



CNR: KAHC010665172026

NC: 2026:KHC:53648
WP No. 30335 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT PETITION NO. 30335 OF 2026 (GM-RES)

BETWEEN:

1. SMT. K S PRIYA
W/O SRI M.C. VENKATESH,
AGED ABOUT 46 YEARS,
RESIDING AT NO.505,
6TH MAIN, 4TH CROSS,
RBI LAYOUT, J.P. NAGAR
7TH PHASE, BENGALURU-560 078.
AADHAAR NO. 2611 0891 4518

...PETITIONER

(BY SRI. BYSHAK P N, ADVOCATE FOR
SRI. BHARGAVA D BHAT.,ADVOCATE)



AND:

1. UNION BANK OF INDIA
A BODY CORPORATE CONSTITUTED
UNDER THE BANKING COMPANIES
(ACQUISITION AND TRANSFER OF
UNDERTAKINGS) ACT, 1970,
HAVING ITS HEAD OFFICE AT
UNION BANK BHAVAN, 239,
VIDHAN BHAVAN MARG,
NARIMAN POINT,
MUMBAI-400 021,
AND ITS BRANCH AT J.P. NAGAR



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2ND PHASE BRANCH, NO.43/P-1,
3RD CROSS, 19TH A MAIN,
2ND PHASE, J.P. NAGAR,
BENGALURU-560 078,
REPRESENTED BY ITS CHIEF MANAGER /
AUTHORISED OFFICER.

2. THE BRANCH MANAGER,
UNION BANK OF INDIA,
J.P. NAGAR 2ND PHASE BRANCH,
NO.43/P-1, 3RD CROSS,
19TH A MAIN, 2ND PHASE,
J.P. NAGAR,
BENGALURU - 560078.

...RESPONDENTS

(BY SMT. DIVYA PURANDAR.,ADVOCATE)

THIS WP IS FILED UNDER ARTICLES 226 & 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER OR DIRECTION QUASHING THE DEBIT ENTRY DATED 17.09.2026 OF RS.9.14,476/ MADE BY RESPONDENT NO.1 IN HOME LOAN ACCOUNT NO.160226650000073 AND THE CONSEQUENTIAL DEMAND OF RS.9,05,656/ OR ANY PART THEREOF TOWARDS THE ALLEGED COMMERCIAL RATE OF INTEREST (AS PER ANNEXURE - L).

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE C.M. POONACHA



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ORAL ORDER

The present writ petition is filed seeking for the following reliefs:

(a) *Issue a writ of certiorari or any other appropriate writ, order or direction quashing the debit entry dated 17.09.2026 of Rs.9,14,476/- made by Respondent No. 1 in Home Loan Account No. 160226650000073 and the consequential demand of Rs.9,05,656/ or any part thereof towards the alleged "commercial rate of interest" (as per Annexure - L);*

(b) *Issue a writ of mandamus or any other appropriate writ, order or direction directing Respondents No. 1 and 2 to treat Home Loan Account No. 160226650000073 as fully repaid and closed upon receipt of Rs. 49,42,513 on 10.09.2026, and to forthwith release and hand over to the Petitioner all the original title deeds and documents described in Memorandum of Deposit of Title Deeds dated 18.12.2024 registered as Doc. No. KEN-1-10351-2024-25 (as per Annexure - C),*

(c) *Issue a writ of mandamus or any other appropriate writ, order or direction directing Respondents No.1 and 2 to issue a Loan Closure / No Dues Certificate in respect of the Petitioner's Home Loan Account No. 160226650000073;*

(d) *Direct Respondent No. 1 to pay compensation to the Petitioner at the rate of Rs.5,000/- per day for every day of delay in releasing the original title documents beyond 30 days from 10.09.2026, in terms of the directions of the Reserve Bank of India dated 13.09.2023, without prejudice to the Petitioner's right to seek further compensation in accordance with law;*

(e) *Award costs of this Writ Petition; and*

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MONNAPPA POONACHA



f)Grant such other and further reliefs as this Hon'ble Court deems fit in the facts and circumstances of the case, in the interest of justice and equity."

2. The petitioner assails the action of the respondent - bank in charging a sum of Rs.9,05,656/- by way of commercial rate of interest in respect of the home loan credit facility availed by the petitioner.

3. It is the case of the petitioner that she has paid the entire amount that was due and payable with respect to the home loan availed by the petitioner and that the levy of a further sum of Rs.9,05,656/- by the respondent - bank is beyond the terms and conditions, under which the credit facilities have been granted to the petitioner. It is the case of the petitioner that having made the alleged illegal demand of Rs.9,05,656/- (Annexure-L to the writ petition), the bank is also retaining the original Title Deeds of the property in question and is refusing to give the Loan Closure Letter in respect of the home loan availed by the petitioner.

4. *Per contra*, the learned counsel for the respondent - bank submits that the petitioner has not put up construction in accordance with the terms and conditions of the loan. It is



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further submitted that in the event the petitioner sells the plot, without putting up construction, the bank is justified in levying commercial rate of interest. A reference is made to the specific terms and conditions in the sanction letter (Annexure-A to the writ petition), the relevant portion of which reads as under:

"Terms & Conditions:

1. Specific Terms & Conditions:

1. Disbursement will be made as follows:

Towards purchase of plot: Loan amount of Rs 57.00 Lakhs to be released towards purchase of plot in the name of vendor at the time of sale deed along with appropriate margin from borrower.

1. Takeover of loan shall not be allowed where the construction is not completed.

2. It may be noted that borrower (having loan for plot purchase in this scheme) will not opt home loan for construction from our bank with in 36 months. Branch/RLP to ensure that construction of home must be done within 36 months from the first disbursement of home loan for plot purchase. Failing which commercial ROI to be charged from the borrower from the next month i.e. from 37th month.

3. Before sanctioning the loan, a declaration must be obtained from the borrower that he intends to complete constructing a house on the said plot, with the help of bank finance or otherwise, within 36 months from the date of disbursement or maximum period permitted by allotment agency/development authority for construction of house, (whichever is earlier). Failing which commercial ROI to be charged from the next month (i.e. from 37th month).

4. Classification of loans as Commercial Real Estate (CRE) & other parameter/guidelines of Union Home Loan will be applicable.

5. Endeavor to be made that Borrower shall keep minimum three-month EMI in their operating account with our bank.

6. Loan must not be closed within 36 months by selling of plot financed by bank under this scheme, in such cases

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commercial ROI to be charged from date of disbursement."

5. Learned counsel for the petitioner in justification of the contentions urged in the present writ petition would submit that the property that was purchased pursuant to the credit facilities availed from the respondent - bank was a plot along with a house, which was built in accordance with the sanctioned plan. Hence, it is contented that the petitioner was not aware of the fact that the construction was required to be put up within 36 months.

6. At the outset, it is pertinent to note that the petitioner has not assailed the entitlement of the respondent - bank in charging the commercial rate of interest, inasmuch as the bank has levied the rate of interest in accordance with the terms and conditions of the sanctioned plan as noticed above.

7. Learned counsel for the petitioner submits that the levy of interest at commercial rate has been challenged.

8. Admittedly, the bank has levied commercial rate of interest in accordance with the terms of sanction of the credit facilities availed by the petitioner.

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9. In view of the aforementioned, the relief sought for by the petitioner in the present petition does not merit consideration. Accordingly, the writ petition stands dismissed.

10. Pending IAs., if any, stand disposed of.

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(C.M. POONACHA)
JUDGE

ND
List No.: 1 SI No.: 54