Presented on : 02-05-2026
Registered on : 02-06-2026
Decided on : 27-08-2026
Duration : 0 years, 3 months, 25 days

IN THE COURT OF THE II ADDL. CIVIL JUDGE & JMFC, CHANNAGIRI.

PRESENT : Sri. Vajresha, B.A. L.L.B.
II Addl. Civil Judge & JMFC,
Channagiri.

DATED THIS THE 27th DAY OF AUGUST 2026

ORIGINAL SUIT NO.184/2026

Plaintiff.	:	The Manager Karnataka Grameena Bank Hirekogaluru branch, Channagiri Taluk, Davanagere District. Represented by Manager; Shashikanth Kamble, S/o Somaling Kamble. **(By Shri. S. Prasanna Kumar, Advocate)**

V/s.

Defendant.	:	Shivappa S/o Kampalappa, Aged about 60 years, R/at Eraganahalli Village, Santhebennur Hobli, Channagiri Taluk. **(Ex-parte)**

JUDGMENT

The plaintiff bank has filed this suit for recovery of an amount of Rs.1,50,894/- along with future interest at the rate of 12% p.a. with 2% of panel interest from the date of suit till the realization along with costs and such others.

2. **The brief averments of the plaint is as under:**

The plaintiff bank is the body corporate constituted and functioning under the Regional Rural Banks Act 1976 having its Head Office at 32 Sanganakal Road, Gandhinagar, Bellary and having branch office at Hirekogaluru Branch, Channagiri Taluk, Davanagere District. The Manager of the Bank has been authorized by the plaintiff Bank to file the suit etc.

3. The defendant has approached the plaintiff bank for financial assistance for the purpose of crop loan (Areca and Banana intercrop) of Rs.1,10,000/- from KCC loan scheme, accordingly the plaintiff Bank sanctioned and paid loan of Rs.1,10,000/- at the rate of 12% per anum with panel interest at 2% per anum to defendant on 31.12.2020 through its loan account No.10870130020340.

4. That defendant has borrowed loan by executing loan application and also documents. The defendant has also agreed to abide by the terms and conditions contained in the said documents. The defendant agreed to repay the said loan amount and also agreed to renew the loan for every year within 5 years. The

plaintiff bank maintained the account of defendant. The defendant has failed to pay the loan amount as such he was issued the legal notice to the defendant on 07.07.2025. The legal notice duly served. Inspite of service of notice the defendant has failed to pay the loan amount. The defendant is liable to pay plaintiff bank for a sum of Rs.1,50,894/- as on the date of filing of the suit along with miscellanies charges. In spite of the repeated demands made personally and through notice by the plaintiff Bank, the defendant did not repay the said loan amount. Hence he become defaulter. Thus the plaintiff Bank is constrained to file this suit against defendant for the recovery of suit amount.

5. After registered the case summons issued to defendant. In response to the summons the defendant has failed to appear before the court. Hence, defendant placed Ex-parte.

6. The Manager of the plaintiff bank by name Sri.Shashikanth Kamble has examined himself as PW1 and got marked 10 documents as Ex.P1 to P10 and closed his side. As the defendant was placed Ex-parte no cross examination and defense evidence.

7. Heard the arguments.

8. The following points that arise for my consideration are:

1. Whether the plaintiff bank proves that the defendant has obtained loan for sum of Rs.1,10,000/- by executing Deed of Hypothecation Cum agreement and letter of undertaking?
2. Whether plaintiff bank proves that the defendant has agreed to repay the said loan along with accrued interest at the rate of 12% p.a. with panel interest at the rate of 2%?
3. Whether the plaintiff bank proves that the defendant has failed to repay the loan amount as agreed?
4. Whether the plaintiff bank is entitled for the suit claim?
5. What order or decree?

9. For the above points my findings are as under:

Point No.1: In the affirmative.
Point No.2: Partly affirmative.
Point No.3: In the affirmative.
Point No.4: In the affirmative.
Point No.5: As per the order below for the following:

REASONS

10. **Point No.1 & 3:** These points interlinked to each other. Hence these two points taken together for common discussion to avoid the repetition of the facts and evidence. It is the case of the plaintiff bank that the defendant has

obtained crop loan of Rs1,10,000/- from plaintiff bank under crop loan from KCC loan scheme at Hirekogaluru branch by executing several documents and agreed to repay the loan along with interest and also agreed to abide the terms and conditions imposed by the plaintiff bank.

11. In order to establish the claim, the plaintiff bank manager examined himself as PW1 by filing examination in chief affidavit and got marked 10 documents as Ex.P1 to Ex.P10. The PW1 has reiterated the plaint averments in his evidence affidavit. Ex.P1 is the loan application. Ex.P2 is the memorandum of agreement. Ex.P3 is the request for agriculture. Ex.P4 is the letter of revival. Ex.P5 is legal notice dated 07.07.2025. Ex.P6 is the postal receipt. Ex.P7 is postal cover. Ex.P8 is the account statement (loan particulars). Ex.P9 is the undertaking letter. Ex.P10 is the loan sanction conveying letter.

12. The Ex.P1 to Ex.P10 clearly shows that, the defendant has executed memorandum cum agreement and was obtained loan for sum of Rs.1,10,000/- at the rate of 12% p.a. and agreed to abide by the conditions imposed by the plaintiff bank and further agreed that, the defendant is liable to the said transaction. As per Ex.P8, the account statement an amount of Rs.1,48,894/- due in the loan account of defendant. These documents shows that the defendant has obtained the loan as per conditions of the bank. At the outset, it is worth to note that under Section 28 of

the Bharatiya Sakshya Adiniyam, 2023, when the plaintiff sues defendant for recovery of money and shows entries of accounts that, the defendant has paid the money and how much more to be paid by him, the entries in the document are relevant. The plaintiff, being the bank has provided sufficient evidence to prove the debt of the defendants. The plaintiff's bank has carried out the procedures provided under civil procedure code for the purpose of serving summons to the defendant. Even after following due process the defendant has remained absent and were placed ex-parte. As such the evidence led by the plaintiff's bank remain unchallenged and undisputed. If the defendant has not obtained any loan from the plaintiff bank, after service of summons certainly they would have appeared before the court and contest the case. But defendant has failed to appear before the court. When the defendant failed to appear before the court to deny the claim of plaintiff, an adverse inference can be drawn that he has obtained loan. The unchallenged piece of oral testimony of PW-1 coupled with Ex.P1 to Ex.P10 goes to establish the case of the plaintiff. In spite of service of summons, the defendant has not appeared before this court. The oral and documentary evidence of PW1 remain unchallenged. In the absence of contra evidence I have no other options to accept the oral and documentary evidence of plaintiff bank.

13. The plaintiff bank has submitted all the relevant documents with respect to loan availed by the defendant. The documents produced by the plaintiff's bank

are relevant to arrive at an opinion that the defendant has obtained the loan from plaintiff bank for an amount of Rs.1,10,000/- on 31-12-2020 and he failed to repay the same as per the agreed terms and conditions of Ex.P2 loan agreement dated 31.12.2020. Further as on 31-03-2026, the balance payable amount by the defendant stands at Rs.1,48,894/- as per Ex.P8, statement of account of defendant loan account maintained by the plaintiff's bank. On the other hand, in the absence of any credible evidence challenging the authenticity of bank balance presented, the court presumes the regularity and validity of such documents to be genuine. This presumption is grounded in the ordinary course of business principle where it is reasonable to assume that financial Institutions maintain accurate records and follow the established procedures in creation and maintenance of their documents. The burden of proof rests with the opposing party to provide concrete evidence rebutting this presumption if the defendant seeks to contest the authenticity or reliability of the bank documents. Absolutely there is no contradictory and rebuttal evidence to disbelieve the allegation made by the plaint bank. Therefore the plaintiff bank has established its case. Hence, my answer to the **Point No.1 and 3** in the **Affirmative.**

14. **Point No.2:** The defendant has obtained crop loan under KCC loan scheme and he has been defaulter of the said loan to the plaintiff bank. The plaintiff bank has repeatedly demanded to repay the said loan along with interest.

The defendant has not paid the loan amount in this regard. The Ex.P1 to 10 clearly shows that the defendant has agreed to pay the loan amount and interest at the rate of 12% p.a. and also agreed to repay the penal interest at the rate of 2% p.a. The plaintiff bank is financial bank it secured the money from the public. If the defendant failed to repay the loan, the said public fund would be misused. Therefore, the defendant should pay interest on the principal debt. The plaintiff bank is coming under rules and regulations imposed by Rural Banks Act, 1976. If any interest charged on the customer that should be reasonable to the parties.

15. According to Sec.34 of Civil Procedure Code order on interest at such hold as Court deems it is reasonable to be paid on the principal sum adjudged from the date of the suit to the date of the decree. Sec.34 of CPC read as thus:

> **"Sec. *34 of CPC "Interest"* – 1 Where and in so far as a decree is for the payment of money, the Court may, in the decree, order interest at such rate as the Court deems reasonable to be paid on the principal sum adjudged, from the date of the suit to the date of the decree, in addition to any interest adjudged on such principal sum for any period prior to the institution of the suit, [with further interest at such rate not exceeding six per cent per annum as the Court deems reasonable on such principal sum], from the date of the decree to the date of payment, or to such earlier date as the Court thins fit.**

2 [Provided that where the liability in relation to the sum so adjudged had arisen out of commercial transaction, the rate of such further interest may exceed six percent per annum, but shall not exceed the contractual rate of interest or where there is no contractual rate, the rate at which moneys are lent or advanced by nationalized banks in relation to commercial transactions.]"

16. The said transaction is coming under agricultural loan because the loan amount is used for the agriculture. Therefore, the plaintiff bank is entitled to recover interest at the rate of 12% p.a. from the date of the suit to the date of the decree on the principal amount. In future interest the plaintiff bank is entitled to recover interest at the rate of 6% p.a from the defendant from the date of decree till realization. Therefore my answer on **Point No.2** is in **Partly Affirmative.**

17. **Point No.4:** In the result of point No.1 to 3, the plaintiff bank is entitled to recover Rs.1,50,894/- principal amount as a suit claim and 12% interest from the date of the suit till date of the decree and future interest at the rate of 6% p.a. from the date of the decree till realization of entire amount. Hence, my answer to **Point No.4** in the **Affirmative.**

18. **Point No.5:** In view of my findings to the above points, I proceed to pass the following:

ORDER

The suit filed by the plaintiff bank is hereby decreed with cost.

Accordingly, the plaintiff bank is entitled to recover the suit claim amount of Rs.1,50,894/- from the defendant with further interest at the rate of 12% p.a from the date of the suit to the date of decree and future interest at the rate of 6% p.a. on principal amount from the date of decree till realization.

The defendant is liable to pay the decreetal amount within 3 months from the date of this order. On failure to comply the same, the plaintiff bank is at liberty to recover the same through the due process of law.

Draw decree accordingly

Interlocutory applications pending, if any, do not survive for consideration in view of the main suit being decreed.

(Dictated to the Stenographer directly on Computer, typed by her, corrected and signed by me and then pronounced in the open court on this 27th day of August 2026)

Sd/-
(Vajresha)
II Addl. Civil Judge & JMFC,
Channagiri.

ANNEXURE

1. List of witnesses examined on behalf of plaintiff:

PW1 : Shashikantha Kambale

2. List of exhibits marked on behalf of plaintiff:

Ex.P1 : Loan application

Ex.P2 : Memorandum of agreement

Ex.P3 : Request for agriculture

Ex.P4 : Letter of revival

Ex.P5 : Legal notice dated 07.07.2025

Ex.P6 : Postal receipt

Ex.P7 : Postal cover

Ex.P8 : Account statement (loan particulars)

Ex.P9 : Undertaking letter

Ex.P10 : Loan sanction conveying letter

3. List of witnesses examined on behalf of defendant:

-Nil-

4. List of exhibits marked on behalf of defendant:

-Nil-

Sd/-
(Vajresha)
II Addl. Civil Judge & JMFC,
Channagiri.