KAHV510050172023

Presented on : 07-10-2023
Registered on : 07-10-2023
Decided on : 18-06-2026
Duration : 02 years, 08 months, 11 days.

IN THE COURT OF 1st ADDITIONAL SENIOR CIVIL JUDGE & JMFC., RANEBENNUR

PRESENT: Sri Balmukund R Mutalikdesai,
B.A., LL.B (Spl.)
1st Addl. Senior Civil Judge
& JMFC., Ranebennur.

ORIGINAL SUIT No.192 OF 2023

DATED THIS 18th DAY OF JUNE 2026

BETWEEN :

Karnataka Vikas Grameena Bank,
having it's head office at Dharwad
and its Branch office at Kuppelur,
Rept., by its Branch Manager,
Sri. Anjaneyalu Kotha S/o Chalapathi,
Age: 42 years, Occ: Manager,
R/o: Kuppelur, Tq: Ranebennur,
Dist: Haveri.

.... Plaintiff

(By Sri. B.C. Patil, Adv.)

V/s

AND :

Sri. Jai Ganesh Mahila Swa Sahaya Sangh,
R/o: Tumminakatti Rept., by it Members.

1. Smt. Renuka W/o Rudrappa Sunagar,
   Age: 48 Years, Occ: Agriculture,
   R/o: Tumminakatti, Tq: Ranebennur,
   Dist: Haveri.

2. Smt. Anjumbanu W/o Samiulla Lohar,
   Age: 37 Years, Occ: Agriculture,
   R/o: Tumminakatti, Tq: Ranebennur,
   Dist: Haveri.

3. Smt. Sahirabanu W/o Makbulsab Timmenahalli, Age: 46 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

4. Smt. Sharada W/o Hanumantappa Takkedar, Age: 46 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

5. Smt. Rekha W/o Devappa Sunagar, Age: 35 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

6. Smt. Basamma S/o Goudappa Shamannanavar, Age: 42 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

7. Smt. Sumangala W/o Fakkirappa Sunagar, Age: 46 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

8. Smt. Tara W/o Manjappa Shamannanavar, Age: 37 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

9. Smt. Sushilamma W/o Basappa Sunagar, Age: 54 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

10. Smt. Laxmi W/o Raghavendra Kariyajji, Age: 38 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

11. Smt. Annapurna W/o Basappa Sunagar, Age: 29 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.
12. Smt. Godavari W/o Ramesh Haralalli, Age: 37 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.
13. Smt. Sabreen W/o Jameel Lohar, Age: 29 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.
14. Smt. Basavantamma W/o Ajjappa Hulmani, Age: 53 Years, Occ: Agriculture, R/o: Tumminakatti, Tq: Ranebennur, Dist: Haveri.

.... Defendants

(D- 1 to 3, 5, 7 to 10, 12 and 13 by Sri. R.J. Patil, Adv)
(D-11 and 14 Exparte)

Date of Institution of the suit	07-10-2023		
Nature of the suit	Money suit		
Date of commencement of recording of evidence	07-02-2026		
Date of closing of evidence	07-02-2026		
Date on which the judgment was pronounced	18-06-2026.		
Total duration	Year/s	Month/s	Day/s
	02	08	11

(Sri. Balmukund R Mutalikdesai)
1st Addl. Senior Civil Judge
& JMFC., Ranebennur.

: **J U D G M E N T** :

This suit is filed by the plaintiff bank for recovery of sum of Rs.6,47,810/- with future interest at the rate of 14.05% per annum.

2. **Brief case of the plaintiff is as under**:-

The plaintiff is an institution established and functioning under the Regional Rural Bank Act 1976. The plaintiff bank is having its head office at Dharwad and having branches throughout the districts of Dharwad, Belagavi, Haveri, Gadag, Uttara-Kannada, Dakshina-Kannada, Udupi, Vijayapura and Bagalakote. The plaintiff bank is also having branch at Kuppeluru. The plaintiff bank advances loans to various types of persons for their economical growth. The manager of plaintiff bank is authorized person to transact the banking business.

3. The defendants are the principal borrowers. They joined voluntarily and formed an unregistered self-help group as Sri. Jayaganesh Mahila Swasahaya Sanga (Self Help Group) at Tumminakatti village. The group with an intent to carry on savings and credit economic activities for their mutual benefit and executed inter-se agreement on 18-08-2016 appointing defendant No.1 and 2 as their representatives to carry on group activities. All other members are bound by the terms and conditions of the agreement.

4. The defendants No.1 and 2 on behalf of the group approached the plaintiff bank for financial assistance for the purpose of their internal financial activities. On request of them the plaintiff bank sanctioned loan of Rs.3,50,000/- to the group for the above purpose on 18-08-2016. The defendants No.1 and 2 executed articles of agreements on behalf of group.

5. As per the agreement defendants agreed to pay interest at the rate of 12.5% per annum on monthly rest and 2% over due interest. The defendants also agreed to pay interest subject to changes in the interest rate. The defendants further agreed to repay the loan amount in 36 equated monthly installments of Rs.11,709/- each, the first installment commencing from 18-09-2016.

6. The plaintiff bank released loan amount of Rs.3,50,000/- on 18-08-2016 to the defendants. The defendants repaid only 11 installments and failed to repay as per agreement.

7. The defendants again filed application for conversion/rephasement of loan amount of Rs.3,16,064/- and executed agreement of conversion/rephasement in favour of plaintiff bank on 31-03-2018. As per this agreement defendants agreed to repay the loan amount in 60 equitable monthly installments of Rs.7,111/- and first installment commencing from 30-04-2018.

8. The defendants after the execution of agreement failed to repay as per agreement. Even personal request and demand notices issued by plaintiff bank. Hence, present suit for recovery of Rs.6,47,810/- along with future interest at 14.5% per annum.

9. Summons has been served to defendants No.11 and 14. But, they did not appear before the court. Hence, they were placed exparte.

10. After service of summons, the defendants 1 to 3, 5, 7 to 10, 12 and 13 appeared through their counsel. Defendant No.8 filed her written statement denying the entire plaint averments and contended that, due to some financial constrains it was not possible for her to repay the loan amount and she prayed to dismiss the suit.

11. The plaintiff to prove his case examined PW-1 and got marked Ex. P1 to Ex. P40 documents. On the other hand, the defendants not led any oral or documentary evidence.

12. Heard arguments.

13. Based on the above pleadings following issues were framed.

<u>ISSUES</u>

1. Whether plaintiff bank proves that, defendants owed a sum of Rs.6,47,810/- to them as averred in the plaint?

2. Whether the plaintiff is entitled to the interest at the rate of 14.5% per annum from the date of suit till the realization of due amount?

3. What order or decree?

14. On perusal of materials placed on record and in the light of arguments canvassed, my answers to the above Issues are as follows;

Issue No.1: In the Affirmative
Issue No.2: Partly in the Affirmative
Issue No.3: As per final order
for the following;

<u>REASONS</u>

15. **<u>Issue No.1</u>**:- The plaintiff in his plaint averred that, the defendants availed loan from their bank and executed all necessary documents.

16. The defendant No.8 in her written statement admitted that, she has availed loan from the plaintiff's bank. So, as per Section 53 of Bharatiya Sakshaya Adhiniyam the admitted facts need not be proved. More over, PW-1 was not cross examined by defendants and defendant No.8 also not led any rebuttal evidence on this issue. Hence, I am of the view that, the plaintiff was successful to prove that, the defendants availed loan of Rs.6,47,810/- by executing all necessary documents.

17. Hence, I am of the view that, the plaintiff was successful to prove that, the defendants availed loan of Rs.6,47,810/- by executing all necessary documents. Hence, **I answer Issue No.1 in the affirmative**.

18. **Issue No.2**:- As per answer given to issue No.1 plaintiff was successful to prove that, the defendants availed loan of Rs.6,47,810/- and as per the documents produced by the plaintiff, the defendant fell due to pay sum of Rs.6,47,810/-.

19. Even though the defendants fell due of suit claim and the plaintiff is entitled for judgment and decree in his favour for the said amount. But, future rate of interest at the rate of 14.5% per annum claimed by the plaintiff is exorbitant. Further section 34 of CPC contemplates that, the court has got discretion to award the interest.

20. Section 34 of CPC is procedural provision. The plaint averments coupled with Ex. P3, the loan agreement it discloses that, the transaction in question is concerned is not a commercial one.

21. Section 34(1) of CPC mandates that, the court shall not grant interest at such rate not exceeding 6% per annum. At the same time, court has also power to award such rate of interest deemed reasonable for period from the date of suit till the date of payment.

22. Section 34(1) of CPC has to be read with proviso to Section 34(1) of CPC. There is no evidence to come to the conclusion that, the transaction in the present suit was a commercial one. Hence, I am of the opinion that, awarding future interest at the rate of 14.5% per annum is not proper and reasonable. Hence, I am of the opinion that, the plaintiff is entitled to recover future interest at the rate of 6% per annum. **Accordingly I answer Issue No.2 partly in the affirmative**.

23. **Issue No.3:**- For the discussions made above, I proceed to pass the following;

ORDER

The suit of the plaintiff's bank filed for the relief of recovery of money is **hereby decreed with costs.**

The defendant is liable to pay the suit claim amount of Rs.6,47,810/- with future interest at the rate of 6% pa from the date of suit till its realization.

The defendants shall pay the decreetal amount within three months from the date of this order.

Draw decree accordingly.

[Dictated to the stenographer, typed by him, same is corrected and then pronounced by me in the open court on this 18th day of June - 2026].

(Sri Balmukund R Mutalikdesai)
1st Addl. Senior Civil Judge
& JMFC., Ranebennur.

-: **ANNEXURE** :-

List of witnesses examined on behalf of the plaintiff :

PW-1: Anjaneyalu S/o Chalapathi Kotha.

List of documents exhibited on behalf of the plaintiff :

Ex.P1 : Loan application.
Ex.P2 : Sanction letter.
Ex.P3 : Articles of agreement for financing self help group(SHG).
Ex.P4 : D.P Note.
Ex.P5 : Inter-se Agreement.
Ex.P6 : Requisition letter to the plaintiff bank.
Ex.P7 : Agreement for conversion/rephasement of loans.
Ex.P8 : D.P. Note.
Ex.P9 : Revival letter for time barred debts.
Ex.P10 : Registered A.D. Notice.
Ex.P11 to 24: Postal receipts.
Ex.P25 to 32: Postal acknowledgments.
Ex.P33 to 38: Unserved R.P.A.D covers.
Ex.P39 & 40: Bank account statements.

List of witnesses examined on behalf of the defendants:

------NIL-----

List of documents exhibited on behalf of the defendants:

------NIL-----

(**Sri. Balmukund R Mutalikdesai**)
1st Addl. Senior Civil Judge
& JMFC., Ranebennur.