IN THE COURT OF THE SENIOR CIVIL JUDGE AND JMFC AT: PAVAGADA

Present : **SHRI. MADESHA V,**
BAL., LL.B,
Senior Civil Judge and J.M.F.C.,
Pavagada.

OS. No.284 / 2025

Dated this 16th Day of June, 2026.

PLAINTIFF : Karnataka Gramin Bank
A body constituted under sub section (1) of Section 23A of the Rregional Rural Banks Act 1976 having its Head Office and Principal Place of business at Bellary under the sponsorship of Canara Bank and branches at several places in the State of Karnataka. One of such branch is at Nagalamadike, represented for this suit by its Manager Smt. Vasantha Ranjani P.S.
D/o P.S.Shivakumar,
Aged about 36 years,
R/o Shanthi Nagar, Penukonda Road, Pavagada Town, Tq now amalgamated by Pragathi Krishna Gramin Bank and Kaveri Gramin Bank into a single Regional Rural Bank with effect from 01-04-2019 notified in the Gazette of India by Ministry of Finance, Department of Financial Services vide notification dated 22-02-2019. Situated at Pavagada Town, Kasaba Hobli, Pavagada Taluk

(By Shri PVY., Advocate)

VERSUS

DEFENDANT : 1. K.Subbarayudu (K.Subbarayappa),
S/o Lingappa,
Aged about 73 years,

2. Veeresh
S/o K.Subbarayudu,
Aged about 38 years,

3. Somanna
S/o K.Subbarayudu,
Aged about 42 years,

4. Kittappa
S/o K.Subbarayudu,
Aged about 35 years,

all are R/o M.Kothapalli Village,
Roddam Mandalam, Penukonda Taluk,
Ananthapuram District,
Andrapradesh
(Placed absent)

Date of institution of suit	:	23-09-2025
Nature of suit	:	Recovery of Money.
Date of commencement of recording of evidence	:	13-02-2026
Date on which the judgment was pronounced	:	16-06-2026
Total duration	:	Year/s 00, Month 08, Day/s 24

Sd/-
(MADESHA. V)
Senior Civil Judge and JMFC.,
Pavagada.

JUDGMENT

The plaintiff bank has filed the present suit against the defendants for recovery of money.

2. The brief facts of the case of the plaintiff bank are as under:

The defendants are the absolute owners in possession and enjoyment of the suit schedule properties. All the revenue records of the suit schedule properties are standing in the name of defendant No.1, when the defendants approached the plaintiff bank. The defendants have approached the plaintiff bank and requested the plaintiff bank to sanction Agriculture Cash Credit Loan under KCC scheme for a sum of Rs.5,00,000/- for the purpose agriculture needs. The cash credit limit will be Rs.3,41,500/- for 1st year, Rs.3,75,600/- for 2nd year, Rs.4,23,200/- for 3rd year, Rs.4,54,500/- for 4th year and Rs.5,00,000/- for 5th year. The drawing power of the defendants from the proceeds of the cash credit limit from Rs.3,41,500/- for the next five years upto Rs.5,00,000/- from the date of sanction i.e., on 10-08-2017 it will be effective. The defendants agreed to repay the same annually renew the loan account every year. The said agricultural credit card will be valid for a period of 5 years subject to annual review. Accordingly, the defendants agreed to repay the same by executing loan papers dated 10-08-2017 with the plaintiff bank herein. The defendants borrowed and received above said sum from the plaintiff's bank, agreeing to repay the same annually renew the loan account every year. The said Agriculture Cash Credit will be valid for a period of 5 years. On 10-08-2017 the plaintiff bank has sanctioned the loan of Rs.3,41,500/- to the defendants. The defendants agreed to repay the same by executing loan papers dated 10-08-2017 with the plaintiff Bank herein. The defendants have borrowed and received above said sum from the plaintiff's bank, agreeing to repay the same at the rate of interest @ 7% p.a. upto Rs.3,00,000/- and more than Rs.3,00,000/- the defendants agreed to pay @ 13.75% on the said sum. If the borrower fails to make the loan payment within 12 months them the rate of interest will be charged at 13.75% compoundable annually towards the crop loan (ACC). At present the rate of interest for the crop loan is at 13.75% and agrees to pay the overdue interest, if he fails to pay the same to the bank. The overdue interest at the rate of 2% per annum over and above rate of interest chargeable on the crop loan.

3. It is contended that, the defendants are bound by the terms of loan agreement regarding enhancement of interest as er the RBI instructions. Since, the borrower become defaulter of the entire amount as such the plaintiff bank now charging the interest at 13.75% + overdue interest at 2%=15.75% chargeable as the defendants have failed to pay the entire loan as per the terms and conditions of the plaintiff bank. After execution of deed of simple mortgage of the suit schedule properties with the plaintiff Bank as a security for the loan availed, the defendants also deposited the documents of the suit schedule properties with the

Plaintiff bank. The Deed of Mortgage is produced and the documents of suit schedule properties like computer original RTC extracts of the suit schedule properties, certified copy of the Mutation register extract, Encumbrance certificate for to show the mortgage transaction in favour of the plaintiff bank executed by the defendants are produced herewith. Thereafter, the defendants have not paid any amounts to the plaintiff Bank either towards interest or to the principal of A.C.C. loan account. In spite of repeated requests & demands made by the plaintiff Bank to the defendants have not discharged, settled the loan debt due to the plaintiff bank. Further the plaintiff bank after confirming that the defendants offered their land properties in Sy.No.11/2 of Pendlijeevi Village to an extent of 17 acres 14 guntas, Nagalamadike Hobli, Pavagada Taluk more fully described in the schedule hereunder has given as security for their A.C.C.loan, for which the Mortgage was registered on 05-08-2017 in favour of the Plaintiff bank and the same was registered in Book-1, No.PVG-1-02840-2017-18 recorded in C.D.No.PVGD202 dated 05-08-

2017. The defendants have produced all relevant documents to the plaintiff bank. Thereafter, the defendants have not paid any amounts to the plaintiff Bank either towards interest or to the principal of A.C.C. loan account. In spite of repeated requests & demands made by the plaintiff Bank to the defendants, the defendants have not discharged or settled the loan debt due to the plaintiff bank and issued legal notice dated 08-08-2024. In spite of having knowledge, they did not pay the outstanding balance. The total outstanding amount as on the date of filing the suit was Rs.7,69,754.05/- including other charges which the defendants are liable to repay. Hence, left with no alternative, plaintiff is constrained to file the present suit.

4. After registration of suit, the suit summons was issued. In response service of suit summons, the defendants did not appeared through their counsel. Hence, they absent and placed Ex-parte.

5. In order to prove the case of the plaintiff bank, the Branch Manager of the plaintiff bank examined herself as PW1 and got marked as many as 17 documents at ExP1 to P17 and closed their side.

6. Heard the learned counsel for plaintiff bank and perused the entire records.

7. Following points arise for my consideration:

1. Whether the plaintiff bank proves that, defendants have availed Agriculture Cash Credit Loan of Rs.3,41,500/- on 10-08-2017 agreeing to repay the same with interest at the rate of 7% per annum ?
2. Whether the plaintiff bank proves that, the defendants failed to repay the loan amount and interest ?
3. Whether the plaintiff bank is entitled for the claim amount and interest as sought for ?
4. What order or decree ?

8. My answers to above points are as under:

Point No.1 : In the Affirmative.

Point No.2 : In the Affirmative.
Point No.3 : Partly in the Affirmative.
Point No.4 : As per final order, for the following:

<u>R E A S O N S</u>

9. **<u>POINTS No.1 to 3</u>** :- In order to prove the case of the plaintiff bank, the Branch Manger of the plaintiff bank examined as PW1 and in her examination-in-chief affidavit, she has reiterated the contents of plaint. She has also produced documents at ExP1 loan application, ExP2 terms and conditions, ExP3 mortgage deed, ExP4 is registered mortgage deed, ExP5 is G-tree affidavit, ExP6 and 7 are revival letters, ExP8 to 12 are RTC extracts, ExP13 is mutation extract, ExP14 is legal notice and ExP15 to 17 are statement of accounts. The defendants did not appeared through their counsel. Hence, placed exparte. Hence, cross examination taken as nil, hence the entire evidence of PW1 remained undisputed and unchallenged.

10. It is the case of plaintiff that, the defendants have approached the plaintiff bank and requested the plaintiff bank

to sanction Agriculture Cash Credit Loan under KCC scheme for a sum of Rs.5,00,000/- for the purpose agriculture needs. On 10-08-2017 the plaintiff bank has sanctioned the loan of Rs.3,41,500/- to the defendants. The defendants agreed to repay the same by executing loan papers dated 10-08-2017 with the plaintiff Bank herein. After availing the loan, the defendants neglected to repay the loan.

11. In order to prove the case of plaintiff, the manager of bank filed her examination-in-chief-affidavit and got examined as PW1. On perusal of ExP1 loan application shows that, they have approached the plaintiff Bank on 10-08-2017 for agricultural needs of Rs.3,41,500/- for the said purpose. The defendants have executed all the necessary documents in favour of the plaintiff bank agreeing to repay the same by executing loan papers dated 10-08-2017 with the plaintiff Bank herein. The defendants have borrowed and received above said sum from the plaintiff's bank, agreeing to repay the same at the rate of interest @ 7% p.a. upto Rs.3,00,000/- and more than Rs.3,00,000/- the defendants agreed to pay @

13.75% on the said sum. If the borrower fails to make the loan payment within 12 months them the rate of interest will be charged at 13.75% compoundable annually towards the crop loan (ACC). At present the rate of interest for the crop loan is at 13.75% and agrees to pay the overdue interest, if he fails to pay the same to the bank. The overdue interest at the rate of 2% per annum over and above rate of interest chargeable on the crop loan. Further, the defendants are bound by the terms of loan agreement regarding enhancement of interest as er the RBI instructions. Since, the borrower become defaulter of the entire amount as such the plaintiff bank now charging the interest at 13.75% + overdue interest at 2%=15.75% chargeable as the defendants have failed to pay the entire loan as per the terms and conditions of the plaintiff bank. ExP15 to 17 are statements of account show that, after availing the loan, the defendants neglected to repay the loan. ExP8 to 12 are RTC extract show that, the suit schedule properties are standing in the name of defendant No.1. On perusal of ExP14 is Legal notice show that, the defendants have served with notices, they did not appeared through their counsel and did not comply with the notice and repaid loan and interest. It shows that, in spite of reminders to the defendants, they had failed to pay the outstanding dues of the loan amount.

12. The documents produced by the plaintiff bank clearly show that, the defendants have approached the plaintiff bank and requested the plaintiff bank to sanction Agriculture Cash Credit Loan under KCC scheme for a sum of Rs.5,00,000/- for the purpose agriculture needs. On 10-08-2017 the plaintiff bank has sanctioned the loan of Rs.3,41,500/- to the defendants. The defendants agreed to repay the same by executing loan papers dated 10-08-2017 with the plaintiff Bank herein. By considering the same, the plaintiff bank sanctioned and disbursed the said loan amount and the defendants have executed all the relevant documents. But, they have failed to repay the loan amount. Apart from that, the defendants did not appeared. Therefore, the entire oral and documentary evidence adduced by the

plaintiff remains undisputed and unchallenged. Therefore, this court is of the considered opinion that, the plaintiff has established its case by adducing sufficient oral and documentary evidence.

13. The plaintiff bank has also sought for rate of interest (pendente lite) at the rate of 14.25% per annum. Admittedly there is a written agreement between the parties, wherein the defendants agreed to repay the loan amount with interest at the rate of 7% per annum. Therefore, this court is of the opinion that, it is necessary to award the current rate of interest at the rate of 13.75% p.a. as agreed by the parties.

14. In respect of future rate of interest at the rate of 13.75% per annum is concerned, by considering the purpose for which the loan is availed, this court is of the view that, it would be appropriate if the future interest is fixed at the rate of 6% p.a. from the date of judgment till realization. Therefore, the defendants are liable to repay an amount of Rs.7,69,754.05/- along with current interest at the rate of 13.75% p.a., and on principle amount from the date of suit till

date and along with future interest at the rate of 6% p.a. from today till the date of realization. Accordingly, points No.1 and 2 are answered in the **Affirmative** and point No.3 is answered **Partly in the Affirmative**.

15. **POINT NO.4:** In view of above reasons, reference and discussions made there in above, I proceed to pass the following:

O R D E R

The suit of the plaintiff bank is hereby decreed in part with costs.

The defendants No.1 to 4 are personally and severally liable to pay the suit claim of Rs.7,69,754.05/- along with current interest at the rate of 13.75% p.a., on principle amount from the date of suit till date and future interest at the rate of 6% p.a. from today till realization of entire amount.

Draw decree accordingly.

(Dictated to the Stenographer, transcribed and typed by him on the laptop, then corrected and pronounced by me in open Court on this the ***16th Day of June, 2026*****).**

Sd/-
(MADESHA V.)
Senior Civil Judge and JMFC.,
Pavagada.

A N N E X U R E

List of witnesses examined on behalf of plaintiff :

PW1 : Vasantha Ranjini P.S.

List of documents exhibited on behalf of plaintiff :

ExP1 : Loan application.

ExP2 : Terms and conditions.

ExP3 : Mortgage deed.

ExP4 : Registered mortgage deed.

ExP5 : G-tree affidavit.

ExP6 & P7 : Revival letters.

ExP8 to 12 : RTC extracts.

ExP13 : Mutation extract.

ExP14 : Legal notice.

ExP15 to 17: Statement of accounts.

List of witnesses examined on behalf of defendants:

- NIL -

List of documents exhibited on behalf of defendants:

- NIL -

Sd/-
(MADESHA V)
Senior Civil Judge and JMFC.,
Pavagada.