IN THE DEBTS RECOVERY TRIBUNAL II, KARNATAKA
AT BENGALURU

Dated this 28th Day of January, 2026

Present: Sri. T. RAJESH
Presiding Officer

OA.No.915/2023

BETWEEN:

Karnataka Gramin Bank,
One of its Branch offices called,
Gabbur Branch at Gabbur Village,
Devadurga Taluk, Raichur District, Pin- 584 113,
Represented by its Manager,
Sri. Rajashekhar. **...APPLICANT**

AND:

1. Sri. Gangappa,
S/o. Sri Basanna Bhovi,
Aged about 54 years,
Residing at: N. Ganekal Village,
Devadurga Taluk, Raichur District,
Pin: 584111.

2. Sri. Mohammed Azeez,
S/o Sri. Channu miya,
Aged about 45 years,
Residing at: Gabbur Village,
Devadurga Taluk, Raichur District,
Pin: 584113.

3. Sri. Sharanappa,
S/o Sri Shivappa Venkatapura,
Aged about 46 years,
Residing at: N.Ganekal Village,
Devadurga Taluk, Raichur District,
Pin: 584111. **...DEFENDANTS**

Counsel on record/appeared for:

Applicant	: V. Haridas Bhat
Defendants	: Exparte

FINAL ORDER

1. The present Original Application in short (OA) has been filed under section 19 of Recovery of Debts and Bankruptcy Act 1993 seeking issuance of Recovery Certificate against the defendants for Rs. 34,93,337.00 (Rupees Thirty Four Lakh Ninety Three Thousand Three Hundred Thirty Seven Only) with further interest thereon from the date of filing the Application till realization.

2. It is the case of the applicant that the defendant No.1 availed following loans:-

- 1st loan – KCC loan of Rs. 2,00,000/- (Rupees Two Lakh Only)- defendant No. 2 is the guarantor.
- 2nd Loan- Kisan OD loan of Rs. 4,00,000/- (Rupees Four Lakh Only)- defendant No. 3 is the guarantor.

3. It is also the case of the applicant that, in view of the above availed loans, the defendants executed necessary loan documents along with Mortgage deed, letter of revival and on demand promissory note.

4. It is further contended that, despite availing the credit facilities, agreeing to service the loan account promptly and regularly, the defendants failed in complying the same, resulting in default in repayment and consequentially turning the loan accounts as NPA.

5. In the above circumstances, the applicant approached this Tribunal by filing this OA seeking issuance of Recovery Certificate for the amount

due in the account.

6. Despite, summons the defendants, they failed to appear, resulting the defendants being set exparte on 24.02.2025.

7. The applicant had let in evidence through AW-1, who filed Proof Affidavit reiterating the contentions taken in the OA and also produced Exhibits A-1 to A-19 and got the same marked in evidence.

8. Heard the Ld. Counsel for the Applicant and considered the contentions as taken in the OA in the light of documentary evidence and proof affidavit.

9. The following issues arise for consideration in this matter:

i) Whether the applicant had succeeded in proving the OA claim as against the defendants?

ii) What order are to be passed?

Both these issues are gone into and decided together.

10. The case put forth by the applicant in the Application remains unrebutted as defendants remained exparte. The evidence tendered by the applicant remains uncontroverted and undisputed. The evidences put forth by the applicant were found admissible and are sufficient to prove availment of credit facilities as stated in the OA, creation of the security interest and the defaults committed in the accounts. The liability of the

defendants and the claim of the amount due are also proved by the above documents. The claim of the applicant is well within the limitation.

11. Hence in view of the findings arrived herein above, the Tribunal find both these issues in favour of applicant and hence, this Tribunal is of the view that OA is to be allowed.

12. Taking into consideration the facts that the credit facilities are availed for Agriculture purpose and also that the OA claim is arrived at by calculating interest at the agreed rate, this Tribunal in view of the OA can be allowed with a reduced interest of 6.00% (simple).

13. In the result, OA.No.915/2023, stands allowed,

i) The applicant is allowed to recovery an aggregate sum of Rs. 34,93,337.00 (Rupees Thirty Four Lakh Ninety Three Thousand Three Hundred Thirty Seven Only) with further interest @6.00 % p.a.(simple) as follows:-

a) 1st loan- Rs. 9,27,576.00 (Rupees Nine Lakh Twenty Seven Thousand Five Hundred Seventy Six Only) from the date of filing OA till the realization, from the defendants Nos. 1 & 2 jointly, severally & personally, after giving credit to all the amount recovered and received during the pendency of the OA and allowed the same to be recovered by proceeding against schedule property.

b) 2nd loan- Rs. 25,65,761.00 (Rupees Twenty Five Lakh Sixty Five Thousand Seven Hundred Sixty One Only) from the date of filing OA till the realization, from the defendants Nos. 1 & 3 jointly, severally & personally, after giving credit to all the amount recovered and received during the pendency of the OA and allowed the same to be recovered by proceeding against schedule property.

Properties schedule to the OA be the schedule to the recovery certificate.

ii) If the sale proceeds are not found sufficient to cover the amount due and payable to the applicant bank, the defendants jointly, severally & personally and their assets are liable for respective amounts due under the respective loan accounts.

iii) The applicant bank is allowed cost of the proceedings which applicant to file cost memo within 7 days from the date of receipt of the order.

iv) The Recovery Certificate to be drawn in terms of this order and transferred to Recovery for execution.

v) Interim application pending, if any, stands disposed of in terms of this final order.

14. Communicate a copy of the order to the parties concerned in terms of Section 19(21)(i) of the RDB Act, read with Rule 16 of DRT (Procedure)

Rules, 1993.

[Dictated to the Stenographer (AJ), transcribed by her, corrected and signed and pronounced by me in the Open Court, this the 28th Day of January, 2026].

Sd/-
(T. RAJESH)
PRESIDING OFFICER

ANNEXURES

WITNESSES EXAMINED FOR THE APPLICANT BANK:

AW-1: R. Satish, Manager, of Applicant Bank.

Exhibits on the part of the Applicant:

Exhibit Nos.	Date	Particulars of Documents
		I-KCC loan of Rs. 2,00,000/-
A1	26.03.2009	Loan application cum sanction submitted by defendant Nos. 1 & 2
A2	26.03.2009	Memorandum of agreement for crop loan executed by the defendants Nos. 1 & 2
A3	21.03.2009	Mortgage deed executed by the 1st defendant in favour of applicant bank and registered in the office of Sub-registrar, devadurga as document No. DVD-1-4495-2008-09, Book No.1
A4	12.01.2012	Letter of revival executed by the defendants Nos. 1 & 2
A5	07.01.2015	Letter of revival executed by the defendants Nos. 1 & 2
A6	29.12.2017	Letter of revival executed by the defendants Nos. 1 & 2
A7	29.12.2017	Letter of revival executed by the defendants Nos. 1 & 2
A8	01.09.2017	Letter of revival executed by the defendants Nos. 1 & 2
		II- KOD loan of Rs. 4,00,000/-
A9	06.04.2009	Loan application submitted by the defendants Nos. 1 & 3
A10	06.04.2009	Loan sanction memorandum
A11	20.04.2009	Memorandum of agreement and deed for Kisan OD executed by the defendant No.1

A12	20.04.2009	On demand promissory note for Rs. 4,00,000/- executed by defendants Nos. 1 & 3
A13	30.03.2009	Mortgage deed executed by 1st defendant, registered in the office of Sub-registrar, devadurga as document No. DVD-1-4735-2008-09, Book No.1
A14	18.09.2020	Acknowledgement of security executed by the defendant No. 1
A15	24.12.2020	Acknowledgement of security executed by the defendant No.1
A16	27.10.2022	Office copy of the legal notice by applicant bank to the defendants Nos. 1 & 2
A17	27.10.2022	Office copy of legal notice got issued by applicant bank to the defendants Nos. 1 & 3
A18	--	Statement of account in respect of KCC loan account No. 10602130000674, New Account No. 60215354030015
A19	--	Statement of account is respect of Kisan OD loan account No. 10602120000018, New account No. 60215355002513

Witness Examined for the Defendants: **-Nil -**

List of Documents Exhibited for the Defendants: **-Nil –**

Sd/-
(T. RAJESH)
PRESIDING OFFICER