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**IN THE COURT OF THE PRINCIPAL SENIOR CIVIL JUDGE  
AND JMFC AT HUNSUR**

**Present:** Smt.Anitha, B.A. (Law) L.L.B.,  
Prl. Senior Civil Judge & JMFC.,  
Hunsur.

**Dated this the 23<sup>rd</sup> day of April 2026**

**OS No.286/2025**

Plaintiff:

Karnataka Grameena Bank  
having its Head Office at Ballari and  
Number of Branches in Mysore,  
Hassan and other Districts.  
Represented by The Branch Manager  
Karnataka Grameena Bank  
Hunsur Branch, Br.Code No – 2132,  
Hunsur Taluk, Mysore District.

**(By: Sri.B.B.Lokesha., Advocate)**

- V/s -

Defendants:

1. Chandraiah, S/o Late Sannaiah,  
Aged about 58 years, Agriculturist,  
R/at Muthurayanahosahlli Village,  
Harinahalli Post, Hanagodu Hobli,  
Hunsur Taluk, Mysore District.
2. Chandrakumari, D/o Chandraiah,  
Aged about 32 years, Agriculturist,  
R/at Muthurayanahosahlli Village,  
Harinahalli Post, Hanagodu Hobli,  
Hunsur Taluk, Mysore District.

3. Mani, D/o Chandraiah,  
Aged about 28 years, Agriculturist,  
R/at Muthurayanahosahlli Village,  
Harinahalli Post, Hanagodu Hobli,  
Hunsur Taluk, Mysore District.
4. Muthuraju, S/o Chandraiah,  
Aged about 26 years, Agriculturist,  
R/at Muthurayanahosahlli Village,  
Harinahalli Post, Hanagodu Hobli,  
Hunsur Taluk, Mysore District.
5. Annaiah, S/o Mulluchaiah,  
Aged about 56 years, Agriculturist,  
R/at Muthurayanahosahlli Village,  
Harinahalli Post, Hanagodu Hobli,  
Hunsur Taluk, Mysore District.

**(Placed Exparte)**

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|---------------------------------------|--|
| 1. Date of institution of the suit:   | 28.08.2025   |
| 2. Nature of the suit:                | Suit for recovery of money on mortgage deed                    |
| 3. Date recording of evidence:        | 10.04.2026   |
| 4. Date of pronouncement of judgment: | 23.04.2026   |
| 5. Duration :                         | <b><u>Year/s</u></b> <b><u>Month/s</u></b> <b><u>Day/s</u></b> |
|                                       | 00                    07                    25                 |

Sd/-

**(Anitha)**

Prl. Senior Civil Judge and JMFC.,  
Hunsur.

**J U D G M E N T**

The plaintiff bank filed the suit against the defendants seeking the relief of passing preliminary decree for recovery of Rs.8,23,236/- together with interest at the rate of 14.50% p.a.

from the date of suit till the date of realization which is to be recovered by sale of the suit schedule properties and also from personal liability of the defendants and for costs of the suit.

2. It is the case of the plaintiff bank that, it is a banking institution and it is a statutory body carrying on banking business having its Head office at Ballari and the branches at Mysore, Hassan and other districts. It is the further case of the plaintiff that, defendant No.1 is the husband of Late Rathnamma. Defendants No.2 to 4 are children of defendant No.1 and Rathnamma. Defendant No.1 and his wife by name Rathnamma have jointly approached the plaintiff bank for financial assistance for the purpose of Housing Loan (KCC) under the guarantee of defendant No.5 by making an application on 30.07.2010 and on 13.08.2010 the plaintiff sanctioned loan of Rs.5,00,000/- under loan account No.13132038406. As security towards the said loan, the 1<sup>st</sup> defendant executed a registered mortgage deed in favour of the plaintiff bank in respect of suit schedule properties for a sum of Rs.5,00,000/-. Further, as security towards the said loan, the 1<sup>st</sup> defendant and his wife Rathnamma have jointly executed Memorandum of Term loan Agreement for housing loan/commercial complex dated 13.08.2010 in favour of the plaintiff Bank in respect of suit schedule properties for a sum of Rs.5,00,000/- and on the same day defendant No.1 and his wife have jointly executed sanction communication cum terms and conditions letter and agreed to repay the loan amount

with interest at the rate of 8.75% p.a. Further, on the same day the 5<sup>th</sup> defendant executed guarantee agreement/consent letter infavour of the plaintiff bank as security for the amount borrowed. The 1<sup>st</sup> defendant and his wife Rathnamma have jointly executed letter of acknowledgment of liability dated 19.06.2013, 09.02.2016 and 16.01.2019, letter of revivals dated 10.08.2020 and 1<sup>st</sup> defendant also executed letter of revival dated 08.08.2023 infavour of the plaintiff bank. After borrowing the said loan the 1<sup>st</sup> defendant and his wife Rathnamma became defaulters and failed to make regular repayment of said loan installments and as on 13.07.2025 the total loan outstanding is Rs.91,732/-.

3. The plaintiff Bank further alleged that, on 01.07.2017 defendant No.1 and his wife Rathnamma have jointly approached the plaintiff Bank for financial assistance for the purpose of Agriculture Crop Loan by making an application and the plaintiff bank sanctioned Rs.2,89,000/- to the 1<sup>st</sup> defendant under account No.85047560273 and as security towards the said loan amount defendants No.1 to 4 and Rathnamma have jointly executed form of declaration dated 23.06.2017 infavour of the plaintiff bank for a sum of Rs.3,39,000/-. Further as security the 1<sup>st</sup> defendant and his wife have jointly executed Mortgage Agreement Deed dated 01.07.2017 for Rs.2,89,000/- in favour of the plaintiff Bank in respect of suit schedule properties and on the same day the 1<sup>st</sup> defendant and his wife have also executed Terms and

Conditions letter infavour of the plaintiff bank and agreed to repay the loan amount with interest at 7% p.a. The 1<sup>st</sup> defendant and his wife have jointly executed acknowledgment of liability dated 12.03.2019 and letter of revival dated 10.08.2020 and the 1<sup>st</sup> defendant also executed letter of revival dated 08.08.2023 infavour of the plaintiff bank. The 1<sup>st</sup> defendant and his wife Rathamma became defaulters and failed to make regular repayment of loan installments and as on 30.03.2025 the total loan outstanding is Rs.4,45,445/-.

4. The plaintiff Bank further alleged that, on 26.08.2019 the 1<sup>st</sup> defendant and his wife Rathamma have jointly approached the plaintiff Bank and applied for financial assistance for the purpose of Agriculture Development Over Draft Loan by making an application and on the same day the plaintiff bank sanctioned loan of Rs.1,55,000/- under loan account No.85063282092. As security towards the said loan, the 1<sup>st</sup> defendant and his wife have jointly executed Mortgage Agreement Deed on 26.08.2019 for Rs.1,55,000/- infavour of the plaintiff bank. Further, in consideration of the said loan the 1<sup>st</sup> defendant and his wife have jointly executed Terms and conditions letter dated 26.08.2019 and agreed to repay the loan with interest at the rate of 12.50% P.A. They have jointly executed letter of revival dated 13.06.2022 and 1<sup>st</sup> defendant also executed letter of revival dated 03.12.2024 infavour of the plaintiff bank. The 1<sup>st</sup> defendant and his wife became defaulters and failed to make regular repayment of loan

installments and as on 31.03.2025 the total outstanding is Rs.2,77,407/-.

5. The plaintiff Bank further alleged that, again on 18.08.2020 the 1<sup>st</sup> defendant and his wife Rathnamma have jointly approached the plaintiff Bank and applied for financial assistance for the purpose of Covid-19 Loan by making an application and on the same day the plaintiff bank sanctioned loan of Rs.25,000/- under loan account No.42132365033320. As security towards the said loan, the 1<sup>st</sup> defendant and his wife have jointly executed Demand promissory note and Undertaking letter on 18.08.2020 for Rs.25,000/- infavour of the plaintiff bank. Further, in consideration of the said loan the 1<sup>st</sup> defendant and his wife have jointly agreed to repay the loan with interest at the rate of 9% P.A. The 1<sup>st</sup> defendant also executed letter of revival dated 08.08.2023 infavour of the plaintiff bank. The 1<sup>st</sup> defendant and his wife became defaulters and as on 15.05.2025 the total outstanding is Rs.8,652/-. Since the defendants failed to repay the loan outstanding the plaintiff got issued a notice on 02.08.2023 and the notice was served upon the 1<sup>st</sup> defendant. In spite of it, the loan outstanding was not repaid. In spite of repeated requests, demands and legal notice defendant No.1 and his wife became defaulters and failed to make regular repayment of loan installments and as such the plaintiff filed this suit for total outstanding of Rs.8,23,236/- with interest at the rate of 14.50% p.m. Hence, prayed to decree the suit.

6. After filing of the suit this court issued summons to all the defendants. In spite of service of summons the defendants have not chosen to appear before the court and they have been placed exparte.

7. In order to substantiate the case the plaintiff bank examined its Branch Manager by name Shankaranayarana.T., as PW1. He got marked totally 57 documents as per Ex.P1 to Ex.P57. Since the defendants have been placed exparte, there is no cross-examination of PW1 and no defendants evidence.

8. Thereafter, heard arguments addressed by learned counsel for the plaintiff and perused the case papers. After hearing the arguments and on perusal of the case papers the points that arise for consideration are as hereunder:

**POINTS**

1. Whether the plaintiff bank proves that, on 30.07.2010 defendant No.1 and his wife Smt.Rathnamma have borrowed housing loan of Rs.5,00,000/- from the plaintiff Bank?
2. Whether the plaintiff bank further proves that, on 01.07.2017 defendant No.1 and his wife Smt.Rathnamma have borrowed loan of Rs.2,89,000/- from the plaintiff Bank for the purpose of Agricultural Crop Loan?
3. Whether the plaintiff bank further proves that, on 26.08.2019 defendant No.1 and his wife Smt.Rathnamma have borrowed loan of Rs.1,55,000/- from the plaintiff Bank for the purpose of Agricultural Development Over Draft Loan?

4. Whether the plaintiff bank further proves that, on 18.08.2020 defendant No.1 and his wife by name Smt.Rathnamma have borrowed loan of Rs.25,000/- from the plaintiff Bank under Covid-19 Loan?
5. Whether the plaintiff bank further proves that, in consideration of the above referred loans the defendants have executed all the loan documents including two registered mortgage deeds infavour of the plaintiff?
6. Whether the plaintiff is entitled for the suit claim?
7. Whether the plaintiff is also entitled for interest as claimed in the suit?
8. What order and decree?
9. The findings on the above points are as hereunder:
  - Point No.1: In the Affirmative
  - Point No.2: In the Affirmative
  - Point No.3: In the Affirmative
  - Point No.4: In the Affirmative
  - Point No.5: In the Affirmative
  - Point No.6: In the Affirmative
  - Point No.7: Partly in the Affirmative
  - Point No.8: As per the final order for the following:

### **REASONS**

10. **Point No.1 to 7:** Since these points are inter-connected with each other and needs common discussion on the same set of facts and in order to avoid repetition of facts these points are taken up together for discussion.

11. It is the specific case of the plaintiff bank that, the 1<sup>st</sup> defendant is the husband of Late.Rathnamma. Defendants No.2 to 4 are children of defendant No.1and Late Rathnamma. On 30.07.2010 defendant No.1 and his wife Rathnamma have jointly borrowed Housing loan of Rs.5,00,000/- under loan account No.13132038406 and on 01.07.2017 defendant No.1 and his wife by name Rathnamma have jointly borrowed Agriculture Crop loan of Rs.2,89,000/- from the plaintiff bank under loan account No.85047560273 and on 26.08.2019 the 1<sup>st</sup> defendant and his wife Rathnamma have jointly borrowed loan of Rs.1,55,000/- from the plaintiff under loan account No.85063282092 and again on 18.08.2020 the 1<sup>st</sup> defendant and his wife Rathnamma have jointly borrowed loan of Rs.25,000/- from the plaintiff under loan account No.42132365033320. The plaintiff further stated that, the 1<sup>st</sup> defendant and his wife Rathnamma have jointly executed two registered mortgage deeds, one form of declaration, mortgage agreement deeds, one simple mortgage deed and one pro-note and undertaking letter infavour of the plaintiff bank on 16.08.2019, 23.06.2017, 01.07.2017, 26.08.2017 and 18.08.2020 and mortgaged the suit schedule properties infavour of the plaintiff bank.

12. The plaintiff specifically alleged that, all the above referred loans have been sanctioned to the defendants and in consideration of the said loans the defendants executed memorandum of term loan agreement and guarantee

agreement dated 13.08.2010. Further, the defendants have executed three terms and conditions letters dated 13.08.2010, 01.07.2017 and 26.08.2019. The plaintiff also alleged that, the defendants agreed to repay the 1<sup>st</sup> loan with interest at the rate of 8.75% pa, further agreed to repay the 2<sup>nd</sup> loan with interest at the rate of 7% pa, agreed to repay the 3<sup>rd</sup> loan with interest at the rate of 12.50% pa and agreed to repay the 4<sup>th</sup> loan with interest at the rate of 9% pa. The plaintiff specifically alleged that, the 1<sup>st</sup> defendant and his wife Smt.Rathnamma became defaulters and they have executed acknowledgment of liabilities, letter of revivals dated 19.06.2013, 09.02.2016, 16.01.2019, 12.03.2019, 10.08.2020, 08.08.2023, 13.06.2022 and 03.12.2024 infavour of the plaintiff bank.

13. The plaintiff specifically alleged that, inspite of making several demands the defendants failed to repay the loans amount. It is the specific case of the plaintiff bank that, in spite of availing said loans the 1<sup>st</sup> defendant and his wife Rathnamma became defaulters. As per the plaintiff the total outstanding towards the 1<sup>st</sup> loan is Rs.91,732/-, the total outstanding towards 2<sup>nd</sup> loan is Rs.4,45,445/-, the total outstanding towards 3<sup>rd</sup> loan is Rs.2,77,407/- and the total outstanding towards 4<sup>th</sup> loan is Rs.8,652/-. The plaintiff specifically alleged that, inspite of making several demands the defendants have not come forward to clear the loan outstanding which made the plaintiff to file this suit.

14. In order to prove the case the PW1 got marked the loan applications pertaining to the aforesaid loans as per Ex.P1, Ex.P23, Ex.P38 and Ex.P47. These four documents have been submitted by the defendants seeking aforesaid loans. With regard to sanction of the 1<sup>st</sup> loan PW1 got marked the loan sanction letter as per Ex.P2. PW1 got marked the advance approval pertaining to 1<sup>st</sup> loan as per Ex.P3. Ex.P4 is the original registered mortgage deed in respect of the 1<sup>st</sup> loan whereby the defendants have mortgaged juncture No.137/34 measuring 60X40 situated at Muthurayanahoshalli, Hanagodu Hobli, Hunsur Taluk. Ex.P4 mortgage deed has been executed by 1<sup>st</sup> defendant. Ex.P5 is the memorandum of term loan agreement for housing loan and it is signed by the 1<sup>st</sup> defendant. Ex.P6 is sanction communication cum terms and conditions letter whereby the defendants have agreed to repay the loan in 10 yearly installments. As per the plaintiff the 5<sup>th</sup> defendant stood as guarantor to the 1<sup>st</sup> loan and in this regard he got executed guarantor agreement/consent letter and it is marked as per Ex.P7. As per the plaintiff the defendants have executed acknowledgment of liability as well as revival letters and these documents have been got marked as per Ex.P8 to Ex.P13. With regard to the existence of the property mortgaged PW1 got marked the tax paid receipts, building licence, demand register extract, khata extract and blue print as per Ex.P15 to 19. Further, produced the

acknowledgment of security/ liability from mortgagor as per Ex.P20 to Ex.P22.

15. In respect of 2<sup>nd</sup> loan PW1 got marked the declaration letter executed by defendants No.1 to 4 and wife of defendant No.1 as per Ex.P24. Ex.P25 is the agreement of mortgage signed by defendant No.1 and his wife. Ex.P26 is the terms and conditions letter in respect of the 2<sup>nd</sup> loan signed by 1<sup>st</sup> defendant and his wife Rathnamma. As per the plaintiff, even in respect of 2<sup>nd</sup> loan the defendants have executed acknowledgment of liability as well as revival letters and these documents have been got marked as per Ex.P27 to Ex.P30. PW1 also produced the G-Tree of the defendants family as per Ex.P32. Ex.P33 and Ex.P34 are the tax paid receipts and Ex.P35 is the encumbrance certificate. PW1 also produced RTC of Sy.No.90 of suit schedule item No.2 to 4 properties as per Ex.P36 and Ex.P37.

16. PW1 got marked one more original registered mortgage deed as per Ex.P39 executed by defendant No.1 and his wife and by way of executing this document defendant No.1 and his wife have mortgaged suit schedule item No.2 to 4 properties infavour of the plaintiff bank. Ex.P40 is the mortgage deed agreement signed by 1<sup>st</sup> defendant and his wife. PW1 also produced the terms and conditions letter as per Ex.P41. As per the plaintiff, even in respect of 3<sup>rd</sup> loan defendants have executed revival letters and the same have been got marked as per Ex.P42 to Ex.P44. In respect of 4<sup>th</sup> loan

PW1 got marked the demand promissory note as per Ex.P48 and the undertaking letter has been got marked as per Ex.P49. PW1 also deposed that the defendants have executed revival letters which are marked as per Ex.P50 and Ex.P51. The above referred documents clearly establish that, in consideration of the aforesaid loans the defendants have executed all the relevant documents.

17. The plaintiff also stated that, the defendants became defaulters and in order to prove this fact PW1 got marked the loan account statements of the defendants as per Ex.P14, Ex.P31, Ex.P45 and Ex.P52. These documents clearly establish about the loan outstanding of the defendants. With regard to the entries found in the statement of accounts maintained by the plaintiff bank during their regular course of business there is presumption under Section 4 of Banker's Book Evidence Act. It is for the defendants to rebut the said presumption. But the defendants have not chosen to dispute the case of the plaintiff.

18. The plaintiff specifically alleged that, when the defendants became defaulters, the plaintiff bank issued legal notice to the defendants and in this regard PW1 got marked the office copy of the legal notice as per Ex.P53. The plaintiff produced the postal receipts for having sending the notice as per Ex.P54 and Ex.P55 and also produced the returned postal cover as per Ex.P57, the notice inside Ex.P57 came to be marked as per Ex.P57(a) and postal acknowledgment has been

got marked as per Ex.P56. The plaintiff bank also alleged that, the defendants have mortgaged the properties. Regarding this fact PW1 got marked the mortgage deeds as well as all the revenue documents. The plaintiff has produced cogent oral and documentary evidence which proved the loans availed by the defendants as well as execution of the loan documents. The statement of accounts produced by the plaintiff prove that, the defendants are liable to pay suit claim. The above referred four types of loans carries different rate of interest. It is to be noted that all the loans have been granted to the defendants towards development of their agriculture and its allied activities. As such this court is required to go by Section 34 of CPC which provides for interest at the rate of 6% p.a. in respect of the agricultural loans. Hence, the plaintiff bank is entitled for interest at the rate of 6% p.a. in respect of the suit claim. Accordingly, point 1 to 6 are answered in the affirmative and Point No.7 is answered partly in the affirmative.

19. **Point No.8:** In view of the reasons discussed above this court proceeds to pass the following:

### **ORDER**

The suit filed by the plaintiff bank against the defendants is hereby partly decreed with costs.

The plaintiff is entitled to recover a sum of Rs.8,23,236/- with interest at the rate of 6% p.a. from the date of the suit till the date of realization.

The defendants are directed to pay the above said amount within six months from the date of this order.

If the defendants fail to pay the same within such time, the plaintiff shall be entitled to apply for final decree for sale of mortgaged properties.

Further, if the sale proceeds does not satisfy the decree amount, the plaintiff is at liberty to recover the balance decree amount from the defendants personally and jointly by filing execution petition.

Draw preliminary decree accordingly.

(Dictated to the Stenographer directly on the computer, same is corrected and pronounced by me in the open court on this the 23<sup>rd</sup> day of April, 2026.)

Sd/-

**(Anitha)**

Prl. Senior Civil Judge and JMFC.,  
Hunsur.

### **ANNEXURE**

#### **List of witnesses examined on behalf of the plaintiff:**

PW1 : Shankaranarayana.T.,

#### **List of documents marked on behalf of the plaintiff:**

Ex.P1 : Loan application  
Ex.P2 : Loan sanction letter  
Ex.P3 : Advance proposal  
Ex.P4 : Original registered Mortgage Deed  
Ex.P5 : Term loan agreement  
Ex.P6 : Term and conditions letter  
Ex.P7 : Guarantee agreement  
Ex.P8 to 10 : Acknowledgment of liabilities  
Ex.P11 & 12 : Revival letters  
Ex.P13 : Revival letter

Ex.14	:	Statement of Account
Ex.P15	:	Tax paid receipt
Ex.P16	:	Building licence
Ex.P17	:	Demand register extract
Ex.P18	:	Khata extract
Ex.P19	:	Blue print
Ex.P20 to 22	:	Acknowledgment of liability
Ex.P23	:	Loan application
Ex.P24	:	Declaration form
Ex.P25	:	Mortgage agreement deed
Ex.P26	:	Terms and condition letter
Ex.P27	:	Acknowledgment of liability
Ex.P28 & 29	:	Revival letters
Ex.P30	:	Revival letter
Ex.P31	:	Statement of account
Ex.P32	:	G-Tree
Ex.P33 & 34	:	Tax paid receipts
Ex.P35	:	Encumbrance certificate
Ex.P36 & 37	:	RTC
Ex.P38	:	Loan application
Ex.P39	:	Simple mortgage deed
Ex.P40	:	Mortgage agreement deed
Ex.P41	:	Terms and conditions letter
Ex.P42 & 43	:	Revival letters
Ex.P45	:	Statement of account
Ex.P46	:	Encumbrance certificate
Ex.P47	:	Loan application
Ex.P48	:	Pro-note
Ex.P49	:	Undertaking letter
Ex.P50	:	Revival letter
Ex.P51	:	Revival letter
Ex.P52	:	Statement of account
Ex.P53	:	Office copy of the notice
Ex.P54 & 55	:	Postal receipts
Ex.P56	:	Postal acknowledgment
Ex.P57	:	Returned postal cover
Ex.P57(a)	:	Notice inside Ex.P57.

**List of witnesses examined on behalf of the defendants:** Nil

**List of documents marked on behalf of the defendants:** Nil

Sd/-  
**(Anitha)**  
Prl. Senior Civil Judge and JMFC.,  
Hunsur.