

KADG310003372025



Presented on : 04-06-2025
Registered on : 04-06-2025
Decided on : 06-04-2026
Duration: 00 years, 10 months, 02 days

**IN THE COURT OF SENIOR CIVIL JUDGE AND
J.M.F.C., HARIHARA.**

PRESENT: **Smt. PADMASHRI A.MUNNOLI** BA.(L). LL.B .
Senior Civil Judge & J.M.F.C., Harihara.

O.S. No. 114 / 2025

DATED THIS THE 6th DAY OF APRIL 2026

PLAINTIFF : Karnataka Grameena Bank, a body corporate constituted under the Regional Rural Banks Act 1976, having its Head Office at No. 23, Sanganakal road, Gandhi Nagar, Bellary – 583 103, and one of its several branches at Kokkanur Branch, Harihar taluk, Davangere District, by its Branch Manager Sri. Sampanth Aravind Tirumale, S/o Aravind Tirumale, Aged about 44 Years, R/o Kokkanuru village.

(Plaintiff by Sri. Arun Kumar B. - Adv.)

// Vs. //

DEFENDANT: 1. Smt. Nagamma W/o Late Anjinappa, Aged about 53 Years.
2. Sri. Maruthi, S/o late Anjinappa, Aged about 31 years,

3. Sri. Pavan S/o Late Anjinappa, Aged about 26 years
4. Vidya U.A., D/o Late Anjinappa, Aged about 24 years,
5. Smt. Renukamma, W/o Late Nageshappa, Aged about 67 Years.
6. Sri. Siddanagouda S/o late Nageshappa, Aged about 43 Years.
7. Sri. Hanumanthappa H., S/o late Maheshwarappa Huruli, Aged about 50 years.
8. Sri. Dharmaraj H., S/o Late Maheshwarappa Huruli, Aged about 45 Years,

All are agriculturists, R/o Kokkanur village, Harihar taluk.

[Defendants No.1 to 8 Ex-parte]

Date of Institution of Suit	:	04.06.2025
Nature of Suit	:	Suit for recovery of money.
Date of commencement of recording of evidence	:	06.02.2026
Date of pronouncement of Judgment.	:	06-04-2026
Total Duration	:	<u>Year/s</u> <u>Month/s</u> <u>Day/s</u> 00 10 02

J U D G M E N T

This is a suit filed by the plaintiff bank against the defendants for recovery of suit claim amount of Rs.8,69,224/- with interest at the rate of 14.50% p.a. compounded yearly from the date of suit till realization.

2. The case of the plaintiff's in brief is as under:

The plaintiff bank avers that, it is a body corporate constituted under the Regional Rural Bank Act 1976, having its head office at No.23, Sanganakal Road, Gandhi Nagar, Bellary – 583 103 and one of its several branches at Kokkanuru Branch, Harihar Taluk, Davangere District. The branch manager and Principal Officer of the plaintiff bank at Kokkanuru branch by name Sri. Sampath Aravind Tirumale S/o Aravind Tirumale, Aged about 44 Years, R/o Kokkanuru village, Harihar taluk has filed this suit for and on behalf of the plaintiff bank and he is also authorized to sign and to verify the plaint, etc. Earlier the plaintiff bank was called as Pragathi Gramina Bank, and then the said bank was renamed a Pragathi Krishna Gramina Bank as per the notification of the Central Government under Section 23 A(1) of the Regional Rural Banks Act 1976, and the said notification was published in the Gazette of India, extraordinary on 23.08.2013. Then the said Pragathi Krishna Gramina Bank is Amalgamated with Kaveri

Gramina Bank and then the plaintiff bank is called as Karnataka Gramina Bank, with effect from 01.04.2019 as per the Central Government notification dated: 22.02.2019. As per the order of the central government published vide gazette notification No. 1604 dated: 07.04.2025, SO No. 1629(E) dated: 05.04.2025. The plaintiff bank after amalgamation with the Karnataka Vikasa Grameena Bank, is renamed a Karnataka Grameena Bank with effect from 01.05.2025. Hence, the plaintiff bank is called as Karnataka Grameena Bank, Harlapura Branch, Harihar city. Hence, the plaintiff bank is called Karnataka Grameena Bank, Harlapura branch, Harihar city, represented by its Branch Manager and Principal officer Sri. Sampath Aravind Tirumale, S/o Aravind Tirumale, aged about 44 Years, R/o Kokkanuru village, Harihar taluk.

3. It is averred that on 08.11.2017 one Anjinappa S/o Late Hanumanthappa has availed land development loan of Rs.5,00,000/- from the plaintiff bank. That one Nageshappa S/o Honnappa stood as co-obligant for the said loan. While availing the said loan said borrower Anjinappa agreed to repay the said debt with interest at the rate of 12.50% p.a. compounded half yearly and penal interest at the rate of 2% p.a. in case of default in repayment of the said debt and also agreed to repay the

said loan in 10 half yearly installments of Rs.50,000/- each with interest and co-obligant Nageshappa signed the loan applicant form and they submitted necessary loan documents in favor of plaintiff bank viz., PSAL sanction memorandum. The borrower Anjinappa and defendants No.2 and 3 have executed registered simple mortgage deed in respect of suit schedule properties in favor of plaintiff bank on 23.10.2017 as additional security for the said loan.

4. It is further averred that borrower Anjinappa and defendants No.2 to 4 have sold the mortgaged land measuring 1 acre in Sy. No. 88/3 of Kokkanur village, Harihar taluk to defendants No.7 and 8 on 18.08.2022 by violating the terms of mortgage deed, and hence, defendants No.7 and 8 are made as parties to this suit.

5. The borrower Anjinappa has withdrawn the loan amount from his loan account No.67715326107817, and has fully utilized the loan amount. Later, borrower Anjinappa and defendants No.2 and 3 failed to repay the said debt. The borrower Anjinappa died leaving behind his legal heirs i.e., defendant No.1 being his wife, defendant No.2 and 3 being his sons and defendant No.4 being his daughter. After the demise of deceased Anjinappa the suit schedule properties are inherited by defendant No.1 to 4. The co-obligant Nageshappa was also died on 16.12.2020

by leaving behind his legal heirs i.e., defendant No. 5 and 6 who are his wife and son. Defendants No.5 and 6 have inherited the properties left by deceased Nageshappa i.e., land bearing Sy. No. 83/3, measuring 3 acre, situated at Kokkanuru village.

6. Deceased Anjinappa and deceased Nageshappa have have executed letter of revival on 13.08.2020, deceased Anjinappa executed letter of revival on 02.05.2023, defendant NO.5 and 6 have executed the letter of revival on 02.05.2023.

7. That the plaintiff bank issued legal notice to defendant No.1 to 3, 5 to 8 calling upon them to repay the outstanding loan amount with agreed rate of interest. The said notice was duly served on defendant No.1 to 3, 5 to 8, but, they failed to comply the same.

8. That now the defendants are in due of Rs.8,69,224/- to the plaintiff bank, that they are also liable to pay the other costs and incidental charges. Therefore the present suit.

9. After institution of the suit, suit summons were issued to defendants, though served they remained absent, hence placed ex-prate.

10. Thereafter, in order to prove its case, the Branch Manager of plaintiff bank in his examined as P.W.1, Ex.P.1 to P.13 are marked for it.

11. Heard, perused the material on record. Following points arises for my consideration:

POINTS

1. Whether plaintiff bank is entitled for recover of Rs.8,69,224/- with interest at the rate of 14.50 % p.a. as prayed for?
2. To what order or decree ?

12. My finding on point No.1 and 2 is as under:

Point No.1 : Partly in the Affirmative

Point No.2 : As per final order for the following:

REASONS

13. POINT No.1: In order to prove that, deceased Anjinappa has availed land development loan of Rs.5,00,000/- from the plaintiff bank for which deceased Nageshappa stood as co-obligant and defendant No.1 to 3 have executed registered simple mortgage deed over the plaint schedule properties as security for the said loan and that deceased Anjinappa and defendants No.2 and 3 have failed to repay the loan amount, the plaintiff bank branch

manager by name Sri Sampath was examined as P.W.1., Ex.P.1 to P.13 were marked for him.

14. Heard, perused the material on record.

15. The evidence of P.W.1 has remained unchallenged. Ex.P.1 to P.13 are marked for the plaintiff bank. Ex.P.1 is the loan application of deceased Anjinappa for sanction of land development loan of Rs.5,00,000/-. Ex.P.2 is the PSAL sanction memorandum, Ex.P.3 is the memorandum of agreement for agricultural loans, Ex.P.4 is the simple mortgage deed, Ex.P.5 is the form No.15, Ex.P.6 is the copy of sale deed, Ex.P.7 to 9 are the letters of revival, Ex.P.10 is the legal notice dated: 22.03.2025, Ex.P.11 are the postal receipts, Ex.P.12 are the postal acknowledgments, Ex.P.13 is the loan account extract, showing the outstanding debt of Rs. 8,45,227/- as on 26.03.2025.

16. Therefore, from the documents produced by the plaintiff bank it is established that the deceased Anjinappa had borrowed land development loan of Rs.5,00,000/-.

17. On 13.08.2020 deceased Anjinappa and deceased Nageshappa have executed letter of revival, on 02.05.2023 deceased Anjinappa has executed letter of revival, on 02.05.2023 defendant No.5 and 6 have executed letter of revival as per Ex.P.8 and 9. Further, it is

averred by the bank that defendant No.7 and 8 are the purchasers of an extent of 1 acre in Sy. No. 88/2003, which was mortgaged by deceased Anjinappa and defendant No.2 and 3 as per Ex.P.4. In Ex.P.4 it can be seen that there are 5 landed properties which are shown in the schedule which are stated to have been mortgaged. Even in the plaint schedule said 5 properties are shown. The loan due from defendants No.1 to 4 is a sum of Rs.8,69,224/-. There are 5 landed properties mortgaged. Item No.4 property is stated to have been sold. If the amount which is due is considered along with the mortgaged properties, other than Sy. No. 88/3 which is shown at suit schedule item No.4, in my opinion the other four properties are sufficient for recovery of the dues, if at all the said defendants No.1 to 6 fail to repay the loan amount. Therefore, the plaintiff can be directed to first proceed against item No.1 to 3 and 5 properties before taking any steps against the alienated property. Though the sale is during subsistence of the mortgage but, there are other properties mortgaged which in my opinion can satisfy the claim of the bank.

18. The suit is instituted on 04.06.2025. The plaintiff Bank is claiming interest at the rate of 14.50% p.a. on the sum of Rs.8,69,224/- from the date of suit till realization. The loan borrowed by deceased Anjinappa is

for agricultural purpose. Further the deceased Anjinappa has mortgaged the property belonging to him as a security for the repayment of the loan amount. Even there is a prayer of the plaintiff Bank to pass a preliminary decree in respect of the mortgaged landed properties for its sale to recover the dues if defendants fail to repay the loan amount. As there is mortgage deed executed by deceased Anjinappa, considering the prayer made, it is order 34 Rule 11 of CPC which will have to be considered for the purpose of awarding the interest and not Section 34 of CPC. Further the Division Bench of the Hon'ble High Court in the ruling reported in AIR 2002 Kant. 100 (DB) Canara Bank Chamarajamohalla -Vs- M.D. Chikkaswamy, wherein it is held that: Order 34 Rule 11 of CPC which will be applicable for considering the interest and not Section 34 of CPC. Therefore, as the loan is one for agricultural in my opinion awarding of interest at the rate of 6% p.a., during the pendency of the suit and the future interest would be just and proper.

19. Defendants No.2 and 3 along with deceased have executed the mortgage deed and therefore, they are liable for repayment, as per the mortgage, only to the extent of estate inherited by them from deceased Anjinappa. Defendant No.1 and 4 being the legal heirs of Anjinappa, are liable only to the extent of estate inherited

by them from deceased Anjinappa. So also defendant No.5 and 6 are liable only to the extent of estate inherited by them from deceased Nageshappa. Accordingly, for these reasons I answer **Point No.1 partly in the Affirmative.**

20. Point No.2: For my findings on the above point and the reasons stated there is I proceed to pass the following:

ORDER

Suit of the plaintiff bank is hereby decreed in part with costs as under.

The plaintiff bank is entitled for recovery of Rs.8,69,224/- with interest at the rate of 6% p.a. from the date of suit till realization.

Defendants No.1 to 6 are liable to repay the loan amount of Rs.8,69,224/- with interest as ordered above to the extent of estate inherited by them from deceased Anjinappa and Nageshappa.

Defendants No. 1 to 6 are hereby directed to pay the above decretal amount to the plaintiff Bank within a period of three months from today, failing which the plaintiff Bank can recover the said sum by sale of the mortgaged property and even if after the sale

of mortgaged property if there is any balance due, may proceed in accordance with law against defendant No.1 to 6.

The bank first shall proceed against item No.1 to 3 and 5 properties for satisfaction of the dues and if at all there is any balance, then take steps in respect of item No.4 property.

Draw preliminary decree accordingly.

(Dictated to the Stenographer directly on computer, typed by him, the same is corrected, signed and then pronounced by me in the open court on this the 6th day of April, 2026).

(Padmashri A.Munnoli)
Senior Civil Judge and
J.M.F.C., Harihara.

ANNEXURE

List of witness examined on behalf of plaintiff/s :

PW.1 : Sampath

List of documents exhibited on behalf of plaintiff/s :

Ex.P.1 : Loan application

Ex.P.2 : PSAL sanction memorandum

Ex.P.3 : Memorandum of agreement for agricultural loans

Ex.P.4 : Simple mortgage deed

Ex.P.5 : Form No.15

Ex.P.6 : Copy of sale deed

Ex.P.7 to : Letters of revival (3 Nos.)

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Ex.P.10 : Legal notice

Ex.P.11 : Postal receipts (7 Nos.)

Ex.P.12 : Postal acknowledgments (7 Nos.)

Ex.P.13 : Loan account extract

List of witness examined on behalf of defendant/s :

--Nil--

List of documents exhibited on behalf of defendant/s

--Nil --

Senior Civil Judge and
J.M.F.C., Harihara.