IN THE COURT OF THE XVII ASSISTANT CITY CIVIL COURT, CHENNAI.
PRESENT: Thiru.N. Suresh, M.L.,
XVII Assistant Judge
Tuesday, the 28th day of July 2026
O.S.No.6944/2025
(CNR.No.TNCH01-028133-2025)

M/s. State Bank of India
Rep., by its Manager,
SMEC, Teynampet, … Plaintiff

...Vs…

M/s. Lime Tree,
Rep., by its Proprietor Mr. Tajamul Ahmed … Defendant

This suit came up on 24.07.2026 for final hearing before this Court in the presence of M/s. M.D. Gopinath, G. Deepa, P. Raja and J. Lavanya, Counsel for plaintiff and the defendant being called absent and set exparte and after hearing the arguments of counsel for plaintiff and upon perusal of the records, documents and having stood over for consideration till this day, this court delivers the following:

JUDGMENT

1. The suit has been filed under Order VII Rule 1 of Code of Civil Procedure to direct the defendant to pay a sum of Rs.2,29,724/- (Rupees Two Lakhs Twenty Nine Thousand Seven Hundred and Twenty Four Only) together with interest at the rate of 12.40% per annum calculated at monthly rests from the date of plaint till the date of realization and for costs.

2. The brief facts as stated in the plaint are as follows:

The defendant applied for "Dropline OD" to the plaintiff bank. The plaintiff, by considering the application made by the plaintiff, sanctioned a sum of Rs.1,95,000/- at the rate of 12.40% per annum interest on 23.06.2023 in loan account No.42025167551. The defendant also executed agreement of loan cum Hypothecation on 23.06.2023 thereby agreed to repay the loan amount with interest. The defendant also agreed to pay penal interest at the rate of 2% per annum on default of repayment. But, the defendant was not regular in repayment, despite several reminders made by the plaintiff bank. Thus, the loan account of the defendant became Non Performing Asset on 31.12.2023. Therefore, the defendant is liable to pay a sum of Rs.2,29,724/- with further interest to the plaintiff bank. Therefore, the plaintiff bank issued legal notice dated 09.12.2024 to the defendant calling upon him to pay the outstanding loan amount. But, despite the said legal notice, the defendant neither replied nor repaid the outstanding loan amount. Hence, this suit.

3. Since summons could not served directly to the defendant, this court permitted the plaintiff to effect paper publication. But, despite effecting paper publication, the defendant did not appear before this court and so, he was set exparte.

4. The point for consideration is whether the plaintiff is entitled to the suit claim of Rs.2,29,724/- with further interest or not?

5. On the side of the plaintiff , the Manager of the plaintiff bank was examined as PW1 and marked documents in Ex.A1 to Ex.A9.

6. Point:

6.1. Heard the counsel for the plaintiff. The plaintiff has come up with this present suit to direct the defendant to pay the plaintiff bank a sum of Rs.2,29,724/- together with further interest at the rate of 12.40% per annum.

6.2. It is the contention of the counsel for the plaintiff that the defendant availed “Dropline OD” of Rs.1,95,000/- from the plaintiff bank on 23.06.2023. According to the counsel for the plaintiff that the defendant committed default in repayment of the loan amount and so, the defendant is liable to pay the suit claim of Rs.2,29,724/- with further interest.

6.3. The plaintiff bank in order to prove its claim examined its Manager as PW1. PW1 in his proof affidavit has stated that the defendant approached the plaintiff bank by submitting application on 14.06.2023 and based on the same, the plaintiff bank also sanctioned the loan amount of Rs.1,95,000/- on 23.06.2023. PW1 further stated that the defendant committed default in repayment of the loan amount and so, he is liable to pay the suit claim of Rs.2,29,724/- with further interest.

6.4. The plaintiff bank also produced the loan application submitted by the defendant on 14.06.2023 in Ex.A1. The plaintiff bank also produced agreement cum loan Hypothecation dated 23.06.2023 in Ex.A2 in and by which the defendant executed agreement of letter cum Hyphothecation in favour of the plaintiff bank on 23.06.2023 for the loan amount of Rs.1,95,000/- availed by him. The plaintiff bank produced letter of arrangement dated 23.06.2023 in Ex.A3 executed by the defendant in favour of the plaintiff bank for the loan amount of Rs.1,95,000/- availed by him.

6.5. The plaintiff bank also produced legal notice dated 09.12.2024 issued by the defendant thereby called upon the defendant to pay the outstanding loan amount with further interest to his residential address and office address in Ex.A4 and Ex.A5 respectively. The plaintiff bank also produced the returned postal cover in Ex.A6 and Ex.A7.

6.6. The plaintiff bank also produced statement of account of the defendant in

Ex.A8. On perusal of the said statement of account in Ex.A8, it is found that the loan account No. is 42025167551 and the defendant is liable to pay a sum of Rs.2,29,724/-.

6.7. Though the plaintiff bank produced oral and documentary evidence to prove the fact that, the defendant is liable to pay a sum of Rs.2,29,724/- with further interest, the defendant despite issuance of summons did not appear before the court and object the claim made by the plaintiff. Thus, the evidence of the plaintiff remains unrebutted. But, the plaintiff bank sought for interest at the rate of 12.40% per annum calculated at monthly rests from the date of plaint till the date of realization. But, the plaintiff bank did not produce any evidence to prove the fact that the said loan amount was sanctioned for any commercial purpose. Thus, in the absence of any evidence to prove the fact the loan amount was sanctioned for any commercial purpose, this court finds it fit and reasonable to fix the rate of interest at 9% per annum on Rs.1,95,000/- from the date of plaint till the date of decree and thereafter 6% per annum till realization and this point is accordingly answered in favour of the plaintiff.

7. In the result, the suit is decreed with costs by directing the defendant to pay a sum of Rs.2,29,724/- (Rupees Two Lakhs Twenty Nine Thousand Seven Hundred and Twenty Four Only) together with interest at the rate of 9% per annum on Rs.1,95,000/- from the date of plaint till the date of decree and thereafter 6% per annum till realization.

Dictated to the steno typist, transcribed and typed by her, corrected and pronounced by me in open court on this 28th day of July 2026.

SURESH Digitally signed by SURESH

XVII Assistant Judge,
City Civil Court, Chennai

Plaintiff side witness:

PW1 - S. Prakash (The Manager of the plaintiff bank)

Plaintiff side exhibits:

Exs.	Date	List of documents filed by the plaintiff
Ex.A1	14.06.2023	Loan Application Form for Pradhan Mantri Mudra Yojana
Ex.A2	23.06.2023	Agreement of loan cum Hypothecation
Ex.A3	23.06.2023	Letter of Arrangement
Ex.A4	09.12.2024	Legal Notice with Postal Acknowledgment Receipt (residence)
Ex.A5	09.12.2024	Legal Notice with Postal Acknowledgment Receipt (office)
Ex.A6	16.12.2024	Return Postal Cover (residence)
Ex.A7	20.12.2024	Return Postal Cover (office)
Ex.A8	-----	Statement of Account
Ex.A9	18.07.2026	Authorization Letter

Defendant side witness and exhibits: Nil

SURESH Digitally signed by SURESH

XVII Assistant Judge,
City Civil Court, Chennai

Fair / Draft Judgment in
O.S. No.6944/2025
Date: 28.07.2026
XVII Assistant Court
Chennai