

KADG310006522025



Presented on : 19-09-2025
Registered on : 19-09-2025
Decided on : 13-03-2026
Duration: 00 years, 05 months, 24 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. 247/2025

DATED THIS THE 13th DAY OF MARCH 2026

PLAINTIFF : Karnataka Gramina 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. Sarojamma, W/o Late Mallanagouda H.S., Aged about 60 years.
2. Sri. Basavaraja H.M. S/o Late Mallanagouda H.S., Aged about 33 Years.

3. Sri. Srinivasa H.M., S/o Late Mallanagouda H.S., Aged about 31 Year.
4. Sri. Veeranagouda S/o Late Basavanagouda H., Aged about 40 years.
5. Smt. Savitha G., W/o Late Halanagouda, Aged about 38 years, All are agriculturists, All are residing at Hallihalu village, Kokkanur Post, Harihar taluk.

[Defendants No.1 to 5 Ex-parte]

Date of Institution of Suit : 19.09.2025
Nature of Suit : Suit for recovery of money.
Date of commencement of recording of evidence : 03.02.2025
Date of pronouncement of Judgment. : 13-03-2026
Total Duration : Year/s Month/s Day/s
00 05 24

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.14,72,761/- with interest at the rate of 14.00% 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 16.03.2012 one H.S. Mallanagouda S/o H.G. Shivappa has availed crop with of Rs.3,00,000/- from the plaintiff bank. That one H. Baasavanagouda S/o Halappa stood as co-obligant for the said loan. While availing the said loan said Mallanagouda and Basavanagouda submitted necessary loan documents in favor of plaintiff bank viz., application form cum appraisal report for KCCS/PKSCC, memorandum of agreement for agricultural loans. Said Mallanagouda executed a simple registered mortgage deed in favor of plaintiff bank in respect of the plaint schedule properties as security for the said loan. Said Mallanagouda and Basavaanagouda agreed to pay interest at the rate of 12% p.a. compounded half yearly and penal interest at the rate

of 2% p.a. in case of default in repayment of the said loan. They further agreed to repay the said debt within 5 years subject to the conditions that no loan amount became due for payment for more than one year and said loan documents are tenable for 5 years for the suit loan transactions.

4. The borrower Mallanagouda has withdrawn the loan amount from his loan account No.10677KC1001149, and has fully utilized the loan amount and the said loan account number was converted into new loan account No. 67715354003416 with effect from 11.01.2016. Later, both said borrower and co-obligant failed to repay the said debt inspite of repeated demands and notices of the plaintiff bank.

5. That borrower Mallanagouda died on 25.04.2023 by leaving behind defendant No.1 being wife and defendant No.2 and 3 being sons as his legal heirs and they have inherited the plaint schedule properties after the demise of Mallanagouda and hence, defendants No.1 to 3 are liable to pay the outstanding debt.

6. Further co-obligant Basavanagouda also died leaving behind defendant No.4, son and defendant No.5, daughter-in-law as his legal heirs and they have inherited the landed properties measuring 8 acre 38 gunta in Sy. No.

53/P2, 20 gunta in Sy. No. 54/P2, 2 acre 19 gunta in Sy. No. 241 of Hallihalu village, Harihar taluk. Therefore, defendant No.1 to 5 are jointly and severally liable to repay the outstanding debt.

7. Borrower Mallanagouda and co-obligant Baavanagouda have executed a letter of revival in favor of plaintiff bank on 28.11.2014, 05.09.2017. Later defendant No.4 and Halanagouda have executed a letter of revival of loan on 05.09.2017, 27.07.2020. borrower Mallanagouda executed letter of revival on 27.07.2020. Defendant No. 1 to 3 have executed letter of revival as legal heirs of deceased Mallanagouda on 12.05.2023, defendant No.4 and 5 have executed letter of revival on 12.05.2023 as legal heirs of deceased co-obligant Baavanagouda.

8. That the plaintiff bank issued legal notice to defendant No.1 to 5 calling upon them to repay the outstanding loan amount with agreed rate of interest. The said notice was duly served on defendant No.1, 2, 4 and 5 and return unserved on defendant No.3 as he was absent. The said legal notice was deemed as served on all the defendants but,they have not complied the same.

9. That now the defendants are in due of Rs.14,72,761/- to the plaintiff bank, that they are also

liable to pay the other costs and incidental charges. Therefore the present suit.

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

11. 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.17 are marked for it.

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

POINTS

1. Whether plaintiff bank is entitled for recover of Rs.14,72,761/- with interest at the rate of 14.00 % p.a. as prayed for?
2. To what order or decree ?

13. 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

14. POINT No.1: In order to prove that, deceased Mallanagouda has availed crop loan of Rs.3,00,000/- from the plaintiff bank for which co-obligant deceased

Basavanaouda stood as guarantor and defendant No.1 has executed registered simple mortgage deed over the plaint schedule properties as security for the said loan and that he has 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.17 were marked for him.

15. Heard, perused the material on record.

16. The evidence of P.W.1 has remained unchallenged. Ex.P.1 to P.17 are marked for the plaintiff bank. Ex.P.1 is the loan application of deceased Mallanagouda for sanction of loan of Rs.3,00,000/-. Ex.P.2 is the memorandum of agreement for agricultural loans executed by deceased Mallanagouda in favor of plaintiff bank for which deceased Basavanagouda stood as co-obligant for the said loan, Ex.P.3 is the simple mortgage deed executed by deceased Mallnagouda over the plaint schedule properties in favor of plaintiff bank as security for the loan borrowed by him, Ex.P. 4 to 10 are the revival letters, Ex.P.11 is the acknowledgment of security / liability from mortgagors, Ex.P.12 is the legal notice dated: 07.06.2025, Ex.P.13 are the postal receipts, Ex.P.14 are the postal acknowledgments, Ex.P.15 is the unserved postal cover, Ex.P.16 is the loan account extract, showing the outstanding debt of Rs. 14,62,784/- as on 01.09.2025.

17. Therefore, from the documents produced by the plaintiff bank it is established that the deceased Mallanagouda had borrowed loan of Rs.3,00,000/-.

18. On 28.11.2014 and 05.09.2017 deceased Mallanagouda and Basavanagouda have executed the revival letters; on 05.09.2017 and 27.07.2020 sons of deceased by name Basavanagouda i.e., defendant No.4 and husband of defendant No.5 have executed letter of revival; on 27.07.2020 deceased Mallanagouda has executed revival letter, on 12.05.2023 legal heirs of deceased Mallanagouda i.e., defendant No.1 to 3 have executed letter of revival, on 12.03.2023 defendant No.4 and 5 have executed letter of revival in favor of plaintiff bank.

19. The suit is instituted on 19.09.2025. The plaintiff Bank is claiming interest at the rate of 14% p.a. on the sum of Rs.14,72,761/- from the date of suit till realization. The loan borrowed by deceased Mallanagouda is for agricultural purpose. Further the deceased Mallanagouda 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 property for its sale to recover the dues if defendants fail to repay the loan amount. As there is mortgage deed

executed by deceased Mallanagouda, 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. As both the original borrower and co-obligant are dead, defendants No.1 to 5 are liable to only to the extent of estate inherited by them from deceased Mallanagowda and Basavanagouda respectively. 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.14,72,761/- with interest at the rate of 6% p.a. from the date of suit till realization.

Defendants No.1 to 5 are jointly liable to repay the loan amount of Rs.14,72,761/- with interest as ordered above to the extent of estate inherited by them.

Defendants No. 1 to 5 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 5.

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 13th day of March 2026).

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

ANNEXUREList 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 : Memorandum of agreement for agricultural loans,

Ex.P.3 : Simple mortgage deed for KCC/OD facility

Ex.P.4 to : Letter of revival (8 Nos.)

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Ex.P.12 : Legal notice dated: 07.06.2025

Ex.P.13 : Postal receipts (5 Nos.)

Ex.P.14 : Postal acknowledgments (4 Nos.)

Ex.P.15 : Unserved postal cover

Ex.P.16 : Loan account extract

and 17

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.