

IN THE COURT OF THE MUNSIF RANNY
Present:-Smt.Lesly Panavila, Munsiff.

Wednesday the 18th day of March, 2026
27th day of Phalguna, 1947 SE

OS. No. 100/2020

Between:-

Kerala Grameena Bank with Head office at	}	
Malappuram and a branch interalia at	}	
Vadasserikara represented by its	}	
Branch Manager and Principal Officer,	}	<u>Plaintiff</u>
Mr.Jacob Issac, aged 31 years,	}	
S/o.Isac Kerala Grameena Bank,	}	
Vadasserikara Branch, Vadasserikara P O,	}	
Vadasserikara Village, Ranny Taluk.	}	

(By Adv. Binu R)

And:-

Anilkumar K N, aged 49 years,	}	
S/o. Narayanan, Nair,	}	
Kalathikunnel House, Maniyar P O,	}	<u>Defendant</u>
Vadasserikara Village, Ranny Taluk.	}	

(Set Exparte)

This original suit having been finally heard on 16.03.2026 in the presence of Adv.Binu R counsel for the plaintiff and the defendant set exparte and stood over for consideration on 18.03.2026 the court delivered the following.:-

JUDGMENT***Suit is for realization of money.******2. The plaint averments, in brief, are as follows:-***

Plaintiff is a banking company, represented by its, Branch Manager. Defendant approached the plaintiff bank for an agricultural loan and the same was sanctioned for an amount of Rs.50,000/- (Rupees Fifty Thousand Only) to the defendant for his agricultural purpose. While availing agricultural loan, defendant executed memorandum of agreement for Rs.50,000/- (Rupees Fifty Thousand Only) in favour of the plaintiff bank undertaking to repay the same on demand with 12% per annum with quarterly rests. Defendant also executed acknowledgment of debt acknowledging the balance amount outstanding in the loan account. On failure of the defendant to comply with the terms of the contract, plaintiff bank had issued a lawyer's notice on 24.06.2015 calling upon the defendant to repay the entire amount outstanding in the loan account. In spite of repeated demands made by the plaintiff bank to the defendant to regularize the loan account, defendant committed

gross default in the payment of the loan amount and interest. On 31.03.2020, an amount of Rs.2,31,474/- (Rupees Two Lakh Thirty-One Thousand Four Hundred and Seventy-Four Only) is due to plaintiff bank. Therefore, the plaintiff is entitled to realize the said amount with future interest @ 15% per annum with quarterly rests inclusive of the overdue interest @ 2% per annum from 01.04.2020 till realization from the defendants. **Hence, the suit.**

3. Though defendant entered appearance on receipt of summons, he did not file written statement. Therefore, this Court decides to proceed against him *exparte*. Hence, the suit was proceeded *exparte* against the defendant. The suit was, then, posted for the plaintiff's evidence.

4. The evidence of plaintiff consists of evidence of PW1 and Exts.A1 to A17. Ext.A1 is the memorandum of agreement for loan, Exts.A2 and A3 are the acknowledgement of debt and security, Ext.A4 is the application from the borrower seeking restructuring of loan, Ext.A5 is the letter of undertaking from the borrower seeking restructuring of loan, Ext.A6 is the restructured loan sanction letter, Ext.A7 is the demand promissory note, Ext.A8 is the delivery letter to DPN, Exts.A9 and A10 are the

acknowledgment of debt and security, Ext.A11 is the copy of Lawyers notice, Ext.A12 is the postal receipt, Ext.A13 is the acknowledgement card, Ext.A14 is the true copy of ledger extract, Exts.A15 and A17 are the copy of gazette notification and Ext.A16 is the copy of public notice.

5. Heard the learned counsel for plaintiff and meticulously perused the records.

6. PW1 is the Manager of the plaintiff bank. He filed affidavit in lieu of examination in chief which was in tune with the averments in the plaint. He deposed that he was authorized by the plaintiff bank to give evidence on behalf of the plaintiff bank.

7. PW1 further stated that the defendant approached the plaintiff bank for an agricultural loan and the same was sanctioned for an amount of Rs.50,000/- (Rupees Fifty Thousand Only) for which the defendant executed a memorandum of agreement for agricultural loan in favour of the plaintiff bank agreeing to repay the loan amount as per the terms of the deed, along with interest at 12% per annum with quarterly rests with other charges. On 13.08.2008 the defendant also executed memorandum of agreement for Rs.50,000/- in favour of the plaintiff bank

undertaking to repay the same on demand with interest at rate of 12% per annum with quarterly rests. The loan application for agricultural loan produced and the memorandum of agreement dated 13.08.2008 is marked as Ext.A1. Further, he stated that the defendant defaulted in the repayment of loan amount. On 21.07.2011 and 07.03.2012, again defendant executed acknowledgment of debt. As per the application of defendant, loan facility was restructured and the abovesaid application was produced and marked as Ext.A4 and the said facility was sanctioned and the sanction letter produced and marked as Ext.A6. Further, he stated that the defendant defaulted in the repayment of loan amount. Thereafter, on 09.01.2015 and 11.08.2017 defendant executed acknowledgment of debt which are produced and marked as Exts.A9 and A10 respectively.

8. PW1 further deposed that inspite of repeated demands, the defendant failed to repay the amount. Therefore, plaintiff bank was constrained to issue lawyers notice. Copy of lawyer's notice is produced and marked as Ext.A11 and the postal receipt is marked as Ext.A12. As per the true copy of the ledger pertaining to the account of defendant which is marked as Ext.A14, an amount of

Rs.2,31,474/- (Rupees Two Lakh Thirty-One Thousand Four Hundred and Seventy-Four Only) is due to plaintiff bank from the defendant as on the date of the suit. In the absence of any contra evidence from the side of defendant, the plaintiff's case stands proved by his affidavit and Exts.A1 to A17. Exts A1 to A17 remain unchallenged.

9. Plaintiff is claiming future interest @ 15% per annum with quarterly rests inclusive of the overdue interest @ 2% per annum from 01.04.2020 till realization from the defendant and his assets. **In General Constructions No.20 (M/S) and Others v.South Indian Bank Limited, Thiruvananthapuram: 2016 (3) KLT 868**, the Hon'ble High Court has held that the stipulation as to interest on periodical rests and their capitalization being incorporated in contracts is legitimate and such stipulations voluntarily entered into are binding on the parties and govern the mutual rights and obligations in the payment of interest. But that does not affect the jurisdiction of the court to award lesser rate of interest when it is found that the component of interest is disproportionate to the component of the principal sum. If future interest is granted for the principal sum of Rs.2,31,474/- (Rupees

Two Lakh Thirty-One Thousand Four Hundred and Seventy-Four Only) at the rate of 15% per annum from the date of the suit till realization, the component of interest will become disproportionate to the component of principal sum. Here, this court isn't inclined to grant 15% future interest from the date of the suit till the date of realisation for outstanding amount due. It is found that 9% interest for the principal amount from the date of the suit till date of decree is proper.

In the result, the suit stands decreed with costs.

The defendant is directed to pay an amount of Rs.2,31,474/- (Rupees Two Lakh Thirty-One Thousand Four Hundred and Seventy-Four Only) together with interest at the rate of 9% per annum from the date of the suit till date of decree and thereafter at 6% per annum from the date of decree till the date of realization.

Dictated to the Confidential Assistant, transcribed and typed by her, corrected and pronounced by me in open court on this the 18th day of March, 2026.

Sd/-
LESLY PANAVILA
MUNSIFF

APPENDIXExhibits marked on the side of Plaintiff:-

A1	-	13.05.2008	-	Original Memorandum of agreement for Agricultural loans.
A2	-	21.07.2011	-	Original Acknowledgment of Debt and security of borrower.
A3	-	07.03.2012	-	Original Acknowledgment of Debt and security of borrower.
A4	-	08.03.2012	-	Original of application from the borrower seeking restructuring Facility.
A5	-	08.03.2012	-	Original of letter of undertaking from the borrower for restructuring of loan.
A6	-	08.03.2012	-	Original of restructured loan sanction letter.
A7	-	08.03.2012	-	Original of Demand promissory note.
A8	-	08.03.2012	-	Original of take delivery letter to DPN
A9	-	09.01.2015	-	Original of Acknowledgment of debt and security of borrower.
A10	-	11.08.2017	-	Original of Acknowledgment of debt and security of borrower.
A11	-	24.06.2015	-	Copy of Lawyers notice.
A12	-	24.06.2015	-	Original postal receipt.
A13	-	29.05.2015	-	Original Acknowledgment card.
A14	-	18.05.2020	-	True copy of Ledger extract.

- A15 - 08.07.2013 - Copy of Gazette notification.
A16 - 08.07.2013 - Copy of public notice.
A17 - 23.10.2025 - True copy of Gazette notification.

Exhibits marked on the side of defendant :- - NIL.

Witness Examined on the side of Plaintiff:-

PW1 - 16.03.2026 - Nitheesh M R

Witness Examined on the side of defendant :- - NIL

Sd/-
MUNSIFF

Typed by : Mayamma.M.R.
Compared by : Sobhana.

FAIR/COPY OF JUDGMENT
IN OS NO. 100/2020
DATED: 18.03.2026.