IN THE COURT OF THE PRL.SENIOR CIVIL JUDGE AND JMFC., AT GUBBI.

Dated this the 03rd day of July 2026

Present: Smt.ANUPAMA D.
B.COM.LL.B.,
Prl.Senior Civil Judge & JMFC.

<u>O.S.325/2025</u>

Plaintiff: Karnataka Grameena Bank having its registered head office at Bellary and one of its Branches at Gubbi, Tumakuru District represented by its present Manager Ambika.R. W/o Nataraju, Aged about 42 years, R/o Mandya Town.

(By Sri. H.N.D. Advocate)

V/s

Defendants:

1. Premaleela W/o Late Sadashivaiah, Aged about 62 years,
2. Asha D/o Late Sadashivaiah, Aged about 42 years,
3. S. Shashidhar S/o Late Sadashivaiah, Aged about 41 years,

All are R/o Nittur, Nittur Hobli,

Gubbi Taluk.

(Exparte)

Date of institution of Suit	28.08.2025
Nature of Suit	Recovery of money
Date of pronouncement of judgment	02.07.2026
Total Duration	Year/s 00 Month/s 09 Day/s 29

(Smt.ANUPAMA D.)
Prl.Senior Civil Judge, & JMFC.,
Gubbi.

JUDGMENT

The plaintiff has filed this suit against the defendants seeking the relief of recovery of a sum of Rs.5,03,620.78/- together with costs and future interest at the rate of 13.50% penal interest per annum from the date of filing of suit till the payment made in full within the time to be fixed by this Hon'ble Court and in default of payment thereof for recovery of the said sum by sale of the suit schedule properties and in case the sale proceeds are found to be insufficient to repay the said sues of the plaintiff-Bank, then the liberty is to be reserved to apply for suitable order and cost and such other reliefs.

2. The suit schedule properties are :-

1. The land bearing Sy.No.34/4 measuring 2 acres

2. The land bearing Sy.No.35/3 measuring 30½ guntas

situated at Gollahalli, Kasaba Hobli, Gubbi Taluk.

3. **The averments of the plaint in brief are as under**:

3(a) That on the approach made by the defendant No.1 to 3 the plaintiff Bank, for agricultural crop cultivation loan under Kisan credit card scheme, for which the plaintiff-Bank has sanctioned crop loan of Rs.1,80,000/- on 07-10-2013 in account No. 85014373850 (42169354048321) and the same has been borrowed and received by the defendants with an agreement that the said loan should be repayable within 5 years along with interest of Rs.13.50% per annum. The rate of interest is subject to variation from time to time as per the directive principles of RBI and the defendants have agreed to pay the penal interest at the rate of Rs. 2% PA over and above the overdue amount till its repayment. The defendants had executed hypothecation agreement on 07-10-2013 towards security of loan. The defendants had executed the registered simple mortgage deed on 01-10-2013 in favor of plaintiff-Bank by mortgaging the plaint schedule property by securing the above said loan.

3(b) It is further submitted that at the time of sanction of loan to the defendants, plaintiff's Bank name was Kaveri Grameena Bank. Recently the Govt. of India vide Notification dated: 22-02-2019 in exercise of the powers conferred by sub sections 1 of Section 23(a) of the Regional Rural Banks Act, Kaveri Grameena Bank and Pragathi Krishna Grameena Bank have amalgamated in State of Karnataka as a single Regional

Rural Bank and the name of the Bank is called as “Karnataka Gramin Bank” w.e.f. 01-04-2019. After amalgamation Kaveri Grameena Bank is not in existence and a new entity i.e. Karnataka Gramin Bank, came into existence from the above said date. After amalgamation new accounts are given to the present borrowers as A/C.No.42169354048321 and account is opened in defendant No.1's name. Recently the Government of India vide Gazette Notification No.CG-DL-E-07042025-262329 dated:07-04-2025 the said Karnataka Gramin Bank and Karnataka Vikas Grameena Bank have amalgamated in State of Karnataka as a single Regional Rural Bank and the name of the Bank is called as “Karnataka Grameena Bank w.e.f. 01-05-2025.

3(c) It is submitted that after availing the said loan facility from the plaintiff-Bank, the defendants have failed to pay the outstanding loan amount and its installments as agreed by them. The plaintiff-Bank demanded and issued several notices to the defendants to pay the loan. The defendants neglected and failed to pay the outstanding amount and its installment as agreed by them. Hence the defendants have become chronic defaulter in repayment of loan amount. The loan account is opened in the name of defendant No.1. The amount due by the defendants to the plaintiff-Bank is Rs.5,03,620.78/- and future interest at the rate of 13.50% penal interest per annum. Hence the plaintiff constrained to file the present suit.

4. The suit summons was duly served upon the defendants No.1 to 3, But they have not appeared before the Court, hence they placed exparte.

5. The plaintiff Bank, to substantiate the case has examined Manager of the Bank namely Smt. Ambika.R as PW.1 and got marked Ex.P.1 to 9 documents and closed their side.

6. I have heard the learned counsel for plaintiff and perused record.

7. The following points that arise for my consideration are;

1) Whether plaintiff-Bank proves that they have sanctioned loan of Rs.1,80,000/- dated: 07-0-2013 to the defendants with an agreement that the said loan should be repayable along with interest of Rs.13.50% penal interest p.a ?

2) Whether plaintiff proves that defendants agreed to repay the said loan, as per the terms and conditions of the plaintiff's bank?

3) Whether the plaintiff-Bank proves that the defendants had executed hypothecation agreement on 07-10-2013 towards security of loan. The defendants 1 to 3 had executed the registered simple mortgage on 01-10-2013 with respect to plaint schedule properties by securing the above said loan?

4) Whether plaintiff Bank proves that defendants are due to the plaintiff's bank a sum of Rs.5,03,620.78/-?

5) Whether plaintiff Bank is entitled for the relief as sought for?

6) What order?

8. My answers to the above points are as follows:

Points No.1 to 4	:	In the Affirmative.
Point No. 5	:	Partly in the Affirmative
Point No.6	:	As per final Order, for the following:-

-:REASONS:-

9. **POINTS No.1 TO 4:** All these points are taken up together for common discussion to avoid repetition, as they are inter related and based on same set of facts.

9(a) This is the suit filed by the plaintiff against the defendants seeking recovery of a sum of Rs 5,03,620.78 /- together with cost and future interest @ 13.5%+2% penal interest p.a from the date of suit till the payment made in full. The plaintiff, to substantiate the contents of pleadings, has examined Manager of the Bank namely Smt. Ambika.R. as

PW.1, who has filed her affidavit in lieu of her examination in chief by reiterating the same averments of the plaint.

9(b) The plaintiff got marked 9 documents. Ex.P.1 is loan application, Ex.P.2 is the terms and conditions letter, Ex.P.3 is hypothication agreement for Loan, Ex.P.4 is registered simple mortgage deed, Ex.P.5 is statement of account, Ex P6 is legal notice, Ex.P.7 to 9 are postal acknowledgments.

9(c) Further, to prove that defendants have mortgaged the suit schedule properties and have executed simple mortgage deed, the plaintiff has got marked simple mortgage deed at Ex.P.4 respectively. Ex.P.4 is the simple mortgage deeds executed by the defendants in favour of plaintiff's Bank for security of loan, mortgaged the suit schedule property. These documents are also duly signed by the defendants.

9(d) Ex.P.4 is the simple mortgage deed executed by the defendants in favour of plaintiff's Bank for security of loan of Rs.1,80,000/- respectively and mortgaged the suit schedule properties. These documents are also duly signed by the defendants. These are registered mortgage deeds. The registered document is having more evidentiary value as per sec. 17 of Registration Act. However these documents are also not challenged by the defendants. Ex.P.5 is the statement of account which shows that as on 31-09-2024, the defendants are due for a sum of Rs.4,55,376.34 in A/C.No.42169354048321. Hence on the basis of unrebutted oral evidence of PW.1 and documents at Ex.P.1 to 9, the plaintiff has established that the defendants have availed loan of Rs.1,80,000/- has executed hypothecation agreements and mortgaged suit schedule properties by executing simple mortgage deeds.

9(e) However, the defendants have not appeared before the court to contest the case. There is no counter evidence in the matter. Moreover, the oral evidence of PW1 and the documentary evidence at Ex.P.1 to Ex.P.9 established that the defendants had indeed borrowed a loan from the plaintiff bank and availed loan. Later, they failed to repay it and they are now due to pay a sum of Rs. 5,03,620.78/-.

9(f) The documents referred to above are clearly corroborate with the case of the plaintiff as well as the oral testimony of PW-1. The oral testimony of PW-1 and the documentary evidence referred to above has remained unchallenged. Defendants have not appeared before the Court to contest the suit. Therefore, there is no material on record to disbelieve the case of the plaintiff. Further, the evidence clearly establishes that the defendants have obtained a loan of Rs.1,80,000/- from the plaintiff Bank and is in due for a sum of Rs.5,03,620.78/- as on date of filing of the suit. Hence, I answered these points in **Affirmative.**

10. Point NO.5: On careful perusal of all the material documents and evidence place by the PW1 before this court, it is come to know that, the defendants had obtained loan as crop loan. The Plaintiff bank has imposed the interest @ 13.50% and 14% respectively + 2% penal interest p.a. Now the plaintiff bank is claiming the interest on the outstanding loan amount of Rs. 1,80,000/- @ 13.50% interest p.a. As it is the loan obtained by the defendants as crop loan for the purpose of agriculture, imposing this much interest is too exorbitant. The agricultural operations are always depending upon the weather. It may bring huge profit and also the huge lose too. Hence, imposing the interest @ 8% on the outstanding loan amount will meet the ends of justice. Hence, I answered this point in **partly affirmative.**

11. **POINT No.6**: For the aforesaid reasons and findings on Points No.1 to 5, I proceed to pass the following:-

ORDER

The suit of the plaintiff is decreed with cost.

It is declared that plaintiff is entitled to recover a sum of Rs.5,03,620.78/- together with costs and future interest @ 8% P.A. from the date of suit till its realization from the defendants.

If the defendants fail to repay the decreed amount within 6 months from the date of judgment, the plaintiff is at liberty to recover the said amount by due process of law.

Charge is created over the suit schedule properties.

Draw preliminary decree accordingly.

(On my dictation typed by the Stenographer, print out taken by her, corrected and then pronounced by me in the Open Court on this the 03rd Day of July 2026.)

Sd/-
(Smt. ANUPAMA D.)
Prl. Senior Civil Judge and JMFC.,
Gubbi.

ANNEXURE

List of witnesses examined for the Plaintiff :-

PW.1	Smt. Ambika.R.

List of documents marked for the Plaintiff :-

Ex.P.1	Loan Application form
Ex.P.2	Terms and condition letter
Ex.P.3	Hypothecation agreement
Ex.P.4	Reg.Simple Mortgage Deed
Ex.P.5	Statement of Account
Ex.P.6	Legal notice
Ex.P.7 to 9	Postal acknowledgments.

List of witnesses examined for the defendants :

N I L

List of documents marked for the defendants :

N I L

Sd/-
Prl. Senior Civil Judge and JMFC.,
Gubbi.