Smt. Renukamma W/o Devendrappa, Major, Agriculturist, R/o Hunasaghatta Village, Amruthapura Hobli, Tarikere Taluk, Chikkamagaluru District.

(Ex-parte)

Date of institution of suit	17.02.2025
Nature of the suit	Recovery of Money
Date of commencement of recording evidence	10.10.2025
Judgment pronounced	22.06.2026
Total duration	Year/s Month/s Day/s 01 04 05

SENIOR CIVIL JUDGE & JMFC,
TARIKERE

J U D G M E N T

The plaintiff-bank has filed this suit against the defendant for recovery of a sum of Rs.8,52,631/- with interest at 11.30% per annum from 28.11.2024 and for such other reliefs.

2. **Brief version of the case of plaintiff-bank is as under:**

It is averred by the plaintiff-bank in plaint that it was previously known as Corporation Banker but after amalgamation, it is known as Union Bank of India having its Administrative Office at Mumbai and among others, a branch office at Hunasaghatta Village, Tarikere Taluk.

3. It is further averred that the defendant is a customer of the plaintiff-bank and therefore, at her request, the bank has sanctioned a loan of Rs.10.00,000/- on 16.02.2023 under loan Account No.029326180000001 and accordingly, the defendant executed hypothecation agreement and other documents in favour of the plaintiff bank by agreeing repay the loan amount with interest at 9.30% per annum and also with penal interest at 2% per annum in case of default.

4. It is further averred that the defendant had undertaken to repay the above mentioned loan in installments but she has not kept up their undertaking. The defendant have failed to repay the loan amount together with interest in accordance with terms of the agreement in spite of repeated demands and in spite of issuance of legal notice by the bank on 07.03.2024. As on the date of filing of the suit, the defendant is liable to pay due amount of Rs.8,52,631/- including interest.

Therefore, the plaintiff-bank was constrained to file the present suit and accordingly, it prayed to decree the suit.

5. After service of suit summons, the defendant has failed to appear before the court and therefore, she has been placed exparte.

6. In order to prove the case of plaintiff-bank, its Manager has got examined himself as P.W.1 and got marked documents as per Ex.P1 to Ex.P11 and closed the evidence of plaintiff.

7. This court has heard arguments of the counsel for plaintiff-bank and perused record of the case.

8. In view of the above claim of plaintiff, the following points arise for my consideration;

<u>P O I N T S</u>

1. Whether plaintiff-bank proves that defendant has availed loan of Rs.10,00,000/- by executing necessary documents in its favour agreeing to repay the same with interest at 9.30% per annum on the loan amount and also penal interest at 2% per annum in case of default?

2. Whether plaintiff-bank further proves that defendant has failed

to repay the loan amount with agreed rate of interest?

3. Whether plaintiff-bank is entitled to recover a sum of Rs.8,52,631/- with interest at 11.30% per annum as claimed by it?

4. What order or decree?

9. On hearing the arguments and perusal of the record, my findings to the above issues are as under :

POINT NO.1 : In the **AFFIRMATIVE**
POINT NO.2 : In the **AFFIRMATIVE**
POINT NO.3 : PARTLY in the **AFFIRMATIVE**
POINT NO.4 : As per final order,
for the following:

R E A S O N S

10. **POINT NO.1**: The Manager of plaintiff-bank has got examined himself as P.W.1 by filing his affidavit in lieu of examination-in-chief reiterating the averments of plaint and in support of his testimony, he has got marked documents as per Ex.P1 to Ex.P11.

11. P.W.1 has testified on oath that the defendant has borrowed Rs.10,00,000/- on 16.02.2023 on interest at 9.30% per annum and penal interest at 2% per annum by executing deed of hypothecation, on demand promissory note, take delivery letter and other documents

in favour of the plaintiff-bank on 16.02.2023 agreeing to repay the loan amount with interest at 9.30% per annum and penal interest at 2% per annum in case of default.

12. P.W.1 has produced original loan applications submitted by the defendant to the bank while applying for the loan and the same is marked as Ex.P1 and Ex.P2. He has also produced sanction letter, on demand promissory note, loan agreement, letter of continuity and hypothecation of goods agreement executed by the defendant in favour of the bank and the same are marked as Ex.P3 to Ex.P7. Perusal of these documents reveals that the same are executed by the defendant in favour of the plaintiff-bank and by the said documents, the defendant has borrowed a sum of Rs.10,00,000/- on 16.02.2023 from the bank with undertaking to repay the same with interest.

13. The above documents i.e. deed of hypothecation, on demand promissory note, etc. are maintained by the plaintiff-bank in its regular course of transaction. Hence, the said documents carry statutory presumption under Section 4 of Banker's Book Evidence Act. Section 4 of Banker's Book Evidence Act reads thus:

> *"Mode of proof of entries in Banker's Book – Subject to the provision of this Act, a certified coy of any entry in a Banker's*

Book shall in all legal proceedings be received as prima facie evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is now by law admissible, but not further or otherwise."

14. It is useful to refer to the following decision of the case of **STATE BANK OF INDIA VS. GOURAMANI SINGH** reported in **AIR 1994 SC 1644**, wherein, the Hon'ble Supreme Court has held that :

"Evidence Act (1/1872) Sections 34, 115 – Bank Loan – Proof – Bank producing books of account – Entries therein corroborated by Branch Manager and other Bank Officials, sufficient proof of loan transaction – More so, when loanee has admitted loan".

15. The principle enunciated in the above decision makes it obvious that the contents of above documents shall be presumed to be true and correct unless and until the contrary is proved. The defendant has failed to rebut the said presumption, which the law requires to be drawn in favour of the plaintiff-bank by leading her rebuttal evidence. The defendant has not contested the case of the plaintiff by filing her written statement and cross-

examining P.W.1 in order to disprove his testimony and above documents. Thus, the above documents coupled with the oral testimony of P.W.1 clearly proves the case of plaintiff that the defendant has availed loan of Rs.10,00,000/- on interest at 9.30% p.a and penal interest at 2% p.a from the plaintiff-bank. Therefore, without further discussion, I answer point No.1 in the **AFFIRMATIVE**.

16. **POINT NO.2**: P.W.1 has further testified that the defendant has not repaid the loan amount to plaintiff-bank and that there is due amount of Rs.8,52,631/- as on the date of filing of this suit from the defendant to the bank. P.W.1 has produced statement of account in respect of loan Account No.029326180000001 as per Ex.P10 perusal of which, reveals that the said account is standing in the name of defendant and that there is due amount to the bank from the defendant. This document clearly discloses that the defendant has not repaid the entire loan amount and has failed to discharge his liability as the loan amount is still due. The defendant has not denied this aspect by contesting the suit. Hence, there is nothing on record not to believe the contention of P.W.1. Hence, it is also proved by the plaintiff-bank that the defendant has not repaid the entire loan amount to it and as such, he is

liable to pay the same. Therefore, I answer point No.2 In the **AFFIRMATIVE**.

17. **POINT NO.3**: P.W.1 has testified that the loan was advanced to defendant for repayment with interest at 9.30% per annum and penal interest at 2% per annum in case of default and as such, the bank is entitled to the said rate of interest on the loan amount from the defendant. Ex.P7 i.e. hypothecation of goods agreement reveals that the defendant has agreed to repay the loan amount with interest at 9.30% per annum and penal interest at 2% per annum and therefore, the plaintiff-bank is entitled to interest at 11.30% per annum on the above said due amount from the date of filing of the suit till the date of decree. However, since the said rate of interest is exorbitant, if the same is ordered subsequent to the decree, it would be very cumbersome to the defendant and therefore, the plaintiff bank is entitled to interest at 6% per annum from the date of decree till realization of the entire amount as per Section 34 of C.P.C. Hence, I answer point No.3 **PARTLY** in the **AFFIRMATIVE**.

18. **POINT NO.4**: For foregoing reasons, I proceed to pass the following :

O R D E R

Suit filed by plaintiff-bank for recovery of money is hereby **DECREED IN PART** with cost.

The defendant is hereby directed to pay Rs.8,52,631/- to plaintiff-bank with interest at 11.30% per annum on Rs.10,00,000/- from 28.11.2024 till the date of decree and thereafter, with interest at 6% per annum on Rs.10,00,000/- till realization of entire amount within two months from the date of decree.

Draw decree accordingly.

(Dictated to the Stenographer on computer directly, typed by her, Judgment corrected and signed by me, then pronounced by me in the open Court on this the 22nd day of June 2026)

MUZAFFAR ABDULKHADAR MANJARI

Digitally signed by MUZAFFAR ABDULKHADAR MANJARI
Date: 2026.06.23 15:04:51 +0530

Sd/-
(MUZAFFAR A. MANJARI)
SENIOR CIVIL JUDGE & JMFC,
TARIKERE

ANNEXURE

LIST OF THE WITNESSES EXAMINED ON BEHALF OF PLAINTIFF:

P.W.1 : Kiran Kumar Mandla

LIST OF THE DOCUMENTS MARKED ON BEHALF OF PLAINTIFF:

Ex.P1 : Covering Schedule for Loan document
Ex.P2 : Application form
Ex.P3 : Sanction Letter
Ex.P4 : Demand Promissory Note
Ex.P5 : Consent Letter
Ex.P6 : Letter of Continuity

Ex.P7	: Agreement
Ex.P8	: Legal Notice
Ex.P9	: Postal Acknowledgment
Ex.P10-11	: Statements of accounts

LIST OF THE WITNESSES EXAMINED ON BEHALF OF DEFENDANT:

--Nil--

LIST OF THE DOCUMENTS MARKED ON BEHALF OF DEFENDANT:

--Nil--

MUZAFFAR ABDULKHADAR MANJARI

Digitally signed by MUZAFFAR ABDULKHADAR MANJARI
Date: 2026.06.23 15:04:44 +0530

Sd/-

SENIOR CIVIL JUDGE & JMFC, TARIKERE