

KAMS300018262025



**IN THE COURT OF I ADDITIONAL SENIOR CIVIL JUDGE
AND JMFC, HUNSUR**

Dated this the 2nd day of June, 2026

:: PRESENT ::

Smt. Bhagyamma, B.Com., LL.B.,
I Addl. Senior Civil Judge & JMFC,
Hunsur

O.S./291/2025

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,
Bilikere Branch,
Br. Code No.2002,
Bilikere Hobli, Hunsur Taluk,
Mysore District.

(By Sri **BBL**, Adv.,)

-Vs-

DEFENDANTS:

1. Papaiah,
S/o late Ramaiah,
Aged about 68 years,
Agriculturist,
2. K.P. Girish,
S/o Papaiah,
Aged about 41 years,

Agriculturist,

3. K.P. Devaraj,
S/o Papaiah,
Aged about 39 years,
Agriculturist,
4. Leelavathi,
D/o Papaiah,
Aged about 35 years,
Agriculturist,

All R/at Kalegowdanakoppalu
Village, Maraduru Post,
Kasaba Hobli,
Hunsur Taluk,
Mysuru District.

(Exparte)

Date of Institution of suit	:	28.08.2025		
Nature of suit	:	Money suit		
Date of commencement of recording of evidence	:	09.04.2026		
Date on which Judgment pronounced	:	02.06.2026		
Total duration	:	Year/s	Month/s	Day/s
		00	09	04

[BHAGYAMMA]

I Addl. Senior Civil Judge & JMFC,
Hunsur.

:: JUDGMENT ::

The Plaintiff bank has filed this suit for the relief of decree for recovery of an amount of Rs.5,67,817/- with interest at the rate of Rs.14.50% p.a. from the date of suit till the realization and costs.

2. The plaint averments as averred in the plaint is as under:

The Plaintiff is a statutory body and carrying of banking business with its Head Office at Ballari and also the Branches in Mysore, Hassan and Other Districts. It is pleaded that 1st defendant is the father of defendants-2 to 4. The 1st defendant approached the Plaintiff's Bank for financial assistance for the purpose of Agriculture Crop Loan and filed a loan application dated 30-06-2014. The Bank considered the loan application of the defendant No.1 and as a security the defendants-1 to 4 jointly executed a Form of Declaration (Form No.3 Rule No.4) dated 14.06.2014 in favour of the Plaintiff Bank and mortgaged the suit schedule properties for a sum of Rs.2,66,000/-. It is pleaded that the 1st defendant executed a Mortgage Deed Agreement (Adamana Pathrada Kararu) dated 30.06.2014 for a sum of Rs.2,66,000/- as security for the amount borrowed and also executed a Terms and Condition letter dated 30.06.2014 in favour of the plaintiff bank. The 1st defendant agreed to repay the said loan amount with interest at 7% p.a. or as per the rates that may be revised from time to time charge on compounded annually as per

practice and procedure of the bank and also as per the agreement. Afterwards, the plaintiff bank sanctioned the loan amount of Rs.2,66,000/- (Rupees Two lakh sixty six thousand only) on 30.06.2014 in A/c No.85020039179. Later, the 1st defendant executed an acknowledgment of liability dated 08.06.2017 and also executed a letter of revivals dated 16.05.2020, 02.05.2023 and 19.05.2025 in favour of the plaintiff bank. It is pleaded that after borrowing the said loan amount the defendants-1 to 4 are irregular in making payment of said loan installments and still due to the plaintiff bank a sum of Rs.5,67,817/- outstanding as on 01.07.2025 as per the statement of account dated 18.08.2025. In spite of repeated requests and demands, the defendants-1 to 4 are not ready to repay or settle the suit claim amount to the plaintiff. Hence this Suit.

Particulars of the Suit Claim:

Agriculture crop loan amount

Rs.2,66,000-00 +7% Interest

Outstanding balance upto 01-07-2025 Rs.5,67,817/-

Total amount Rs.5,67,817/-

3. In spite of service of summons, the defendants remained absent from appearing before the court, hence they are placed exparte.

4. Thereafter, this court has recorded the evidence of the plaintiff. The Branch Manager of plaintiff bank got examined as PW-1 and got marked Ex.P-1 to 20.

5. On the basis of plaint pleadings, the following points would arise for my consideration.

- (1) Whether the plaintiff Bank proves that the defendant-1 approached and filed a loan application dated 30.06.2014 and as a security the defendants-1 to 4 jointly executed a Form of Declaration and mortgaged the suit schedule properties for a sum of Rs.2,66,000/- by executing mortgage deed, terms and condition letter agreeing to repay the same with interest at 7% p.a.?
- (2) Whether the plaintiff Bank is entitled for the reliefs as claimed in the plaint?
- (3) What decree or Order?

6. My answers to the above points are as under:

Point No 1: In the Affirmative

Point No 2: Partly in the Affirmative

Point No 3: As per the final order

for the following;

REASONS

7. Point No.1 and 2:- As these points are interconnected, they are taken up together for common discussion to avoid repetition of facts.

The plaintiff bank has submitted that 1st defendant is the father of defendants-2 to 4 and they jointly executed a form of declaration (Form No.3 Rule No.4) and mortgaged the suit schedule properties for a sum of Rs.2,66,000/- (Two lakhs sixty six thousand only) in favour of the plaintiff bank. Thereafter, the defendant-1 executed a mortgage deed as

security and also executed terms and condition letter agreeing to repay the same with interest at 7% p.a. as per the rates revised from time to time. Later, the plaintiff bank sanctioned the loan amount of Rs.2,66,000/- on 30.06.2014 in A/c No.85020039179 and the 1st defendant borrowed the said loan amount by withdrawing the same from the loan account opened by them in the plaintiff bank commencing from 30.06.2014. The defendant No.1 also executed an acknowledgment of liability dated 08.06.2017 and letter of revivals in favour of the plaintiff bank. After borrowing the defendants-1 to 4 are irregular in making payment of said loan installments with interest and they are due to the plaintiff bank a sum of Rs.5,67,817/- outstanding as on 01.07.2025 as per statement of account dated 18.08.2025.

8. To evidence the borrowing and also to prove the terms and conditions of the loan transactions, lending money and the rate of interest charged etc., the Manager of plaintiff bank got examined as PW1 by way of chief examination affidavit. Herein, PW.1 in her examination-in-chief has reiterated the plaint averments. But the defendants placed as exparte as they are not appeared and placed as exparte. Hence, the reproduction of contents of the affidavit filed in lieu of oral evidence is unwarranted. The PW.1 in order to prove the loan transactions relied on the documents marked at Ex.P.1 to Ex.P20.

9. Among the documents produced by the plaintiff bank, Ex.P1 is the loan application, Ex.P.2 is the form of declaration, Ex.P3 is the mortgage agreement deed, Ex.P4 is

the terms and conditions letter, Ex.P5 is the acknowledgment of liability, Ex.P6 to 8 are letters of revivals, Ex.P9 is the statement of account, Ex.P10 is the G-Tree issued by Village Accountant of Maraduru Grama, Ex.P11 to 13 are encumbrance certificates, Ex.P14 is the boundary certificate, Ex.P15 is the tax paid receipt, Ex.P16 is the copy of MR.No.7/93-94, Ex.P17 is the copy of mutation register MR.No.69/96-97, Ex.P18 is the RTC and Ex.P19 & 20 are RTCs for the year 2025-26 in r/o Sy.No.101/1 and 230/2, which are in respect of loan transaction.

10. It appears that in spite of repeated demands, the defendants have failed to clear the loan outstanding balance amount. On going through the oral and documentary evidence placed on record, the plaintiff bank has substantiated the fact that the defendant No.1 is the father of defendants-2 to 4 and defendant No.1 approached the plaintiff bank for financial assistance and filed a loan application, but the defendants-1 to 4 jointly executed a Form of Declaration (Form No.3 Rule No.4) dated 14.06.2014 in favour of the plaintiff bank and mortgaged the schedule properties for a sum of Rs.2,66,000/- by executing relevant documents and the plaintiff bank sanctioned the loan amount of Rs.2,66,000/- on 30.06.2014 under the Account No.85020039179. But defendants being irregular in making payment of said loan amount with interest, a sum of Rs.5,67,817/- is outstanding as on 01.07.2025 as per statement of account dated 18.08.2025.

Therefore, looking to the oral evidence of PW.1 and relevant documents executed by the defendants with plaintiff bank during the ordinary course of business transaction justifies the claim of the plaintiff bank.

11. In fact, despite of service of summons, the defendants failed to put forth their appearance. The assertion made in the plaint as well as in the evidence of PW-1 to the effect is remained unchallenged. Had defendants any defense to make, nothing prevented them from filing the Written Statement by resisting the plaint averments. But, for the reasons best known to them, they have neither filed Written Statement nor cross-examined PW-1. In the absence of any challenge to PW-1, this court has to hold that the defendants are liable to pay the claim amount. The positive evidence given by PW.1 remained un rebutted and uncontroverted and there is no reason to disbelieve her evidence.

12. So far as the current and future rate of interest claimed by the plaintiff Bank is concerned, it is well settled that pendent - lite interest and future interest are not controlled by contract and they continue to be in the realm of the court discretion. If the loan liability does not arise from commercial transaction, the court is not obliged to grant interest at contractual rate either from the date of suit till date of decree or from the decree till payment there on and the future interest from the date of suit till payment would ordinarily not exceed rate of 6% p.a. but in case of

commercial transaction rate of such interest could exceed rate of 6%, but shall not exceed contractual rate.

13. By considering the facts and circumstances of the case and the purpose for which loan was availed, this court finds it proper to charge current interest and future interest at the rate of 6% p. a. In case of default to make payment by the defendants, the plaintiff bank is at liberty to recover from the defendants personally. Accordingly, this court answers **Point No.1 in the Affirmative and Point No.2 Partly in the Affirmative.**

14. **Point No.3:-** In view of my findings on the above points, I proceed to pass the following:

O R D E R

Suit of the plaintiff Bank is partly decreed with cost.

The defendants are liable to pay sum of Rs.5,67,817/- (Five lakhs sixty seven thousand eight hundred and seventeen only) with current and future interest at the rate of 6 % p.a.

Draw Preliminary Decree accordingly.

[Dictated to the Stenographer, directly on computer, computerized by him, corrected and then pronounced by me in the open Court on this the **2nd day of June 2026**]

[BHAGYAMMA]

I Addl. Senior Civil Judge & JMFC,
Hunsur.

