IN THE COURT OF ADDITIONAL DISTRICT COURT [FTC], THENI.

PRESENT : **Tmt. G. SREE DEVI, B.A., L.L.M**
Additional District Judge, [FTC], Theni,

Tuesday, 17th day of March, 2026

ORIGINAL SUIT No. 154 of 2020
(CNR No. TNTH010040062020)

Karur Vysya Bank Ltd., Kombai Branch
represented by its Manager Mr.D.Muthukumar ... Plaintiff

/Vs/

1. Kannamani
2. Senthil ... Defendants

This suit posted on 03.03.2026 before this court for final hearing in the presence of Thiru.R.Gunasekaran, Advocate for the Plaintiff and Thiru.V.Sadamayan, Advocate for the Defendants and upon hearing both side counsels and on perusal of the case records which stood over for consideration till today this court delivered the following:-

JUDGMENT

The Plaintiff has filed a suit for direct the Defendants to pay a sum of Rs.14,14,729/- the Plaintiff along with interest at the rate of 14.50% p.a. on the above amount from the date of plaint till realization and to provide other relief.

2. The concise statement of the averments made in the plaint are as follows:

(2.1) The Plaintiff's case is that, the 1st Defendant applied to the Plaintiff's branch at Kombai for the grant of loan of KVB Green card/Green card plus scheme for the purpose of cultivation expenses for Rs.5,00,000/- on 15.10.2013 and the said loan was sanctioned by the Plaintiff bank on 15.10.2013 on condition of execution of necessary instruments as securities. The 1st Defendant executed a Demand promissory note, Hypothecation agreement and a letter of continuity in favour of the Plaintiff's bank on 15.10.2013. After executing the necessary documents the Defendants have availed a sum of Rs.5,00,000/-. The 1st Defendant have also agreed to repay the loan amount along with the interest at the rate of 11.50% p.a. compound half yearly/quarterly/monthly and subject to changes in the interest rate made by the RBI/bank Head office time to time. The 1st Defendant agreed to pay penal interest at 3% p.a. over the agreed rate from the date of default. The 1st Defendant is liable to pay the loan amount at interest rate of 14.50% p.a. compounded with monthly rests.

(2.2) Further, the 2nd defendant stood as a guarantor to the aforesaid loan amount, by executing an agreement of guarantee and guarantor's consent letter on 15.10.2013. Therefore, both of them are liable to repay the loan liability jointly and severally. For the above said loan on 12.10.2016 and 03.10.2019 the 1st Defendant executed Revival letter in favour of Plaintiff bank. So, the loan was renewed and revived binding both the Defendants. The Defendants did not repay the loan amount in spite of letters written and personal contact made by the Plaintiff bank. The Plaintiff bank has issued the registered legal notice on 07.09.2020 to the all Defendants for repaying the loan due. The schedule mentioned property was purchased by 1st Defendant from M.Lakshmi wife of Keppanan, Chinnamanur SRO bearing document no.1216/2009 dated 13.03.2009. The 1st Defendant deposited at Kombai on 07.10.2013 relating to the property with an intention to create an equitable mortgage followed by way of registration of memorandum on 11.10.2013 at SRO, Chinnamanur. But, the Defendants have not yet repaid the loan amount in spite of letters written and personal contact made by the Plaintiff bank. Hence, the Plaintiff bank holds the right of mortgage over the plaint schedule properties. Therefore, the defendants are ordered to pay Rs.14,14,729/- along with interest at the rate of 14.50% p.a. and costs of the suit from the date of plaint till the date of decree with the time fixed by this court.

3. The concise statement of the averments made in the written statement filed by the Defendants are as follows:

(3.1) The defendant denied all the allegations contained in the plaint and contented that the present suit filed by the plaintiff is not maintainable either in law or on facts. The relief claimed by the plaintiff cannot be granted against these defendants. Except for the facts that are expressly and specifically admitted herein, all other allegations are denied by these defendants. The plaintiff is put to strict proof of each and every allegation so denied. As stated in Paragraph 5 of the plaint, the defendants admit that the 1st defendant obtained a loan of Rs.5,00,000 on 15.10.2013 from the plaintiff bank under Loan Account No. 1148722000000688 under the Green Card / Green Card Plus Scheme for agricultural expenses. However, the allegations made in Paragraph 6 of the plaint that the defendants executed a mortgage agreement in favour of the plaintiff bank at the Karur Vysya Bank, Kombai Branch, agreeing to repay the loan amount of Rs.5,00,000/- to the plaintiff bank with interest at 11.50% p.a. and that the interest was to be calculated and collected half-yearly, and that the interest rate would be subject to the rates fixed by the Reserve Bank of India from time to time, and that failure to pay would attract penal interest of 3%, thereby making both defendants liable, are all denied by the defendants. In fact, the interest rate charged by the plaintiff bank is higher than the interest rate applicable to agricultural loans prescribed by the Reserve Bank of India, and the plaintiff bank is bound to prove the same. The plaintiff must strictly prove all such denied allegations.

(3.2) The statements made in Paragraph 7 of the affidavit that the agricultural loan was granted based on the guarantee of the second defendant and that both defendants became fully liable on 15.10.2013 based on the consent letter given by the second defendant are wholly denied. The allegations in Paragraph 8 of the affidavit that, under the registered sale deed dated 13.03.2009 bearing Document No.1216/2009, the property obtained by the first defendant from Lakshmi wife of Keppanan, was deposited with the plaintiff bank by the 1st defendant on 07.10.2013 at the Chinnamanur Sub-Registrar Office along with other related property documents to create an equitable mortgage, and that a memorandum of deposit of title deeds was registered on 11.10.2013 are denied. The plaintiff bank is bound to prove these allegations.

(3.3) In reality, the first defendant obtained the agricultural development loan from the plaintiff bank and has repaid the entire installments. However, the plaintiff bank has falsely calculated additional interest and, without giving credit to the amounts already paid by the first defendant, has falsely alleged that the first defendant has not paid any installment and has filed the present suit demanding the entire amount. The 1st defendant is in possession of receipts for the payments made to the bank. The plaintiff has no valid cause of action to file the present suit. The cause of action mentioned in the plaint is false. The court fee paid by the plaintiff is also incorrect. The defendants reserve their right to file an additional written statement if necessary. The relief sought by the plaintiff is not maintainable. Being farmers, the defendants are entitled to relief under the agricultural loan relief laws. Therefore, it is humbly prayed that this Court may be pleased to consider that the agricultural development loan obtained by the 1st defendant from the plaintiff bank could not be repaid due to natural calamities that destroyed the crops, and based on the concessions normally granted by nationalized banks, direct the plaintiff bank to waive the said loan, and consequently dismiss the suit filed by the plaintiff.

4. Based on the pleadings of both parties this court framed the following issues:

(i) Whether the Plaintiff is entitled to claim the suit amount of Rs.14,57,171/- from the Defendants or not?

(ii) Whether the Plaintiff can claim interest at 14.50% p.a. or not?

(iii) What the relief is to be granted?

Upon perusal of the plaint it is seen that the suit claim is Rs. 14,14,729/- hence the issue no.(i) is reframed as

(i) Whether the Plaintiff is entitled to claim the suit amount of Rs.14,14,729/- from the Defendants or not?

5. Evidence :

On behalf of the Plaintiff, the Plaintiff's bank Branch Manager one Santhosh Kumar was examined as PW1 and Ex.A1 to Ex.A13 were marked through him. On behalf of the Defendants, no oral and documentary evidence produced.

6. Discussions, Decisions with Reasons:-

(6.1) Heard both side and documents perused. According to the Plaintiff, the 1st Defendant applied to the Plaintiff's branch at Kombai for the grant of loan of KVB Green card/Green card plus scheme for the purpose of cultivation expenses for Rs.5,00,000/- on 15.10.2013 and the said loan was sanctioned by the Plaintiff bank on 15.10.2013 on condition of execution of necessary instruments as securities. The 1st Defendant executed a Demand promissory note, Hypothecation agreement and a letter of continuity in favour of the Plaintiff's bank on 15.10.2013. After executing the necessary documents the Defendants have availed a sum of Rs.5,00,000/-. The 1st Defendant have also agreed to repay the loan amount along with the interest at the rate of 11.50% p.a. compound half yearly/quarterly/monthly and subject to changes in the interest rate made by the RBI/bank Head office time to time. The 1st Defendant agreed to pay penal interest at 3% p.a. over the agreed rate from the date of default. The 1st Defendant is liable to pay the loan amount at interest rate of 14.50% p.a. compounded with monthly rests.

(6.2) Further, the 2nd defendant stood as a guarantor to the aforesaid loan amount, by executing an agreement of guarantee and guarantor's consent letter on 15.10.2013. Therefore, both of them are liable to repay the loan liability jointly and severally. For the above said loan on 12.10.2016 and 03.10.2019 the 1st Defendant executed Revival letter in favour of Plaintiff bank. So, the loan was renewed and revived binding both the Defendants. The Defendants did not repay the loan amount in spite of letters written and personal contact made by the Plaintiff bank. The Plaintiff bank has issued the registered legal notice on 07.09.2020 to the all Defendants for repaying the loan due. The schedule mentioned property was purchased by 1st Defendant from M.Lakshmi wife of Keppanan, Chinnamanur SRO bearing document no.1216/2009 dated 13.03.2009. The 1st Defendant deposited at Kombai on 07.10.2013 relating to the property with an intention to create an equitable mortgage followed by way of registration of memorandum on 11.10.2013 at SRO, Chinnamanur. But, the Defendants have not yet repaid the loan amount in spite of letters written and personal contact made by the Plaintiff bank. Hence, the Plaintiff bank holds the right of mortgage over the plaint schedule properties. Therefore, the defendants are ordered to pay Rs.14,14,729/- along with interest at the rate of 14.50% p.a. and costs of the suit from the date of plaint till the date of decree with the time fixed by this court.

(6.3) The Plaintiff Bank Branch Manager Santhosh Kumar has been examined as PW1 and he marked Ex.A1 Loan application form dated

15.10.2013, Ex.A2 Demand promissory note dated 15.10.2013, Ex.A3 Hypothecation agreement dated 15.10.2013, Ex.A4 Sanction/Renewal of credit facilities dated 15.10.2013, Ex.A5 Letter of continuity dated 15.10.2013, Ex.A6 Agreement of guarantee dated 15.10.2013, Ex.A7 Guarantor's consent letter dated 15.10.2013, Ex.A8 Form of Memorandum for registration dated 11.10.2013, Ex.A9 Sale deed dated 13.03.2009 – Original, Ex.A10 Revival letter dated 12.10.2016, Ex.A11 Legal notice dated 07.09.2020, Ex.A12 Returned cover with acknowledgment card and Ex.A13 Statement of account.

(6.4) In the deposition of PW1 stated that this 1st Defendant borrowed a KVB Green card/Green card plus scheme for the purpose of cultivation expenses for Rs.5,00,000/- on 15.10.2013. Further, the 2nd defendant stood as a guarantor to the aforesaid loan amount, by executing an agreement of guarantee and guarantor's consent letter on 15.10.2013. Therefore, both of them are liable to repay the loan liability jointly and severally. PW1 was cross examined by the Defendants side and mere suggestion was put to the witness that the entire loan amount was paid the interest beyond the principle amount and the suit is filed with fabricated documents created to suite the convenience of the Plaintiff. Even though it is the specific case of the Defendants that they are paid the interest beyond the principle amount to the Plaintiff bank no contra evidence produced by the Defendants to prove their case of discharge of the loan amount. The Defendants further have not entered the witness box to let in contra evidence on their side to contra the evidence of the Plaintiff.

(6.5) Plaintiff case is that the Defendants have not repaid the loan amount properly and therefore the Plaintiff has filed this suit for recovery of the loan amounts due to the Plaintiff from the Defendants with interest. It is evident from PW1 that the Defendants have taken a loan and to repay the amount of

Rs.14,14,729/- to the Plaintiff bank and the Defendants have not repaid the said loan amount properly to the Plaintiff.

(6.6) Therefore, this court is of view that an inference can be drawn against the Defendants. It has also been shown to this court through the evidence of PW1 and through the documents Ex.A1 to Ex.A13 that the Defendants have taken a several loans from the Plaintiff bank and that they have defaulted to repay the said loans. Issue nos.1 to 3 are answered accordingly.

7. In the result, the suit is decreed with costs.

(a) Preliminary decree is passed.

(b) Directing the Defendants to pay the plaintiff the sum of Rs.14,14,729/- with interest at the rate of 6% of p.a. from the date of plaint till the date of realization of the amount within a period of two months with costs.

Dictated to the Steno-Typist and typed by her in computer directly and after correction, pronounced by me in open court on this 17th day of March 2026.

G SREE DEVI — Digitally signed by G SREE DEVI Date: 2026.03.19 12:28:01 +0530

Additional District Judge,
Theni.

Plaintiff side witnesses :

PW1	...	Santhosh kumar (Plaintiff)

Plaintiff side Exhibits :

Ex.A1	…	Loan application form dated 15.10.2013
Ex.A2	…	Demand promissory note dated 15.10.2013
Ex.A3	…	Hypothecation agreement dated 15.10.2013
Ex.A4	…	Sanction/Renewal of credit facilities dated 15.10.2013
Ex.A5	…	Letter of continuity dated 15.10.2013
Ex.A6	…	Agreement of guarantee dated 15.10.2013
Ex.A7	…	Guarantor’s consent letter dated 15.10.2013

Ex.A8	…	Form of Memorandum for registration dated 11.10.2013
Ex.A9	…	Sale deed dated 13.03.2009 – Original
Ex.A10	…	Revival letter dated 12.10.2016
Ex.A11	…	Legal notice dated 07.09.2020
Ex.A12	…	Returned cover with acknowledgment card
Ex.A13	…	Statement of account

<u>Defendant side witnesses and Exhibits : - Nil -</u>

G SREE DEVI

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Date: 2026.03.19 12:28:09 +0530

Additional District Judge,
Theni.