KAKP200035422025

IN THE COURT OF THE PRL. CIVIL JUDGE AND J.M.F.C., KUSHTAGI

PRESENT: SRI. MAYAPPA LAGAMAPPA PUJERI., B.A., L.L.B.

PRL. CIVIL JUDGE AND JMFC,
KUSHTAGI.

DATED THIS THE 18th DAY OF AUGUST 2026

O.S.NO.457/2025

Plaintiff : Karnataka Gramin Bank
Hiremannapur, Kushtagi taluk,
represented by its Branch Manager.

(R/by Sri. K.V.A Adv.)

V/s

Defendant/s: 1. Balappa
S/o Mudagallappa @ Mudugallappa Madar
Aged about: 45 yrs,
Occ: Agriculturist,
R/o: Gumageri,
Kushtagi taluk and Koppal District.

2. Yamanappa @ Yamanoorappa
S/o Sharadamma Menedal
Aged about: 48 yrs,
Occ: Agriculturist,

R/o: Gumageri,
Kushtagi taluk and Koppal District.

(D-1 and 2 Ex-parte)

Date of Institution of Suit	:	06-08-2025
Nature of Suit	:	Money Recovery Suit
Date of recording of evidence	:	25-03-2026
Date on which Judgment is pronounced	:	18-08-2026
Total Duration	:	Years 01 Months 00 Days 12

(Mayappa Lagamappa Pujeri)
Prl. Civil Judge & JMFC.,
Kushtagi.

JUDGMENT

This is the suit filed by the plaintiff against the defendants for the relief of recovery of money a sum Rs.1,18,382/- along with further interest at the rate of 14% compounded quarterly with 2% penal interest from the date of suit till the date of realization with court cost.

2. ***Brief facts of the plaintiff's case are that:***

a) It is submitted that, the defendant No.1 is the son of

Late: Mudagallappa @ Mudugallappa S/o Duragappa Madar R/o: Gumagera village, taluk Kushtagi, district Koppal. Said Mudagallappa @ Mudugallappa S/o Duragappa Madar approached the plaintiff Bank offering defendant No.2 as co-borrower/co-obligant and requested to advance the Business loan (Petty Shop) and also for his legal and family necessities with the application dated 07-07-2012. After perusing his application and documents pertaining to his assets, the plaintiff Bank i.e. Karnataka Gramin Bank agreed to sanction the loan of 25,000/- to the Late: Mudagallappa @ Mudugallappa for the above said purpose. At the time of availment of the loan i.e. on 07-07-2012 Late: Mudagallappa @ Mudugallappa S/o Duragappa Madar got executed the Pronote with Take Delivery Letter to DPN in favour of the plaintiff Bank. At that time, the terms and conditions incorporated in the Pronote with Take Delivery Letter to DPN were read over to him in Kannada. At the time of execution of Pronote with Take Delivery Letter to DPN he also agreed to repay the loan amount with interest @ 14%

compounded quarterly and, further agreed to pay the same within One year. In addition, the Late: Mudagallappa @ Mudugallappa S/o Duragappa Madar also gave land Sy.No.130/1, Hissa-3-1, measuring 01 acre, 07 gunta of village Gumageri, taluk Kushtagi as security for repayment of loan. The deceased Mudagallappa @ Mudugallappa S/o Duragappa Madar also agreed to pay the penal interest at the rate of 2% in the event of default of any one installment or in regularizing or clearing the Accounts as per terms agreed. The Late: Mudagallappa @ Mudugallappa S/o Duragappa Madar also got executed the agreement cum deed of Hypothecation on 07-07-2012 as the additional security for loan availed by him in favour of the plaintiff bank.

b) It is further submitted that, the defendant No.2 agreed to act as the Surety/Co-obligant for the loan availed by Late: Mudagallappa @ Mudugallappa and further, agreeing all the terms and conditions of the bank and incorporated in the Pronote with Take Delivery Letter to DPN and agreement cum deed of Hypothecation and he too signed to the said documents along with Late: Mudagallappa @ Mudugallappa. Hence, the defendant No.2 is also equally and severally liable for the repayment of the loan availed by the Late: Mudagallappa @ Mudugallappa.

c) It is further submitted that, after availment of the loan, Late: Mudagallappa @ Mudugallappa and the defendant No.2 made use of the same for improvements of said business and derived the benefits after availment of the loan. Even after obtaining the huge benefits from the loan, Late: Mudagallappa @ Mudugallappa and the defendant No.2 failed to repay the loan amount within the stipulated period. However, on demand by the Bank Officer/s, Late: Mudagallappa @ Mudugallappa and the defendant No.2 admitting their liabilities and inability to pay the installments and clear the debt, got executed the Letters of Revival (AOD) in favour of the plaintiff bank, on 02-07-2015 and on 10-11-2017. Mean while, on enquiry by the plaintiff bank officer, it was learnt that, main borrower Mudagallappa @ Mudugallappa S/o Duragappa Madar expired on 11-07-2019. The defendant No.1 /Mudagallappa @ Mudugallappa S/o Duragappa Madar is Son and Legal representative of deceased borrower Mudagallappa @ Mudugallappa S/o Duragappa Madar and he inherited and succeeded his properties. Hence, the defendant No.1 is also liable to pay the loan amount due.

d) It is further submitted that, this being the fact, the plaintiff Bank officer met the defendants for repayment of the loan amount again. However, the defendants agreeing their liability and expressing their inability to satisfy the loan amount got executed the Letters of Revival (AOD) in favour of the plaintiff bank, on 11-12-2019 and On 23-08-2022. Even after execution of the documents infavour of the Bank by the defendants, they did not satisfy the loan amount as agreed. Several demands made by the plaintiff

Bank officer for repayment of the loan amount due to the Bank to the defendants went in vein, as the defendants went on postponing the payment by giving false assurance. Hence, the Plaintiff Bank issued the legal notice to the defendants through its Legal Adviser on 10-07-2025 for satisfaction of loan amount. But, the defendants refused to receive the legal notice. Finally on 01-08-2025, when the plaintiff Bank Officer, approached the defendants and demanded for satisfaction of the loan amount, the defendants denied their liability itself. Hence, this suit.

e) It is further submitted that, the plaintiff Bank is maintaining the loan account of defendants in due course of its banking business. The amount due by the defendants to the plaintiff Bank, as on 06-08-2025 is Rs. 1,18,382/-. The plaintiff bank is also entitled to claim the future interest @ 14% compounded quarterly with penal interest @ 2% for value received on the suit claim amount of Rs. 1,18,382/- from the suit to till its realization. Hence, this suit.

3. After institution of this suit, summonses have been issued to the defendants. However, in spite of service of summons, the defendants have not appeared before the court, hence they are placed ex-parte.

4. In support of the claim of the plaintiff bank, its Manager by name Kokkiligadda Shivaji, has got examined as PW1 and got marked 16 documents as Ex.P1 to Ex.P16.

5. Heard and perused the entire material available on record.

6. The following points arise for consideration and determination:

POINTS

1) Whether the plaintiff proves that the father of the defendant No.1 by name late Mudagallappa @ MudugallappaS/o Duragappa Madar and the defendant No.2 availed a loan of Rs. 25,000/- on 07-07-2012 by executing necessary loan documents and agreed to repay

the same along with interest at the rate of 14% per anum with compounded quarterly with 2% penal interest as prayed ?

2) Whether the plaintiff is entitled for the relief as sought for?

3) What Order or Decree?

7. Findings of this Court to the above Points are as under:

Point No.1 : Partly in the affirmative

Point No.2 : Partly in the affirmative

Point No.3 : As per the final order for the following:

R E A S O N S

8. ***POINT NO.1 and 2*: These points are taken up together for common discussion, in order avoid the repetition of appreciation of facts and evidence of the case.

9. As this Court has already narrated entire facts of the plaintiff's case in previous paragraphs, this Court would

like to go through the material available on record, directly, in order to avoid repetition of facts and circumstances of the case.

10. **Now the moot question arises before this Court that, whether the father of the defendant No.1 by name late Mudagallappa @ Mudugallappa S/o Duragappa Madar and the defendant No.2 availed a loan of Rs. 25,000/- on 07-07-2012 by executing necessary loan documents and agreed to repay the same along with interest at the rate of 14% per anum with compounded quarterly and 2% penal interest.** On perusal of the material placed by the plaintiff, it reveals that, the late Mudagallappa @ Mudugallappa S/o Duragappa Madar who is said to be the farther of the defendant No.1 and the defendant No.2 approached the plaintiff bank for financial assistance of Rs.25,000/- by submitting representation for loan, which can be seen from Ex.P-1 which is the loan application.

11. Further, Ex.P16 account statement speaks that the plaintiff bank has disbursed said amount of Rs. 25,000/- to the account of Late Mudagallappa @ Mudugallappa S/o Duragappa Madar who is said to be the father of the defendant NO.1, which is also corroborated by the Ex.P4 which is the hypothication deed dated: 07-07-2012 which speaks that, said Mudagallappa @ Mudugallappa S/o Duragappa Madar and the defendant No.2 executed said agreement in favor of the plaintiff bank agreeing the availament of loan amount a sum of Rs. 25,000/-. Further, ExP3 pronote also corroborates it.

12. Further, the letters of revivals dated: 02-07-2015, 10-11-2017, 11-12-2019, 23-08-2022 which are got marked as Ex.P5 to 7 and 9 respectively speak that, Mudagallappa @ Mudugallappa S/o Duragappa Madar and the defendant No.2 in the case on hand, have acknowledged the debt obtained from the plaintiff bank time to time. Further, the letters of revivals dated:11-12-2019 and 23-08-2022 which

are got marked as Ex.P8 and 8 respectively speak that, the defendant No.1 in the case on hand, has acknowledged the debt obtained from the plaintiff bank by his father time to time.

13. Apart from that, the evidence of the PW-1 remains unchallenged as the defendants have not come forward to contest the matter, as such it can safely say that, the father of the defendant No.1 by name late Mudagallappa @ Mudugallappa S/o Duragappa Madar and the defendant No.2 availed a loan of Rs. 25,000/- on 07-07-2012 by executing necessary loan documents. Hence, they are liable for the said loan.

14. At this stage, it is another important aspect to be considered here that, though the plaintiff has claimed rate of interest at 14% p.a, compounded quarterly and with 2% penal interest on 1,18,382/-, but the plaintiff bank has not placed any sufficient iota of material before this Court to substantiate the said fact. Rather, the material placed by

the plaintiff speaks that, though the rate of interest is mentioned as 14% p.a, but it is not specifically mentioned that whether it is compounded monthly or quarterly or half yearly or etc in ExP3 and 4. Under such circumstances, a doubt arises about the rate of interest. Therefore, this court is of the view that, under such circumstances, it would proper to order 6% interest on the principle amount sum adjudged. Thus, the plaintiff is entitled to get simple interest at the rate of 6% p.a, on the principle sum adjudged from the date of suit.

15. No doubt that, account statement which is got marked as Ex.P16 speaks that, due amount is Rs. 1,18,382/- as on 02.08.2025, but the material available on record clearly manifest that, principle amount is Rs. 25,000/- only. Therefore, the plaintiff is entitled to recover the principle sum adjudged Rs. 25,000/- with simple interest at the rate of 6% p.a with penal interest at the rate

of 2% p.a. and it can recover remaining due amount of Rs. 93,382/- without interest.

16. Furthermore, the record speaks that, the defendants failed to repay the due amount despite demand made by the plaintiff bank by issuing demand notice which is also corroborated by Ex.P7 to 11 which are demand notice and postal receipts and postal covers. Hence, they are liable to pay the principle sum adjudged Rs. 25,000/- with simple interest at the rate of 6% p.a from the date of suit with penal interest at the rate of 2% p.a and due amount of Rs.93,382/- without interest. **Accordingly, this Court answers Point No.1 and 2 partly in the affirmative.**

17. **POINT No.3:** In view of the above said discussion and reasons assigned supra, this court proceed to pass the following:

ORDER

The suit of the plaintiff is hereby partly decreed with cost as follows;

The defendants are directed to pay the plaintiff bank a sum principle adjudged of Rs.25,000/- along with interest at the rate of interest 6% p.a., with penal interest at the rate of 2% from the date of the suit till its realization.

Further, the defendants are also directed to pay the remaining due amount of Rs.93,382/-.

Further, the defendants are directed to pay said amount within 60 days from the date of decree. If the defendants fail to pay the same, the plaintiff is at liberty to recover the same in accordance with law.

Draw decree accordingly.

(Directly dictated to the stenographer on computer, typed by her, corrected by me and then pronounced in the Open Court on 18th August, 2026)

(Mayappa Lagamappa Pujeri)
Prl. Civil Judge & JMFC.,
Kushtagi.

ANNEXURE

I. List of witnesses examined by plaintiff/s:

PW1 : Kokkiligadda Shivaji.

II. List of documents exhibited by plaintiff/s:

Ex.P1	:	Loan application;
Ex.P2	:	RTC extract;
Ex.P3	:	Pronote;
Ex.P4	:	Hypothication deed;
Ex.P5 to 10	:	Letter of Revivals;
Ex.P-11	:	Legal notice dated: 10.07.2025
Ex.P-12 and 13	:	Postal receipts;
Ex.P-14 and 15	:	Postal covers;
Ex.P16	:	Account statement extract.

III. List of witnesses examined by defendant/s:

-NIL-

IV. List of documents exhibited by defendant/s:

-NIL-

MAYAPPA L PUJARI Digitally signed by MAYAPPA L PUJARI Date: 2026.08.27 15:55:52 +0530

(Mayappa Lagamappa Pujeri)
Prl. Civil Judge & JMFC.,
Kushtagi.