



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 4TH DAY OF MARCH, 2024

BEFORE

THE HON'BLE MR JUSTICE N S SANJAY GOWDA

CIVIL REVISION PETITION NO. 255 OF 2014 (SC)

BETWEEN:

1. UNION BANK OF INDIA
(E-CORPORATION BANK)
No.40, 6TH A MAIN,
9TH CROSS, 3RD PHASE,
J P NAGAR, BANGALORE-560 078.
REPRESENTED BY ITS CHIEF MANAGER,
SRI.VALERIAN CASTELINO.

...PETITIONER

(BY SRI. V B RAVISHANKAR., ADVOCATE)

AND:

1. DR. NIRANJAN GOWDA
AGED ABOUT 50 YEARS
R/A NO.2309, 21ST CROSS, 7TH MAIN
BSK 2ND STAGE, K R ROAD
BANGALORE-560070.
WORKING AS PATHOLOGIST
SANJAY GANDHI HOSPITAL
JAYANAGAR T BLOCK
BANGALORE-560011.

2. DR K S VEDARAJU
MAJOR
R/A NO.4039
NEW 5TH CROSS
GAYATHIR NAGAR
BANGALORE-560021

...RESPONDENTS

(BY SRI. H.MANJUNATH, ADVOCATE FOR R-2;
R-1 SERVED AND UNREPRESENTED)





THIS CRP IS FILED UNDER 18 OF THE SMALL CAUSE COURTS ACT AGAINST JUDGMENT AND DECREE DATED 18.03.2014 PASSED IN S.C.NO.1949/2008 ON THE FILE OF THE X ASCJ & XXXV ACMM, BANGALORE CITY, DISMISSING THE SUIT FOR RECOVERY OF MONEY.

THIS PETITION, COMING ON FOR HEARING, THIS DAY, THE COURT MADE THE FOLLOWING:

ORDER

1. The Union Bank of India is in revision. The Bank had instituted a suit seeking recovery of Rs.90,970/- along with future interest at the rate of 18.25% per annum.
2. It was the case of the Bank that it had sanctioned a loan of Rs.3,55,000/- to defendant No.1, and defendant No.2 had stood as a surety to the said loan. It was stated that defendant No.1 had also executed a Promissory Note on 31.01.2003 agreeing to repay the loan amount in 36 equal monthly installments of Rs.12,005/- and he had hypothecated his equipment, such as Ultrasound Diagnostic System, and also executed an Hypothecation Deed in favour of the Bank.
3. It was stated that since defendant No.1 had failed to make payments, he was called upon to acknowledge his



loan liability and he had accordingly acknowledged that he was liable for the outstanding amount by executing another Promissory Note on 08.03.2006.

4. It was stated that since, thereafter also defendant No.1 defaulted in making the payments despite a Demand Notice being issued to him, the Bank had no other option but to file the suit, which incidentally was filed on 20.12.2008.

5. The case of the defendants was that the suit was barred by limitation as it was not filed within three years of the loan being sanctioned, i.e., within three years from 08.03.2003. It was also stated that the Bank had got an amount of Rs.51,165/- transferred from the Savings Bank Account of defendant No.1 on 06.02.2009, after the filing of the suit towards the full and final settlement of the loan and therefore, the loan had stood discharged.

6. It was the specific case of defendant No.1 that the Bank had assured him that it would withdraw this suit



since the loan account was closed, but the suit was not withdrawn and was continued to be prosecuted. In other words, the case of defendant No.1 was that the loan was time-barred since his suit had been filed on 20.12.2008 in respect of a loan availed in the year 2003 and also on the ground that the loan stood discharged by the transfer of the sum of Rs.51,165/- from the Savings Bank Account of defendant No.1.

7. The Trial Court, on consideration of the evidence, has recorded a clear finding that the acknowledgment of debt vide Exhibit: P-7 was actually signed on 08.03.2006. The Trial Court has taken note of the admission of PW-1 during the course of his cross-examination, in which he has admitted that it was true that the defendants had executed Exhibits: P-2 to P-8 in favour of the Bank on 08.03.2003 and it has, therefore, come to the conclusion that the contention that the debt was acknowledged on 08.03.2006 could not be accepted.



8. It has, thereafter, taken note of the fact that the acknowledgment of debt made in the year 2006 would be of no avail in view of Section 18 of the Limitation Act.

9. As regards the claim on merits, the Trial Court has noticed that, as per Exhibit D-1, which was maintained by the Bank in respect of the loan availed by defendant No.1, it was indicated that on 06.02.2009, a sum of Rs.51,165/- was transferred from the Savings Bank Account of defendant No.1 to the loan account of defendant No.1, and an entry was made that the account was closed.

10. The Trial Court has noticed that the Bank entry made in Exhibit: D-1 regarding the transfer and adjustment to his loan amount indicated that there was no loan amount outstanding.

11. In my view, in the light of the clear admission by PW-1 that the acknowledgment of debt was made on 08.03.2006, i.e., beyond three years and having regard to the further fact that the Trial Court has noticed that there



was a transfer of Rs.51,165/- from the Savings Bank Account of defendant No.1 to his loan account and an entry is found that the loan was closed, the Trial Court was perfectly justified in dismissing the suit.

12. I find no reason to entertain the revision petition and the same is therefore ***dismissed***.

**Sd/-
JUDGE**

RK
CT: SN
List No.: 2 SI No.: 4