KACB410014872025

<u>IN THE COURT OF SENIOR CIVIL JUDGE & J.M.F.C., AT: GOWRIBIDANUR.</u>

Dated this the 31st day of July-2026.

<u>: : PRESENT : :</u>

Smt. Geetha Kumbar.K.B.
B.A.L. LL.B., LL.M.,
Senior Civil Judge & JMFC.,
GOWRIBIDANUR.

<u>O.S. 434/2025</u>

Plaintiff	: **Karnataka Gramina Bank,** (Earst while Pragathi Krishna Gramina Bank(A Bank constituted under the Regional Rural Bank's Act of 1976, having its head office at Sanganakal Road, Gandhi Nagar, Bellary, and a branch office at Kuntachikkanahalli Gowribidanur Taluk, (the new name of plaintiff as stated above is called as per the notification of Govt. of India vide F No.07-08-20170RRB-dated 22-02-2019) (Rep by Sri. G.M., Advocate)

-VS-

Defendant : 1. Smt. Nanjamma,
W/o Gangappa,
Aged about 75 years.

2. Sri. D.N. Narasimha Murthy
S/o Nallappa,
Aged about 62 years.

Both are R/at Reddydyavarahalli
Village, G. Bommasandra Post,
Tondebhavi Hobli,
Gowribidanur Taluk,
Chikkaballapur District.

(Rep. By Sri. C.M., Advocate)

Nature of the suit	**RECOVERY OF MONEY**
Date of Institution of suit	**26.11.2025**
Date of commencement of Evidence	**07.07.2026**
Date of pronouncement of judgment	**31.07.2026**
Total Duration	**Year/s 00 Month/s 09 Day/s 05**

(GEETHA KUMBAR.K.B.)
Senior Civil Judge and JMFC.,
Gowribidanur.

JUDGMENT

The present suit is filed on behalf of plaintiff bank against defendant seeking recovery of sum of **Rs.5,21,274-82/-** together with future interest at the rate of 10.00% and a penal interest at 2% p.a. with half yearly rests from the date of suit till the date of its realization and for costs and such other relief's.

2. The brief facts of the plaintiff's case are as under:-

It is averred that, plaintiff is a Banking company constituted under Regional Rural Banks Act 1976 having its Head Office at No.32, Sanganakal Road, Gandhi Nagar, Bellary under various parts of Karnataka and also a branch office at Kuntachikkanahalli Village, Gowribidanur Taluk.

3. It is averred that, on **13.06.2016** the defendant No.1 has approached the plaintiff bank and requested for loan to an extent of Rs.**2,00,000/-** for the purpose of utilizing the same for agriculture purpose, for groiwng hybrid tomato crop. The defendant No.1 as owner to the property has created a charge on the suit schedule property in Form No.3 of Declaration in the name of plaintiff bank, in the office of Sub-Registrar at Gowribidanur Town on 14.06.2016. On 28.06.2016 the defendant No.1 as borrower along with defendant No.2 as co-obligant have jointly executed a Memorandum of agreement for agricultural loans dated 28.06.2016 in favour of plaintiff-bank for a sum of Rs. 2,00,000/- hypothecating the crops grown in the plaint schedule land annexed to the said deed. The particulars of mortgage executed by defendant No.1 is detailed as under:

a) Name of the Mortgagor	::	Smt. Nanjamma (Defendant No.1)
b) Name of the Mortgagee	::	Pragathi Gramin Banker,Gowribidanur
c) Date of mortgage	::	14.06.2016
d) Amount secured	::	2,00,000/-

e)	Rate of Interest	::	12.00% PA subject to variation by head office.
f)	Property mortgaged	::	Plaint schedule property
g)	Amount outstanding	::	Rs. 5,21,274-82/- with half yearly rests from the date of the suit.

4. Among other terms of agreement, the defendants have agreed to pay interest on the amount borrowed at 12.00% PA with half yearly rests, subject to variation by Head office of the plaintiff-Bank. The defendants have also agreed to pay penal interest at 2% PA on the over due amount.

5. On account of failure of crops and in the light of prevailing circumstances and to safeguard the interest of lonees of the bank, Government of Karnataka from titme to time has issued directions to the banks to rephrase the loan accounts and to provide further time to the lonees for repayment of the loan amount. As per the directions of Government, Head office of the plaintiff bank has issued instructions to the concerned branches to rephrase the loan accounts. In the course of instructions to rephase the loan accounts, the mode of operation/maintenance of the account is also made clear in the manual of instructions. As per the instructions from head office of the plaintiff bank, the original loan account of the borrower was KCC 10989131000256 and the said old account is closed. After its rephrase the amount stood in original account is transferred to new account No. 40989354012319.

6. The defendants should have repaid the amount borrowed with interest in terms of the agreement. But the defendants have not paid the principal amount and accrued interest from time to time in terms of the agreement. The officials of the plaintiff bank contacted the defendants several times and requested them to regularize his loan account. Though the defendants have promised to pay the loan account in terms of the agreement, the defendants have not kept up the promise so made. Instead the defendants no.1

and 2 executed revival letter dated 11.01.2019, 08.06.2021 and 31.10.2023.

7. The cause of action for this suit arose on 13.06.2016 the date of which the defendant No.1 availed the loan and executed the agreement and deed for Kissan OD and also on 28.06.2016 the date on which the defendants have jointly executed Memorandum of Agreement for Agricultural loans and availed a loan from plaintiff bank and on 11.01.2019, 08.06.2021 and 31.10.2023 the date on which defendants have executed revival letters in the name of plaintiff bank and also on all the dates of demand for repayment of the loan amount, within the jurisdiction of this Hon'ble Court.

8. Inspite of service of suit summons, the defendants have remained absent and not filed any written statement in-spite of opportunities being given. Hence, they have placed exparte.

9. In support of the plaintiff's case the manager of plaintiff bank one Manasa S.L. got herself examined as PW.1 and six documents are marked as Ex.P.1 to P.6. The cross of PW-1 by defendants as nil.

10. I have heard the arguments of Learned Counsel for plaintiff.

11. On considering the materials placed before me, the points that arise for my consideration are as under:

Points

1. Whether plaintiff bank proves that, on 13.06.2016 the defendant has approached the plaintiff bank and requested for loan to an extent of Rs.**2,00,000/-** for the purpose of utilizing the same for Agricultural purpose ?

2. Whether plaintiff bank proves that the defendants failed to repay the loan amount within agreed period and with agreed interest?

3. Whether plaintiff bank is entitled for recovery of sum of Rs.**5,21,274-82/**- together with future interest @ **12.00% p.a.** and a penal interest @ 2% p.a. w interest from the date of suit to till the date of realization?

4. What order or decree?

12. My findings on the above points is as under:

Point No.1 & 2: In the Affirmative;

Point No. 3 : Partly Affirmative,

Point No.4 : As per final order,
for the following:

REASONS

13. POINT NO.1 to 3:- As these points are interlinked with each other, to avoid repetition of facts and evidence, they are taken together for common discussion.

14. Here the present suit is for recovery of Rs. **5,21,274-82/-** together with future interest at the rate of **12.00%** and a penal interest at 2% p.a. with half yearly rests from the date of suit till the date of its realization. It is the case of plaintiff bank that, the defendant No.1 approached the plaintiff bank and requested for loan to an extent of Rs.**2,00,000/-** for the purpose of utilizing the same for agriculture purpose. On 28.06.2016 the defendant No.1 as borrower along with defendant no.2 as co-obligant have jointly executed a Memorandum of agreement for agricultural loans in the name of plaintiff bank.

15. Among other terms of the agreement, the defendants have agreed to pay interest on the amount borrowed at 12.00% p.a. with half yearly rests, subject to variation by Head office of the plaintiff bank and also agreed to pay the penal interest at 2% p.a. on the over due amount.

16. It is stated that, the defendants should have repaid the amount borrowed with interest in terms of the agreement. But the defendants have not paid the principal amount and accrued interest from time to time in terms of the agreement. The officials of the plaintiff bank contacted the defendants several times and requested them to regularize their loan account. Though the defendants have promised to pay the loan account in terms of the agreement, the defendants have not kept up the promise so made. Instead the defendants executed revival letter dated 11.01.2019, 08.06.2021 and 31.10.2023.

17. Hence plaintiff bank is constrained to file the present suit seeking recovery of Rs. **5,21,274-82/-** together with future interest at the rate of 12.00% (13.25 present rate of interest) and a penal interest at 2% p.a. with half yearly rests from the date of suit till the date of its realization

18. Here in the instant case in support of plaintiff's case the present manager of plaintiff bank Manasa S.L. got herself examined as PW.1 and she has filed her examination-in-chief affidavit in consonance with the plaint averments and got marked Form of Declaration, Agreement of agricultural loans, Three revival letter, and account extract as per Ex.P-1 to P-6.

19. On perusal of the Loan sanction letter Ex.P-1 it is forthcoming that, the defendant applied for loan for the purpose of utilizing the same for agricultural purpose for growing Hybrid Tomato crop. The defendant No.1 as owner to the property has created a charge on the suit schedule property as per Ex.P1 Form of Declaration dated 14.06.2016 in the name of plaintiff bank.

20. Further on perusal of Ex.P2 which is Memorandum of agreement for agricultural loan dated 28.06.2016. Ex.P3 to Ex.P6 are the Revival letter executed the defendants. Ex.P6 is the account extract of the loan account of defendants, it is forthcoming that, as on the date of the suit defendants is due to pay principal outstanding @ sum of Rs.**5,21,274-82/-.**

21. Here it is pertinent to note that, in-spite of service of suit summons, defendant No.1 and 2 remained absent and not contested the matter. Moreover, they have also not chosen to cross examine PW.1. Hence, as there is no cross examination of PW.1, the oral and documentary evidence adduced on behalf of plaintiff bank remained unchallenged and un-controverted.

22. Here on perusal of the oral and documentary evidence and the pleadings of plaintiff, it is clearly forthcoming that, defendants for the purpose of agricultural has availed loan of **Rs.2,00,000/-** from the plaintiff bank by executing necessary documents. However in-spite of several demands, they failed to repay the loan amount with agreed interest.

23. Hence, on considering the un-controverted testimony of PW.1 and the documentary evidence produced on behalf of the plaintiff bank, the plaintiff bank has proved the availing of loan by defendants for a sum of **Rs.2,00,000/-** by executing necessary documents in favour of plaintiff bank. Further by producing the extract of loan account statement as per Ex.P6, it is proved by the plaintiff bank that, the defendants have failed to repay the loan amount regularly.

24. The plaintiff bank claims interest @ 12.00% p.a. with compounded monthly interest from the date of suit. Here it is pertinent to note that, U/Sec.34 of CPC this Court has got no discretion with regard to antecedent of claim. But it has got discretion in respect of pendente lite of interest. For future interest other than commercial transaction the interest shall not exceed 6% p.a. In the case on hand it is evident that, the defendants have availed loan for agricultural purpose . In view of non contesting of the claim of plaintiff bank by the defendants, there is no reason for this Court to exercise its discretion to reduce the pendente lite interest. However, the loan was granted for commercial purpose, considering the recommendation made by the government for the development purpose, it is just and proper to award future interest @ 6% pa. From the date of order till payment.

25. Hence, from the over all oral and documentary evidence placed on record, the plaintiff bank proved the availment of loan by the defendants by executing necessary documents and by agreeing to repay the loan amount with agreed interest. Hence, plaintiff bank is entitled to recover the loan amount with interest from defendants as prayed from the date of the suit till its realization. Hence in view of my above discussions, **I answer Point Nos.1 & 2 in the Affirmative and point No. 3 partly in the Affirmative.**

<u>26. POINT NO.4</u>:- In view of the aforesaid reasons and discussion and result of point Nos.1 to 3, I proceed to pass the following:-

<u>ORDER</u>

The suit of the plaintiff bank is hereby partly DECREED with costs.

The defendants are liable to pay sum of Rs. **5,21,274-82/-** with interest at **12.00% p.a.** with half yearly rests from the date of suit till the date of this order and with future @ 6% p.a. from the date of suit till realization of entire loan amount.

Draw Preliminary decree accordingly.

(Dictated to the Stenographer, transcribed by her, transcript revised, corrected and then pronounced by me in the open Court on this the 31st day of July- 2026).

Geetha kumbar konanur bhadresh

Digitally signed by Geetha kumbar konanur bhadresh
Date: 2026.08.05 11:09:54 +05'30'

(GEETHA KUMBAR K.B.)
Senior Civil Judge and JMFC.,
Gowribidanur.

ANNEXURE

- **List of witnesses examined for the plaintiff :**

P.W.1 : Manasa S.L

- **List of documents exhibited for the plaintiff:**

Ex.P.1 : Form of Declaration dated 14.06.2016

Ex.P2 : Memorandum of agreement for Agricultural loans dated 28.06.2016

Ex.P.3 to P5 : Three Revival Letters
Ex.P6 : Account extract

- **<u>List of witnesses examined for the defendants</u>** :

NIL

<u>List of documents exhibited for the defendants:</u>

NIL

(GEETHA KUMBAR.K.B.)
Senior Civil Judge and JMFC.,
Gowribidanur.