KAKP410039052024

IN THE COURT OF THE CIVIL JUDGE & JMFC AT KARATAGI.(ITINERARY COURT)

PRESENT: **Megha Somannavar, B.B.A.,LL.B.**
Civil Judge & J.M.F.C.,
Karatagi(Itinerary Court)

Dated this the 07th day of July 2026

Original Suit No.214 of 2024

PLAINTIFF:

KARNATAKA GRAMINA BANK 01.04.2019 a body corporate constituted and functioning under the Regional Rural Banking Act: 1976 sponsored by **Canara Bank** having its head office at Sanganakal Road, Bellary having branches at various places, one among them at Karatagi Tq: Karatagi, represented by its branch manager. Sri. Harsha Chitragar S/o F.H. Chitragar.

(By Sri.T.M.Shivanand., Adv.)

-Vs-

DEFENDANTS: 1. Sri Sharanappa Melagade
S/o Veerabhadrappa,
Age: 60 yrs, Occ: Agriculture,
R/o: Near Chidananda temple,

MEGHA SOMANNAVAR

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Date: 2026.07.09 12:09:35 +0530

Ponnapur village, Post: Bevinhal,
Tq: Karatagi, Dist: Koppal.

2. Sri Hanumanthappa
S/o Eranna @ Veeranna,
Age: 49 years, Occ: Agriculturist,
R/o: Near Chidananda temple,
Ponnapur village, Post: Bevinhal,
Tq: Karatagi, Dist: Koppal.

(D-1 By Sri.T.B.K., Adv.)
(D-2 placed Exparte)

Date of Institution of suit	18.07.2024
Nature of suit	Recovery of Money
Date of commencement of recording of evidence	16.06.2026
Date of closing of recording of evidence	16.06.2026
Date on which the Judgment was pronounced	07.07.2026
Total Duration	Year/s 01 Month/s 11 Day/s 20

J U D G M E N T

The suit is filed by the plaintiff bank against the defendants for directing them to pay a sum of Rs.10,89,319=05 together with future interest at the rate of 9% p.a., half yearly rest and penal interest of 2% from the date of suit to till the entire realization of the suit claim amount.

2. **<u>Brief facts of the case as per plaint averments is as under</u>:**

(a) That defendant No.1 has approached the plaintiff bank for financial help with application on 08.06.2017 and plaintiff bank has sanctioned a loan of Rs.8,50,000/- to defendants on 08.06.2017 for purpose of construction of house and its NA Land bearing Sy No. 130/97/C or 97/c, measuring 45X40 situated at Pannapur village of Karatagi taluk vide their loan account No.69015103030917 and defendant No.2 agreed to stand as surety to the said transaction. Looking to the application of the defendant No.1 and surety ship of the defendant No.2. The plaintiff bank has sanctioned loan to defendant No.1 and he has executed the simple mortgage deed in favour of plaintiff bank on 15-06-2017 along with other loan documents by agreeing the terms and conditions of the loan. They have also agreed to repay the loan amount within 60 months with interest @ 9% p.a., compound half yearly along with + 2% penal interest or changed or varied rate of interest from time to time as per advised of the H.O / RBI / Govt and agreed the repayment of said loan in yearly installment. They being borrower to the suit loan transaction has failed and neglected to repay the loan amount as per the terms as agreed, inspite of several requests and demands made by the plaintiff bank from time to time, so they are liable to pay the loan amount with interest to the plaintiff bank.

(b). It is further contended that, after availing the loan amount they have failed to make the repayment of the above said loan, as agreed by them, despite of repeated requests, demands of the plaintiff bank. Therefore, the plaintiff bank issued a legal notice to the defendants on 01.07.2024, which was intentionally refused by them. Hence inspite of issuance of legal notice they have not paid the loan amount. Hence, sum of Rs.10,89,319=05 is outstanding against them under suit loan account on the date of filing the suit. On all these grounds, the plaintiff bank has prayed to decree the suit.

3. After institution of the suit the summons issued to the defendants and inspite of service of summons they have not appeared before the Court. Hence they are placed exparte and case is posted for plaintiff evidence.

4. To substantiate its claim, the plaintiff bank has examined its Manager as PW-1 and got marked 20 documents as Ex.P.1 to P.20.

5. Heard the arguments.

6. Now the points that arise for the determination are as follows:-

:: P O I N T S ::

1. Whether the plaintiff bank proves that, defendants have availed loan of Rs.8,50,000/- by executing necessary loan documents?
2. Whether the plaintiff bank further proves that, the defendants failed to repay the loan amount along with interest as agreed?
3. Whether the plaintiff bank is entitled for suit claim and suit reliefs?
4. What order or decree?

7. My answer to the above points are as follows :

Point No.1 - In the Affirmative,
Point No.2 - In the Affirmative,
Point No.3 - In the Affirmative,
Point No.4 - As per the final order, for the following;

R E A S O N S

8. **Point No.1 to 3** :Since these issues are inter-connected and to avoid repetition of reasoning taken together for common discussion.

9. The plaintiff bank has averred in the plaint that, it has sanctioned loan of Rs.8,50,000/- to the said defendants vide their loan account No. 69015103030917 on 08.06.2017. They have executed necessary loan documents in favour of plaintiff bank. They had agreed to repay loan amount at the rate of 9% per annum + 2% penal interest compounded quarterly rests from the date of suit till realization or changed or varied rate of interest from time to time as per the RBI circulars and guidelines and agreed the repayment of said loan by annual renewal. They became defaulter in repayment of loan. Hence filed this suit.

10. To support its contention, plaintiff bank has examined its Manager as P.W.1. he has reiterated the plaint averments in his chief-examination and got marked 20 documents as Ex.P.1 to Ex.P.20.

1) Ex.P-1 is the Specimen card
2) Ex.P-2 is the loan application.
3) Ex.P-3 is the Banking facility extract.
4) Ex.P-4 is the Interest variation letter
5) Ex.P-5-6 is the Original pro-note

6) Ex.P-7 is the Housing loan agreement
7) Ex.P-8 is the Simple mortgage deed 1142/2017-2018
8) Ex.P.9 to 12 is the Four LOR
9) Ex.P-13 & 14 is Two Copy of legal notice
10) Ex.P-15 & 16 is Two Postal receipts
11) Ex.P-17 is the Postal acknowledgment
12) Ex.P-18 is the Original return postal cover
13) Ex.P-19 is the bank account statement
16) Ex.P-20 is the certificate of bank manager

11. As per averments made in the plaint and the evidence of PW.1 the defendants have not paid the loan amount as agreed by them. PW.1 has produced specimen card at Ex.P-1, loan application at Ex.P-2, banking facility extract, at Ex.P-3, interest variation letter at Ex.P-4, original pro-note at Ex.P-5, housing loan agreement at Ex.P-7, loan sanction conveying letter at Ex.P-8 mortgage deed at Ex.P-9 which discloses that loan is sanctioned to the defendants who are a principle borrower of plaintiff bank. On perusal of the aforesaid documents produced by the plaintiff bank at Ex.P.1 to 9 proves that the defendants have duly executed these documents in favour of the plaintiff bank while availing the loan amount of Rs.8,50,000/-. Hence, it is clear that they have executed necessary loan documents in favour of the plaintiff bank at the time of availing the loan. Further, as a corroborative piece of evidence, the plaintiff bank has produced **Statement of Account of defendants loan account under Ex.P.19,** which reveals the loan amount has been transferred to the loan account of defendants. Thereby the plaintiff bank is able to prove the loan transaction between plaintiff bank and the defendants and the necessary loan documents have been executed by them in favour of the plaintiff bank. These documents clearly speaks that, defendants have availed loan of Rs.8,50,000/- and agreed to pay the same with interest at 9% and in default penal interest at the rate of 2% p.a. by executing necessary documents in favour of plaintiff bank. But in spite of several demands made by the bank to defendants they failed to repay the loan amount shown in statement of account.

12. It is important to note that the defendants at the time of availing the loan has agreed to pay the interest. It is well-settled legal principles that, payment of agreed rate of interest is a rule hence defendants are liable to pay the agreed rate of interest. When there is existence of agreed rate of interest between the parties as per the terms of the contract, then, such agreed rate of interest is not subjected to the scrutiny of the Courts as per Sec.21(A) of Banking Regulation Act. Moreover the loan amount availed is the public money which is outstanding. The defendants have withheld the money belonging to the public without paying the same. If the amount could have been paid within the stipulated time, the bank could have made use of the same for some other profitable purposes. But the plaintiff bank has been deprived of it. Already sufficient time has been granted. The plaintiff bank has sought interest at the rate of Rs.9% p.a. + 2% penal interest as per the documents and the same is not exorbitant one under such circumstances, they are liable to pay the interest at 9% p.a., + 2% penal interest from the date of suit. Hence they are liable to pay future interest at the rate of 9% p.a. from the date of suit till realization of suit claim amount.

13. It is also significant to note that, this suit is filed by the banking institution, all the documents produced by the plaintiff bank pertaining to the loan transaction have got presumptive value regarding the correctness of these documents unless the contrary is proved by the adverse party. Even under the Banker's Books Evidence Act-1891, there is a legal presumption, with regard to the entries made in the documents maintained by the banks during their regular course of banking business. Unless it is shown that the entries found therein are false or that they are incorrect entries. Under such circumstances, when absolutely no rebuttal materials from the defendants with regard to the suit loan transaction. I am inclined to accept the case put forwarded by the plaintiff.

14. In the present case defendants have not appeared before the court and they have not contested the suit by filling written statement. Thereby it is as if he had admitted the suit claim of the plaintiff. The oral evidence of PW.1 given on oath remained unchallenged. Under such circumstances, in the absence of any contra materials are placed by the defendants, court has no reasons to discard the documentary evidence and oral evidence placed by the plaintiff. It is settled principle of law that whenever the opponent declining to avail an opportunity to put forth their case in cross-examination, it must follow that the evidence tendered on that issue ought to be accepted. I have no hesitation to held that same in this case where the opponents/defendants had declined to avail an opportunity to contest the case by filling written statement. Then the inevitable conclusion should be that the case set up by the plaintiff must be accepted. Therefore, I hold that the oral and documentary evidence made available by the plaintiff bank are sufficient to accept the case of the plaintiff and plaintiff bank has proved the fact that defendants had availed loan and failed to repay the suit amount. Hence he has liable to repay the loan amount. **Accordingly I answer points No.1 to 3 in the Affirmative.**

15. **Point No. 4:** In view of my findings on point No.1 to 3 in the affirmative, I proceed to pass the following:-

:: ORDER ::

The Suit of the plaintiff Bank is decreed with costs.

Defendants are liable to pay Rs.10,89,319=05 together with cost and interest at the rate of 9% per annum + 2% penal interest from the date of suit till realization.

Office is directed to draw preliminary decree accordingly.

On failure of defendants to pay decreetal amount plaintiff is at liberty to initiate FDP proceedings.

File be consigned to the record room.

(Dictated to the Stenographer directly on computer and typed by her, the same is corrected and then pronounced by me in the Open Court on this 07th day July 2026)

(Megha Somannavar)
Civil Judge and JMFC.,
Karatagi (Itinerary court)

Annexure:

1. **List of Witnesses examined on behalf of the Plaintiff:**

   Pw.1: Sri. Srinivas Nayak S/o Rajesh Kannaiah

2. **List of Documents exhibited on behalf of the Plaintiff:**

   Ex.P-1 is the Specimen card
   Ex.P-2 is the loan application.
   Ex.P-3 is the Banking facility extract
   Ex.P-4 is the Interest variation letter
   Ex.P-5 is the Original pro-note
   Ex.P-6 is the Housing loan agreement
   Ex.P.7 is the Loan sanction conveying letter
   Ex.P-8 is Mortgage deed
   Ex.P-9-12 is Original L.O.R
   Ex.P-13 & 14 are the Four legal notice.
   Ex.P-15 & 16 are the Two postal receipts.
   Ex.P-17 is the online acknowledgment
   Ex.P-18 is the bank Original return postal cover
   Ex.P-19 is the bank account statement.
   Ex.P-20 is the certificate of bank manager.

3. **<u>List of Witnesses examined on behalf of the Defendant:</u>**

NIL

4. **<u>List of Documents exhibited on behalf of the Defendant:</u>**

NIL

(Megha Somannavar)
Civil Judge and JMFC.,
Karatagi (Itinerary court)

(Judgment pronounced in open court)
(Vide separate sheets)

:: <u>O R D E R</u> ::

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