

IN THE COURT OF THE MUNSIFF, KOTTARAKARA.
Present :- Sri. Fazil Rahiman, Civil Judge (Junior Division).
Friday the 13th day of March, 2026/ 22nd day of Phalguna, 1947.

OS. No. 259/2025

Between

Plaintiff:-

State Bank of India, Nilamel Branch,
Hayden Park, Opp. Sabarigiri School,
Nilamel, Nilamel Village,
Kollam, Kerala, Pin-691535,
represented by, Gopakumar.G,
aged 38 years, S/o Gopinathan Pillai.S,
Branch Manager, State bank of India,
Nilamel Branch, Kollam.

By Adv. T.K.Jayakumari and Adv. Manoj Sreedhar

And

Defendant:-

Sabari.S.Kumar, aged 25 years,
D/o Girijakumari, Proprietor,
Royal Coconut Oil Mill & Food Products,
G.S.K Bhavan, Ayiroor, Varkala,
Thiruvananthapuram,
Pin-695310.

This suit is filed U/s.26 and Order VII Rule 1 of CPC 1908, for realization of money, coming on for hearing before me on 13.03.2026 and the court on the same day delivered the following:-

JUDGMENT

The suit is for realization of money.

2. The plaint averments in nutshell is that:- The defendant applied before the State Bank of India, Nilamel Branch for a MSME Loan for conducting business. The plaintiff bank ie. State Bank of India, Nilamel Branch, Kottarakkara, Kollam had

sanctioned a Dropline OD Loan of Rs. 1,00,000/- (One Lakh) and a Term Loan of Rs.4,74,000/-(Rupees Four lakhs Seventy Four Thousand only) for conducting business in the name and style of Royal Coconut Oil Mill & Food Products. The defendant had executed the arrangement letter and Agreement of loan cum Hypothecation dated 18.05.2023 as security in favour of the plaintiff bank and the defendant started availing the Drop line OD facility vide loan Account No:41943199213 and Term Loan facility vide loan Account No 41943120059. By executing the Arrangement Letter Agreement of Loan cum Hypothecation dated 18.05.2023 and the other security documents, the defendant agreed to abide by all the terms and conditions as enumerated therein. As per the terms of the agreement, the defendant is liable to discharge the Dropline OD loan amount by 56 equated monthly installment of Rs.1785/- and the last installment of Rs.1825/- plus interest commencing from the month following the month of disbursement of the loan. As per the terms of the agreement, the defendant is liable to discharge the Term loan amount by 56 equated monthly installment of Rs.11,306/- plus interest commencing from September 2023. The interest for the loan will be charged at the rate of 2% above the ENR/Marginal Cost of Funds Based Lending Rate (MCLR) which is 9.15 % per annum in 2023. Present Effective rate 11.15% per annum calculated on daily products at monthly rests. Bank shall any time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the EBR/MCLR at its discretion. The defendant also agreed to pay penal interest at the rate of 2% per annum over the stipulated interest rate with monthly rests will be charged for the irregular amount and overdue period in the event of default. After

availing the facility the defendant was not regular in the repayment of the loan amount and the installments as stipulated under the agreement were defaulted and the plaintiff bank demanded the payment outstanding in the borrower's accounts. The defendant did not regularize the account and the account of the borrower became non-performing on 08.02.2024 and hence the plaintiff bank caused to issue a registered demand notice dated 06.01.2025 to the defendant. The notice was returned to the sender with an endorsement unclaimed. The defendant neither cared to clear the arrears nor responded to the notice. Hence the plaintiff bank is constrained to file this suit for the recovery of the entire loan amount due to the plaintiff bank. As on 22.05.2025 the closure balance in the loan account No.41943199213 is Rs 1,27,206 /(Rupees One Lakh Twenty Seven Thousand Two Hundred and Six only) including the unapplied interest from the date of NPA and as on 22/5/2025 the closure balance in the loan account No. 41943120059 is Rs.5,63,222/- (Rupees Five Lakhs Sixty Three Thousand Two hundred and Twenty Two only) including the unapplied interest from the date of NPA. The defendant is liable to discharge the plaint claim and the plaintiff bank is entitled to recover the suit amount with future interest and costs from the defendant and her assets. Hence the suit.

3. Though step was completed against the defendant, the defendant did not enter appearance before the court. Thereafter the case was proceeded exparte against the defendant. The case proceeded with the evidence of the plaintiff then.

4. The evidence of the plaintiff consists of the evidence of PW1 and Exts.A1 to A8. The Manager of plaintiff's bank is examined as PW1. Ext. A1 is the

application for MSME loan, Ext.A2 is the letter of arrangement, Ext.A3 is the agreement of loan cum Hypothecation dated 18.05.2023, Ext.A4 is the copy of the demand notice, Ext.A5 is the postal receipts(2 in Nos), Ext.A6 is the returned registered demand notice (2 in Nos), Ext.A7 is the certified copy of statement of account (2 in Nos.) Ext.A8 is the certified copy fo closure statement of accounts (2 in Nos.)

5. PW1 specified that The defendant applied before the State Bank of India, Nilamel Branch for a MSME Loan for conducting business. The plaintiff bank ie. State Bank of India, Nilamel Branch, Kottarakkara, Kollam had sanctioned a Dropline OD Loam of Rs. 1,00,000/- (One Lakh) and a Term Loan of Rs.4,74,000/- (Rupees Four lakhs Seventy Four Thousand only) for conducting business in the name and style of Royal Coconut Oil Mill & Food Products. The defendant had executed the arrangement letter and Agreement of loan cum Hypothecation dated 18.05.2023 as security in favour of the plaintiff bank and the defendant started availing the Drop line OD facility vide loan Account No:41943199213 and Term Loan facility vide loan Account No 41943120059. By executing the Arrangement Letter Agreement of Loan cum Hypothecation dated 18.05.2023 and the other security documents, the defendant agreed to abide by all the terms and conditions as enumerated therein. As per the terms of the agreement, the defendant is liable to discharge the Dropline OD loan amount by 56 equated monthly installment of Rs.1785/- and the last installment of Rs.1825/- plus interest commencing from the month following the month of disbursement of the loan. As per the terms of the agreement, the defendant is liable to discharge the Term loan amount by 56

equated monthly installment of Rs.11,306/- plus interest commencing from September 2023. The interest for the loan will be charged at the rate of 2% above the ENR/Marginal Cost of Funds Based Lending Rate (MCLR) which is 9.15 % per annum in 2023. Present Effective rate 11.15% per annum calculated on daily products at monthly rests. Bank shall any time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the EBR/MCLR at its discretion. The defendant also agreed to pay penal interest at the rate of 2% per annum over the stipulated interest rate with monthly rests will be charged for the irregular amount and overdue period in the event of default. After availing the facility the defendant was not regular in the repayment of the loan amount and the installments as stipulated under the agreement were defaulted and the plaintiff bank demanded the payment outstanding in the borrower's accounts. The defendant did not regularize the account and the account of the borrower became non-performing on 08.02.2024 and hence the plaintiff bank caused to issue a registered demand notice dated 06.01.2025 to the defendant..The notice was returned to the sender with an endorsement unclaimed. The defendant neither cared to clear the arrears nor responded to the notice. Hence the plaintiff bank is constrained to file this suit for the recovery of the entire loan amount due to the plaintiff bank. As on 22.05.2025 the closure balance in the loan account No.41943199213 is Rs 1,27,206 /(Rupees One Lakh Twenty Seven Thousand Two Hundred and Six only) including the unapplied interest from the date of NPA and as on 22/5/2025 the closure balance in the loan account No. 41943120059 is Rs.5,63,222/- (Rupees Five Lakhs Sixty Three Thousand Two hundred and Twenty Two only) including the

unapplied interest from the date of NPA. The defendant is liable to discharge the plaintiff claim and the plaintiff bank is entitled to recover the suit amount with future interest and costs from the defendant and his assets. The evidence of plaintiff remains unchallenged. In the absence of contra evidence on the side of the defendant and considering the uncontroverted testimony of PW1 and based on Exts.A1 to A8, this court is of the considered opinion that the plaintiff is entitled to get a decree allowing the plaintiff recover an amount of Rs.6,90,628/- (Rupees Six Lakhs Ninety Thousand Six Hundred and Twenty Eight only) together with interest at the rate of 12% per annum from the date of the suit till realization from the defendant and from her assets. Interest @ 12% per annum is allowed, since the transaction is a commercial one. The plaintiff is entitled to realise the costs of the suit from the defendant and from her assets.

6. In the result, the suit is decreed with costs as follows:-

1. The plaintiff is allowed to realize an amount of Rs.6,90,628/- (Rupees Six Lakhs Ninety Thousand Six Hundred and Twenty Eight only) together with interest at the rate of 12% per annum from the date of the suit till realization from the defendant and from her assets.
2. The plaintiff is allowed to realise the costs of the suit from the defendant and from her assets.

Dictated to the Confdl. Asst., transcribed and typed by her, corrected and pronounced by me in open court on this the 13th day of March, 2026.

Sd/-
Fazil Rahiman
Civil Judge (Junior Division)

APPENDIX:-Exhibits marked for the Plaintiff:-

A1:	30.04.2023:	Application for MSME loan.
A2:	18.05.2023:	Letter of arrangement.
A3:	18.05.2023:	Agreement of loan cum Hypothecation.
A4:	06.01.2025:	Copy of the demand notice.
A5:	08.01.2025:	Postal receipts(2 in Nos).
A6:	10.01.2025:	Returned registered demand notice (2 in Nos).
A7:	26.05.2023:	Certified copy of statement of account (2 in Nos).
A8:		Certified copy fo closure statement of accounts (2 in Nos).

Exhibits marked for the Defendant:- NIL

Court Exhibits:-NIL

Witness examined for the Plaintiff:-

PW1: 13.03.2026: Reneev.Raj.R.

Witness examined for the Defendant:- NIL

Id/-

Civil Judge (Junior Division)

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Typed by : Gokul S

Compared by :

Civil Judge (Junior Division)