IN THE COURT OF DISTRICT JUDGE-08 WEST, TIS HAZARI COURTS, DELHI
Presided by: Ms. Susheel Bala Dagar

Civ DJ 594/21
CNR Number: DLWT01-006442-2021
In the matter of:
Dr. Harprit Singh
S/o Shri Charanjeet Singh
R/o D/32, Plot No. 2,
Rajouri Garden,
New Delhi …..Plaintiff

Versus

Shri Sudan Singh
Proprietor, M/s B.K. Enterprises
Office Sector 4A,
Quarter No. 1158, Bakaro Steel City,
Jharkhand-827001 …...Defendant

Date of institution	**:**	**09.09.2021**
Date of reserved for judgment	**:**	**02.05.2026**
Date of judgment	**:**	**05.06.2026**

Suit for recovery of Rs. 20,00,000/- alongwith interest

JUDGMENT

Brief facts of the case

1. The plaintiff and the defendant were old friends who shared cordial relations. In June 2017, the defendant requested a friendly loan of Rs. 20,00,000/- from the plaintiff for urgent business obligations. Trusting their friendship, the plaintiff transferred the amount through RTGS on 05.06.2017 from his South Indian Bank account at Rajouri Garden, New Delhi. The defendant assured the plaintiff that the amount would be repaid within one month and that interest would also

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be paid in case of delay.

2. After receiving the money, the defendant allegedly avoided repayment on one pretext or another. According to the plaintiff, the defendant had dishonest intentions from the beginning and induced him to lend the money by taking advantage of their friendship. Despite repeated requests for repayment, the defendant neither return the loan amount nor paid any interest.

3. The plaintiff submitted that because of their friendly relations, he continued to trust the defendant for several years. However, the defendant kept delaying the matter and allegedly cheated the plaintiff by wrongfully retaining the amount of Rs. 20,00,000/- for his own business purposes. In April 2020, when the plaintiff threatened to file a recovery suit and criminal complaint, the defendant sought more time citing the COVID-19 pandemic and again promised repayment. The plaintiff claimed to possess acknowledgments and assurances of repayment made by the defendant.

4. Between July 2017 and June 2021, the plaintiff repeatedly contacted the defendant through phone calls, WhatsApp messages, and emails demanding repayment, but the defendant continued to delay the matter. The plaintiff further claimeds that he is entitled to interest at the rate of 12% per annum from the date the amount was credited into the defendant's account until recovery.

5. The plaintiff also alleged that he suffered mental harassment, physical inconvenience, loss of time, and financial hardship because of the defendant's conduct. He further states that he possesses a

voice recording dated 18.01.2021 in which the defendant admitted having taken the friendly loan of Rs. 20,00,000/- from the plaintiff.

6. Subsequently, the plaintiff issued a legal notice through his Counsel on 28.06.2021 demanding repayment of the loan along with interest. The notice was served upon the defendant on 02.07.2021. The defendant sent a reply dated 11.08.2021, which the plaintiff describes as false and misleading because it referred to unrelated transactions. Thereafter, the plaintiff sent a rejoinder dated 30.08.2021.

7. The plaintiff contended that the cause of action first arose on 05.06.2017 when the loan was advanced and again on 05.07.2017 when the defendant failed to repay it within the agreed time. The cause of action further continued on several later dates, including the defendant's requests for additional time, the admission made in the voice recording on 18.01.2021, and the issuance and service of the legal notice in June and July 2021. According to the plaintiff, the cause of action still survives.

8. The plaintiff submitted that the Court has territorial jurisdiction because the plaintiff resides in Delhi and the loan transaction was made through a bank situated in Rajouri Garden, New Delhi. The pecuniary jurisdiction of the Court is also stated to be satisfied because the claim amount falls within its monetary limits.

9. The plaintiff further argued that the suit is within limitation because the Supreme Court extended limitation periods during the COVID-19 pandemic through orders passed in Suo Motu Writ Petition (Civil) No. 3/2020 and related applications.

10. Accordingly, the plaintiff has prayed for a decree directing the defendant to pay Rs. 20,00,000/- along with interest at the rate of 12% per annum from the date the amount became due until realization, along with any other relief deemed appropriate by the Court.

Written Statement of defendant.

11. The defendant, in the written statement, has denied all allegations made in the plaint except those specifically admitted. The defendant contended that the plaintiff has suppressed material facts and has filed a false and frivolous suit by misrepresenting a commercial transaction as a personal loan dispute.

12. According to the defendant, the plaintiff is one of the Directors of M/s Luthra C.S. Engineering Works Pvt. Ltd. ("CSE"), which was engaged as a subcontractor by M/s Trans Tech Turnkey Pvt. Ltd. ("TTTPL") for certain works relating to projects awarded by SAIL, Bokaro Steel Plant. The defendant submitted that TTTPL was the principal contractor and CSE was its subcontractor.

13. The defendant asserted that the amount of Rs. 20,00,000/- transferred on 05.06.2017 was not a friendly loan but a payment made by CSE to TTTPL through the defendant, who was acting as an authorized representative of TTTPL. According to the defendant, this amount was paid towards PF and ESI liabilities arising out of the subcontracted work. The defendant relied upon a letter dated 18.12.2020 issued by CSE to TTTPL, signed by another Director, Mr. Mandeep Singh, wherein CSE allegedly acknowledged that the payment of Rs. 20,00,000/- was made in the course of business transactions.

14. The defendant further submitted that the plaintiff has falsely portrayed para or cordial relationship with the plaintiff. According to the defendant, the allegation of friendship has been fabricated only to create the appearance of a friendly loan transaction. The defendant claims that the present suit has been filed merely to pressurize and arm-twist him because a commercial dispute already exists between TTTPL and CSE, in respect of which CSE has filed proceedings before the Jharkhand MSME Facilitation Council.

15. The defendant contended that the suit is an abuse of the process of law and is liable to be dismissed. It is further argued that since the transaction arose out of a commercial arrangement between TTTPL and CSE, the matter falls within the scope of the Commercial Courts Act and cannot be treated as a simple civil recovery suit based on a friendly loan.

16. The defendant also submitted that the plaintiff has made allegations of cheating and fraud without providing the mandatory particulars required under Order VI Rule 4 CPC. According to the defendant, the plaintiff has failed to produce any written agreement, email, letter, acknowledgment, or documentary proof showing that the amount was ever advanced as a personal loan.

17. The defendant further submitted that he was wrongly impleaded in his personal capacity and as sole proprietor of M/s B.K. Enterprises, even though the transaction in question related only to business dealings between TTTPL and CSE. The defendant maintained that he never received any amount in his personal capacity and never

borrowed any money from the plaintiff.

18. It is also argued that the suit is liable to be rejected under Order VII Rule 11 CPC because there is no valid cause of action against the defendant personally. The defendant asserted that the plaintiff's allegations are baseless and have been made solely to harass him.

19. The defendant raised an objection regarding deficient Court fees. According to the defendant, since the plaintiff has claimed interest at the rate of 12% per annum on the alleged loan amount from July 2017 onwards, the total claim comes to approximately Rs. 29,80,000/-. However, the plaintiff has paid Court fees only on the principal amount of Rs. 20,00,000/-, making the suit defective and liable to dismissal.

20. In the para-wise reply, the defendant specifically denied all allegations relating to the existence of friendship, advancement of a friendly loan, assurances of repayment, cheating, admissions in voice recordings, and liability to pay interest. The defendant reiterated that the payment of Rs. 20,00,000/- was purely a commercial transaction connected with the subcontract work between CSE and TTTPL.

21. The defendant also denied the plaintiff's allegations regarding cause of action, jurisdiction, and entitlement to relief. According to the defendant, the plaintiff has no legal basis for the present suit, and the Court lacks territorial jurisdiction to entertain the matter. The defendant prayed that the suit be dismissed with heavy costs as the plaintiff is allegedly attempting to misuse the judicial process to settle a commercial dispute by falsely characterizing it as a friendly loan transaction.

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Replication by the plaintiff to the WS of defendant.

22. The plaintiff, in the replication filed to the written statement, has denied all allegations and preliminary objections raised by the defendant and reiterated the case set out in the plaint. The plaintiff contended that the written statement is a bundle of falsehoods intended only to mislead the Court and divert attention from the real dispute, which concerns a friendly loan of Rs. 20,00,000/- advanced by the plaintiff to the defendant for his personal business needs.

23. The plaintiff specifically denied the defendant's allegation that the transaction was a commercial transaction connected with M/s Luthra CS Engineering Works Pvt. Ltd. ("CSE") and M/s Trans Tech Turnkey Pvt. Ltd. ("TTTPL"). The plaintiff asserted that he was never a Director of CSE and submitted that the company was managed by his late brother, Mr. Mandeep Singh. According to the plaintiff, he had no knowledge of the business dealings or transactions carried out by the said company.

24. The plaintiff further submitted that the defendant is deliberately misinterpreting the rejoinder sent in response to the legal notice in order to support a false defence. The plaintiff maintained that the rejoinder nowhere admitted the existence of any commercial transaction between the plaintiff and the defendant. It is emphasized that only one transaction of Rs. 20,00,000/- existed between the parties, namely the friendly loan advanced by the plaintiff to the defendant. The plaintiff submitted that if the defendant claims that there were two separate transactions of Rs. 20,00,000/- each, then the burden of proving

such transactions lies entirely upon the defendant.

25. The plaintiff repeatedly denied that the amount was paid as part of any business or commercial arrangement. According to the plaintiff, the money was lent in a personal capacity due to old friendship and trust between the parties. The plaintiff explained that the amount was transferred into the defendant's current account relating to M/s B.K. Enterprises only because the defendant requested that the money be transferred into that account.

26. The plaintiff also denied the defendant's allegations that the present suit has been filed to arm-twist or harass the defendant in connection with disputes involving TTTPL and CSE. Instead, the plaintiff contended that it is the defendant who has harassed the plaintiff by failing to repay the friendly loan despite repeated demands.

27. With respect to the issue of Court fees, the plaintiff submitted that appropriate ad valorem Court fees of Rs. 22,000/- have already been paid. However, the plaintiff further submitted that if the Court ultimately finds any deficiency in Court fees, the plaintiff is ready and willing to pay any additional amount as directed by the Court.

28. In reply on merits, the plaintiff reiterated that he and the defendant were old friends and that the defendant had taken a friendly loan of Rs. 20,00,000/- from him. The plaintiff relied upon the audio recording already filed on record, wherein the defendant allegedly admitted to having borrowed the said amount from the plaintiff.

29. The plaintiff further alleged that the defendant fraudulently obtained the money under the guise of friendship and later refused to

repay the same. The plaintiff denied all allegations regarding commercial dealings, company transactions, or any role as director or signatory of CSE.

30. The plaintiff also submitted that the defendant's objection regarding non-supply of the audio CD is incorrect and submitted that another copy of the CD is being supplied to avoid unnecessary controversy.

31. The plaintiff denied the defendant's allegations regarding lack of cause of action, jurisdiction, maintainability, and deficient Court fees, and reiterates that the statements made in the plaint are true and correct. The plaintiff denied the defendant's prayer for dismissal of the suit and reiterated the reliefs sought in the plaint, namely recovery of Rs. 20,00,000/- along with interest and other consequential reliefs.

Issues :-

32. From the pleadings of the parties and material on record, following issues were framed by Ld. Predecessor vide order dated 27.01.2025: -

Issue no. 1 Whether this Court has no jurisdiction to entertain and try the present suit? OPD

Issue no.2. Whether the plaintiff has not paid proper Court fees? OPD

Issue no.3. Whether the plaintiff is entitled to a decree of Rs. 20,00,000/- (Rupees Twenty Lacs only) alongwith interest @ 12 % p.a, as prayed for? OPP

Issue no. 4. Relief.

Plaintiff Evidence: -

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PW1/Shri Harprit Singh

33. He tendered his evidence by way of affidavit Ex. PW1/1 and relied upon the following documents : bank account statement of plaintiff Ex. PW1/A, CD of the voice recording containing the acknowledgment of the loan and promises of repayment made by the defendant Ex. PW1/B, legal notice dated 28.06.2021 sent by the plaintiff to the defendant Ex. PW1/C, legal notice dated 11.08.2021 send by the defendant to the plaintiff Ex. PW1/D, reply dated 30.08.2021 sent by the defendant Ex. PW1/E and certificate under 65B of Indian Evidence Act Ex. PW1/F.

34. During cross-examination, PW1 admitted that Mr. Mandeep Singh was his brother and was a Director of M/s CS Luthra Engineering Works Pvt. Ltd. ("CSE"), which had its office at Bokaro Steel City, Jharkhand. The plaintiff also admitted that CSE was conducting business with M/s Trans Tech Turnkey Pvt. Ltd. ("TTTPL") and that the defendant, Mr. Sudan Singh, was working on behalf of TTTPL. However, the plaintiff denied the suggestion that he had no friendly relationship with the defendant and maintained that they were friends.

35. PW1 stated that he had filed an audio CD, Exhibit PW1/B, which allegedly contained a conversation relevant to the present case. He further claimed that he possessed additional call recordings and call records with the defendant. However, the plaintiff admitted that he had not filed any transcript of the audio recording, nor had he produced any expert report or technical evidence to establish the authenticity of the recording or to identify the voices as belonging to himself and the

defendant.

36. When confronted with a ledger pertaining to transactions between B.K. Enterprises and himself, the plaintiff admitted that the ledger related to transactions between him and B.K. Enterprises. The plaintiff was further shown MCA records (Exhibit PW1/X), which reflected that he remained a Director of CSE from 27.10.2008 till 01.04.2019. In response, the plaintiff stated that although he continued as a director on paper, he believed that he had ceased to be a director after being disqualified in November 2017. He relied upon a circular marked as Mark-B relating to disqualification of directors under Section 164(2)(a) of the Companies Act.

37. However, during further questioning, it was pointed out that the disqualification mentioned in Mark-B pertained to another company, namely Zovatis Bio Pharma Limited, and not CSE. The plaintiff admitted this fact but stated that his Chartered Accountant had informed him that disqualification in one company automatically affected all his directorships. He also admitted that the MCA records showed cessation of his directorship in CSE only with effect from 01.04.2019. The plaintiff explained that due to lack of knowledge, he did not realize that separate resignation was required from each company individually.

38. PW1 denied being actively involved in the commercial dealings of CSE between 2016 and 2019 and stated that although he was technically a director, all business affairs and transactions were handled by his brother, Mr. Mandeep Singh.

39. PW1 identified the signatures of his brother on

correspondence relating to commercial dealings between CSE and TTTPL. He also admitted that CSE had filed proceedings before the Jharkhand MSME authority against TTTPL and that an award dated 03.02.2022 had been passed in favour of CSE, although he maintained that those proceedings did not concern the present transaction of Rs. 20,00,000/- allegedly paid by him personally to the defendant.

40. PW1 was confronted with documents filed in the MSME proceedings, including Exhibit PW1/Z and Mark-C. The defendant suggested that the amount of Rs. 20,00,000/-, which forms the subject matter of the present suit, had already been reflected in the MSME claim as payment towards PF and ESI liabilities for labour engaged in subcontract work. The plaintiff denied knowledge of such details and maintained that the amount claimed in the suit was unrelated to the commercial dispute between CSE and TTTPL.

41. PW1 admitted that no written agreement, document, or contract existed between him and the defendant regarding the alleged friendly loan or payment of interest. He also admitted that no written communication apart from the legal notice Ex. PW1/C had been sent to the defendant concerning repayment of the alleged loan. The plaintiff claimed, however, that verbal communications had taken place.

42. The plaintiff further admitted that the only audio recording placed on record related to a conversation dated 18.01.2021 and that no documents or recordings regarding earlier conversations between 2017 and 2020 had been filed. He also admitted that no expert opinion had been obtained to verify the voices in the audio recording.

43. PW1 denied the suggestion that the payment of Rs. 20,00,000/- was made to the defendant in his capacity as an authorized representative of TTTPL or that the amount was intended for PF and ESI payments relating to subcontract work performed by CSE. He consistently maintained that the amount was paid personally to the defendant as a friendly loan.

44. PW1 also denied the suggestion that the present suit had been filed only after the death of his brother to misuse or extort money from the defendant. He reiterated that there were no other transactions between himself and the defendant apart from the transaction in question.

45. PW1 admitted that the Jharkhand High Court had set aside the MSME award previously passed in favour of CSE against TTTPL, but he denied that the suit amount formed part of the claim raised by CSE in those proceedings.

After cross-examination, plaintiff evidence was closed.

Defendant Evidence:-

DW1/Sh. Sudan Singh

46. He tendered his evidence by way of affidavit as Ex. DW-1/1 and relied upon the documents : letter dated 23.01.2021 Mark A, list of directors disqualified u/s 164 (2) (a) of Companies Act 2013 for Financial Year 2014-15, 2015-16 and 2016-17 Office of the Registrar of Companies, NCT of Delhi Haryana Mark B and copy of calculation sheet given by late Mandeep Singh on 18.01.2021 Mark C.

47. During his examination, DW1 stated that he is a graduate

holding a B.Sc. degree and is engaged in business activities related to SAIL projects. He stated that he is a partner in M/s B.K. Enterprises and that, at the relevant time, he was in charge of the work being executed by M/s Trans Tech Turnkey Pvt. Ltd. ("TTPL") with SAIL at Bokaro. According to the defendant, TTPL was engaged in civil and structural work.

48. DW1 stated that the work of M/s CS Luthra Engineering Works Pvt. Ltd. ("CSE") in relation to TTPL was being looked after by Mr. Mandeep Singh. He further deposed that the payment of Rs. 20,00,000/- made on 05.06.2017 was not a personal loan but was actually paid towards PF and ESI liabilities of labourers engaged in TTPL's work. In support of this stand, the defendant referred to document Mark-C, though he admitted that he was not presently in possession of the original document and stated that he could produce it later.

49. When questioned whether he possessed any documentary proof showing that the amount was actually deposited with the PF and ESI departments, the defendant admitted that he did not presently have such documents but claimed that he could produce them subsequently.

50. DW1 denied the plaintiff's allegation that the amount was paid to him as a personal loan arising out of a friendly relationship. He denied that he had promised to repay the amount as a loan and maintained that the payment related only to PF and ESI dues connected with TTPL's labour obligations.

51. In response to a question regarding the distinction between

CSE as a company and the plaintiff as an individual, the defendant explained that CSE was an approved subcontractor of TTPL. According to him, TTPL had failed to clear PF and ESI dues of labourers, due to which payments to CSE were delayed. The defendant stated that Mr. Mandeep Singh assured him that the money would be arranged, following which the plaintiff made the payment of Rs. 20,00,000/-. He further stated that the amount was thereafter deposited towards PF and ESI dues and, as a result, payments amounting to approximately Rs. 4–5 crores were subsequently released by SAIL to CSE against amounts payable to TTPL.

52. DW1 denied the suggestion that the plaintiff and CSE were acting separately in this transaction. According to the defendant, the plaintiff was a Director of CSE at the relevant time and therefore was not acting merely in his personal capacity. DW1 admitted that documents Mark-A and Mark-C had not been filed along with his written statement. He further admitted that the dealings between CSE and TTPL were conducted between himself and Mr. Mandeep Singh.

53. DW1 stated that he knew the plaintiff since 2017 because the plaintiff occasionally visited the project sites. When asked why the amount of Rs. 20,00,000/- was transferred into his personal account if it was meant for PF and ESI dues of TTPL, the defendant explained that TTPL did not have a bank account in Bokaro Steel City and that he held a Power of Attorney on behalf of TTPL. According to him, he was therefore responsible for depositing PF and ESI dues through his own account.

54. DW1 admitted that he had not filed any bank statements showing deposit of the Rs. 20,00,000/- towards PF and ESI liabilities. He also admitted that he had not filed any documentary proof establishing that TTPL had authorized him to collect amounts on its behalf for PF, ESI, and labour charges or to deposit the same with the relevant authorities. However, he stated that he could produce the Power of Attorney issued by TTPL in his favour. DW1 also admitted that he had not listened to the audio CD Ex. PW-1/B. He denied the suggestion that he was giving false testimony before the Court.

After cross-examination, defendant evidence was closed.

Final arguments

55. I have heard Shri Sameer Nandwani Ld. Counsel for plaintiff and Shri Rajnish Ranjan, Ld. Counsel for defendants and perused the record.

Arguments by Ld. Counsel for plaintiff

56. The plaintiff submitted that the present suit has been filed for recovery of Rs. 20,00,000/- along with interest, which was advanced to the defendant as a friendly loan on 05.06.2017. According to the plaintiff, the amount was transferred through RTGS from his personal bank account maintained at South Indian Bank, Rajouri Garden, Delhi, to the defendant's personal bank account. The plaintiff contended that the defendant has admitted receipt of the said amount and has neither returned nor repaid it till date. The plaintiff relied upon the bank statement and ledger account Exhibit PW-1/A to establish the transaction.

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57. The plaintiff further submitted that he had placed on record an audio recording along with a certificate under Section 63(4) of the Bharatiya Sakshya Adhiniyam, 2023. According to the plaintiff, the recording related to a conversation dated 18.01.2021 in which the defendant expressly admitted having taken a friendly loan of Rs. 20,00,000/- from the plaintiff. The said recording was Exhibit PW-1/B.

58. The plaintiff argued that the defendant never challenged the admissibility of the electronic evidence in accordance with law, nor sought any forensic examination of the audio recording. Therefore, according to the plaintiff, the recording remained unrebutted and admissible in evidence.

59. The plaintiff further stated that after the defendant failed to repay the amount, a legal notice dated 28.06.2021 Exhibit PW-1/C was issued to the defendant, which was duly served as proved by postal receipts and tracking reports. The defendant replied vide reply dated 11.08.2021 (Exhibit PW-1/D), but according to the plaintiff, the defendant did not deny receipt of Rs. 20,00,000/- and instead raised a vague and unsupported defence that the payment related to a business transaction. The plaintiff asserted that this defence was specifically rebutted through rejoinder dated 30.08.2021 Exhibit PW-1/E.

60. The plaintiff contended that the defendant's plea that the amount was paid towards PF and ESI liabilities or any commercial transaction was entirely unsupported by evidence. According to the plaintiff, no contemporaneous document from the year 2017 had been produced by the defendant. The plaintiff also argued that the alleged

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ledger marked as Mark-C was merely a photocopy, not proved in accordance with law, and did not contain any invoice or supporting entry showing that the amount of Rs. 20,00,000/- related to PF or ESI liabilities. It was further submitted that no witness from any concerned company or government authority had been examined by the defendant to substantiate his defence.

61. The plaintiff emphasized that during cross-examination, the defendant himself admitted that he possessed no document showing deposit of the amount towards PF or ESI dues. According to the plaintiff, this clearly demonstrated that the defence was an afterthought raised only to avoid repayment of the loan.

62. The plaintiff also relied upon the defendant's admission in cross- examination that the business dealings of CSE with TTTPL were being handled by Mr. Mandeep Singh and not by the plaintiff. According to the plaintiff, this admission conclusively disproved the defendant's allegation that the transaction was commercial in nature or connected with the plaintiff acting on behalf of the company.

63. The plaintiff further submitted that during his own cross-examination, he clearly stated that at the time the loan was advanced, he was not functioning as a director or person in authority in the concerned company. The plaintiff argued that this fact stood corroborated by the list of disqualified directors marked as Mark-B, which allegedly showed that he stood disqualified as a director. According to the plaintiff, this further established that the transaction was purely personal and not commercial.

64. The plaintiff additionally argued that although the

defendant claimed the transaction to be commercial in nature, the amount had admittedly been received in the defendant's personal bank account. The plaintiff further pointed out that the defendant failed to produce his bank statements before the Court. It was also highlighted that although the defendant claimed to possess a Power of Attorney from TTTPL authorizing him to collect or deposit PF and ESI dues, he admitted during cross-examination that no such document had been filed on record. On the basis of these submissions, the plaintiff prayed that the suit be decreed in his favour and against the defendant for recovery of Rs. 20,00,000/- along with interest and costs of the suit.

Arguments by Ld. Counsel for defendant

65. The defendant argued that the plaintiff's entire case is based on an alleged friendly loan of Rs. 20,00,000/- advanced on 05.06.2017, which the plaintiff claimed was transferred through RTGS into the defendant's business account, B.K. Enterprises, due to their old friendship. According to the plaintiff, the amount was to be repaid within one month with interest at 12% per annum, and the defendant later admitted the loan in a voice recording dated 18.01.2021. The plaintiff also relied upon a legal notice dated 28.06.2021, the defendant's reply dated 11.08.2021, and the plaintiff's rejoinder dated 30.08.2021.

66. The defendant denied the existence of any friendly or personal relationship with the plaintiff and contended that the payment was not a personal loan but a commercial transaction connected to business dealings between M/s Luthra C.S. Engineering Works Pvt. Ltd. (CSE) and M/s Trans Tech Turnkey Pvt. Ltd. (TTTPL). The defendant

stated that he was acting as an authorised representative of TTTPL for work at the SAIL Bokaro Steel Plant project, and the amount of Rs. 20,00,000/- was transferred by the plaintiff in his capacity as director of CSE towards PF and ESI liabilities of labourers engaged in the project. The defendant further stated that the payment was made to facilitate the release of payments due to CSE from SAIL and that the transaction formed part of an ongoing commercial dispute between CSE and TTTPL, which was already the subject matter of proceedings before the Jharkhand MSME Facilitation Council.

67. The defendant submitted that the plaintiff failed to prove the existence of any friendly loan and failed to discharge the burden of proof under Sections 101–103 of the Indian Evidence Act. It was argued that there was no loan agreement, promissory note, receipt, acknowledgment, or any written document evidencing a loan of Rs. 20,00,000/-. The defendant highlighted that the plaintiff, despite being an educated person, had produced no contemporaneous communication such as emails, WhatsApp messages, SMSs, or letters describing the transfer as a loan or demanding repayment. The defendant also pointed out that although the alleged loan was repayable by 05.07.2017, the plaintiff issued the first written demand only on 28.06.2021, almost four years later, which was inconsistent with the conduct of a genuine lender.

68. The defendant argued that the bank statement Ex. PW-1/A merely proved transfer of money and did not establish the nature of the transaction. According to the defendant, an RTGS transfer alone could not prove that the payment was a friendly loan because such a

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transfer could equally relate to commercial payments, PF or ESI liabilities, commissions, or other business purposes.

69. The defendant further challenged the admissibility and reliability of the alleged voice recording dated 18.01.2021 Ex. PW-1/B. It was submitted that the recording did not comply with the mandatory requirements of Section 65-B of the Indian Evidence Act because the plaintiff failed to produce the original recording device, did not obtain any forensic examination, and did not file any expert opinion identifying the voices in the recording. The defendant emphasized that the plaintiff himself admitted during cross-examination that he had not filed any expert report regarding the voices in the recording and that he could not even remember whether any such conversation regarding repayment had taken place in January 2021. The defendant argued that the recording was unsupported by any contemporaneous call logs, messages, emails, or surrounding communications and therefore could not be relied upon as proof of acknowledgment of liability.

70. The defendant also invoked the doctrine of approbate and reprobate, arguing that the plaintiff had taken contradictory stands regarding the same transaction. According to the defendant, CSE had already treated the payment of Rs. 20,00,000/- as part of a commercial transaction in the MSME proceedings filed against TTTPL. The defendant referred to reconciliation statements, ledgers, and documents Mark-C, which allegedly described the payment as PF and ESI expenses paid on behalf of TTTPL. It was argued that CSE had included this amount in its MSME claim and obtained an award from the

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Jharkhand MSME Facilitation Council on 03.02.2022. Therefore, the plaintiff could not later re-characterize the same transaction as a personal loan.

71. The defendant further submitted that the plaintiff made contradictory statements regarding his role in CSE. In the replication, the plaintiff denied being a director of CSE, but during cross-examination he admitted that he and his late brother Mandeep Singh were directors of the company and that MCA records showed he remained a director from 27.10.2008 till 01.04.2019. The defendant argued that this contradiction was deliberate and intended to distance the plaintiff from the commercial dealings between CSE and TTTPL.

72. The defendant also pointed out that the plaintiff falsely claimed ignorance regarding the business dealings of CSE, despite admitting in cross-examination that he was aware of the MSME proceedings, the MSME award, the Bokaro project, and the dealings conducted by his brother Mandeep Singh on behalf of CSE. The defendant argued that the plaintiff's attempt to deny knowledge of the company's affairs was false and misleading.

73. Another contradiction highlighted by the defendant related to the alleged voice recording. While the plaintiff relied heavily on the recording in his evidence affidavit, he later admitted during cross-examination that he did not remember having any conversation with the defendant regarding repayment in January 2021 or December 2021. The defendant argued that this admission destroyed the credibility of the alleged recording.

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74. The defendant also emphasized that the plaintiff admitted during cross-examination that apart from the legal notice dated 28.06.2021, he had not issued any written communication to the defendant regarding repayment of the alleged loan. According to the defendant, this absence of written demands or communications over several years further weakened the plaintiff's case.

75. The defendant contended that the suit was barred by limitation because, according to the plaintiff's own case, the alleged loan was repayable by 05.07.2017, and therefore the limitation period expired on 05.07.2020. Since the suit was filed only in 2021, the defendant argued that the claim was time-barred. It was also submitted that the plaintiff failed to establish any acknowledgment of debt capable of extending limitation.

76. On the issue of jurisdiction, the defendant argued that the dispute was essentially commercial in nature and arose from business dealings between CSE and TTTPL, which were already the subject matter of MSME proceedings in Jharkhand. The defendant submitted that the plaintiff was attempting to disguise a commercial dispute as a personal loan dispute in order to bypass the statutory mechanism under the MSMED Act and improperly invoke the jurisdiction of the civil Court.

77. The defendant further argued that the plaintiff had paid deficient Court fees because he valued the suit only on the principal amount of Rs. 20,00,000/- without including the accrued pre-suit interest, which according to the defendant amounted to approximately

Rs. 9,80,000/-. It was submitted that ad valorem Court fees ought to have been paid on the entire claim amount including interest.

78. The defendant argued that the plaintiff's case was based on contradictions, suppressions, inadmissible electronic evidence, and absence of documentary proof. The defendant maintained that the payment of Rs. 20,00,000/- was a commercial transaction linked to PF and ESI liabilities in the Bokaro project and not a personal friendly loan. The defendant therefore prayed for dismissal of the suit with exemplary costs.

Court observation and findings

Issue No.1: Whether this Court has no jurisdiction to entertain and try the present suit? OPD

79. The burden of proving this issue was upon the defendant. The defendant has challenged the jurisdiction of the Court primarily on two grounds: firstly, that the transaction in question arose out of commercial dealings between M/s Luthra C.S. Engineering Works Pvt. Ltd. (CSE) and M/s Trans Tech Turnkey Pvt. Ltd. (TTTPL), and secondly, that disputes between the said entities were already pending before the MSME authorities at Jharkhand, thereby excluding the jurisdiction of the Court.

80. The present suit, as framed, is not instituted by CSE against TTTPL nor is it a claim arising directly out of any written commercial agreement between the two entities. The plaintiff has approached the Court in his personal capacity seeking recovery of an amount allegedly advanced as a friendly loan to the defendant in his individual capacity.

The defendant, on the other hand, has disputed the characterization of the transaction and contended that the payment formed part of a commercial arrangement.

81. The question of jurisdiction is ordinarily to be determined from the averments contained in the plaint and not from the defence raised in the written statement. In ***Kamala Mills Ltd. v. State of Bombay 1966 SCR (1) 64***, it was held that jurisdictional objections are primarily tested on the basis of the plaint allegations. Likewise, in ***Abdul Gafur v. State of Uttarakhand AIR 2009 SC 413***, it was observed that for deciding jurisdiction, the Court must first examine the substance of the plaint.

82. In the present case, the plaintiff has specifically pleaded that the amount of Rs. 20,00,000/- was transferred by him from his bank account maintained at South Indian Bank, Rajouri Garden, New Delhi, and that the cause of action partly arose within the territorial jurisdiction of the Court. The transfer of funds through a bank situated within Delhi constitutes a part of the cause of action under Section 20(c) CPC.

83. The defendant has not produced any conclusive documentary material establishing that the present transaction was exclusively governed by a commercial contract between CSE and TTTPL so as to oust the ordinary civil jurisdiction of the Court. Merely because certain independent disputes between CSE and TTTPL were pending before the MSME Facilitation Council or because the plaintiff was admittedly a director of CSE at the relevant time cannot automatically convert the present suit into one barred from adjudication by a civil Court.

84. It is equally important to note that the defendant himself is not TTTPL. Rather, he has been sued personally on the allegation that the money was transferred into his account and retained by him. Whether the amount was a friendly loan or part of a commercial arrangement is a matter touching the merits of the controversy and cannot by itself divest the Court of jurisdiction.

85. No evidence has been led by the defendant to establish that there exists any statutory bar under law preventing adjudication of the present dispute by a civil Court. Section 9 CPC confers wide jurisdiction upon civil Courts to try all suits of civil nature unless expressly or impliedly barred. No such express or implied bar has been established by the defendant. Accordingly, the Court holds that the defendant has failed to discharge the burden cast upon him. The Court possesses territorial as well as pecuniary jurisdiction to entertain and try the present suit. Issue No.1 is decided against the defendant and in favour of the plaintiff.

Issue No.2: Whether the plaintiff has not paid proper Court fees? OPD

86. The burden of proving this issue was upon the defendant. The defendant contended that since the plaintiff has claimed pendente lite and future interest at the rate of 12% per annum, the plaintiff ought to have valued the suit by including accrued interest from July 2017 onwards, allegedly taking the valuation to approximately Rs. 29,80,000/-.

87. Perusal of the plaint reveals that the plaintiff has sought recovery of the principal sum of Rs. 20,00,000/- along with interest at the rate of 12% per annum. The principal relief claimed remains

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recovery of Rs. 20,00,000/- and no quantified pre-suit interest amount has been separately capitalized into the valuation clause.

88. It is settled law that where interest is claimed but not specifically merged into the principal amount for valuation purposes, Court fees are ordinarily payable on the substantive money claim unless pre-suit interest is separately quantified and made an integral part of the relief. Even otherwise, deficiency in Court fee is ordinarily curable and does not *ipso facto* render the suit liable to dismissal.

89. In ***Mannan Lal v. Chhotka Bibi AIR 1971 SC 1374***, the Hon'ble Supreme Court observed that deficit Court fee is generally a curable defect and an opportunity should ordinarily be granted to the plaintiff. In the present case, the plaintiff has specifically stated in replication that he is willing to make good any deficiency if found by the Court. The defendant has not produced any cogent calculation or legal basis conclusively demonstrating deficiency in Court fee. Consequently, the Court finds no merit in the objection raised by the defendant. Issue No.2 is decided against the defendant and in favour of the plaintiff.

Issue No.3: Whether the plaintiff is entitled to a decree of Rs. 20,00,000/- along with interest @ 12% p.a., as prayed for? OPP

90. The burden of proving this issue squarely rests upon the plaintiff. The plaintiff is required to establish, on the touchstone of preponderance of probabilities, that the sum of Rs. 20,00,000/- transferred on 05.06.2017 was advanced as a personal friendly loan to the defendant and remained unpaid.

91. There is no serious dispute regarding the factum of transfer of

Rs. 20,00,000/- from the plaintiff's account to the account of the defendant. The bank statement Ex. PW1/A sufficiently proves that such transfer indeed, took place on 05.06.2017. The principal controversy, however, concerns the nature and character of the said payment.

92. The plaintiff's case is that the amount was advanced due to old friendship and trust, whereas the defendant asserts that the amount formed part of a commercial arrangement relating to PF and ESI liabilities arising from work executed between CSE and TTTPL.

93. It is settled law that in a civil suit, the plaintiff must succeed on the strength of his own case and not upon the weakness of the defence. Mere proof of payment does not automatically establish the legal character of the payment as a loan. The burden remained upon the plaintiff to prove that the transfer represented a recoverable debt personally owed by the defendant.

94. In the present case, the plaintiff admittedly failed to produce any written agreement, receipt, acknowledgment, promissory note, memorandum, WhatsApp communication, SMS, email, or contemporaneous document evidencing advancement of a friendly loan. During cross-examination, PW1 admitted that no written communication except the legal notice dated 28.06.2021 had ever been issued to the defendant demanding repayment.

95. According to the plaintiff himself, the amount was repayable within one month, i.e., by July 2017. However, admittedly, no written demand was raised for almost four years. Although absence of

documentation may not be fatal in every friendly loan transaction, especially between acquaintances, the Court cannot ignore the fact that the alleged amount involved is substantial, namely Rs. 20,00,000/-.

96. The Court is conscious that transactions between friends are often undocumented. However, where a substantial amount is allegedly advanced and recovery is sought after several years, some reliable contemporaneous material is ordinarily expected. The complete absence of such evidence weakens the plaintiff's version considerably.

97. Another material aspect concerns the plaintiff's inconsistent stand regarding his association with CSE. In replication, the plaintiff denied being a director of CSE and claimed ignorance of its commercial dealings. However, during cross-examination, MCA records Ex. PW1/X revealed that the plaintiff remained a director of CSE till 01.04.2019. PW1 admitted this position.

98. Though the plaintiff attempted to explain that he was merely a nominal or inactive director and that actual affairs were handled by his late brother, such explanation does not completely dispel the contradiction. The plaintiff also admitted awareness of commercial relations between CSE and TTTPL and admitted knowledge of MSME proceedings instituted by CSE.

99. This contradiction assumes importance because the defendant's defence is precisely that the amount was paid in connection with business dealings between CSE and TTTPL. The admitted existence of commercial relations between the entities renders the defendant's explanation at least plausible.

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100. At the same time, the Court finds that the defendant also failed to substantiate his version through convincing documentary evidence. No PF or ESI deposit receipts, bank statements, authorization from TTTPL, Power of Attorney, or documentary proof showing utilization of the exact amount towards labour liabilities were produced. The defendant admitted these deficiencies during cross-examination.

101. However, the weakness of the defence cannot by itself become proof of the plaintiff's claim. Civil law consistently recognizes that the plaintiff must independently discharge his burden of proof. The plaintiff has strongly relied upon the alleged audio recording dated 18.01.2021 Ex. PW1/B. According to the plaintiff, the recording contains an acknowledgment by the defendant admitting the loan.

102. Electronic evidence is admissible when supported by the requisite certificate under Section 63 BSA. The plaintiff has filed a certificate Ex. PW1/F. In ***Arjun Panditrao Khotkar v. Kailash Kushanrao Gorantyal AIR 2020 SC 4908***, the Hon'ble Supreme Court clarified the mandatory requirement of certificate for admissibility of electronic evidence.

103. Yet, admissibility is distinct from evidentiary weight. A document or electronic record may be admissible and still inspire limited confidence. In the present case, the plaintiff admittedly failed to file any transcript of the recording, failed to obtain forensic examination, failed to establish voice identification through expert evidence, and admitted that no earlier recordings between 2017 and 2020 were placed on record.

104. PW1 himself admitted during cross-examination that he had

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not filed any expert report identifying the voices. No independent witness was examined to identify the voice of the defendant. Even surrounding contemporaneous circumstances supporting the alleged acknowledgment are conspicuously absent.

105. Moreover, the recording pertains to January 2021, nearly three and a half years after the alleged loan transaction. In absence of independent corroboration, the Court is unable to treat the recording as a wholly reliable and conclusive acknowledgment of personal indebtedness. The defendant admittedly did not seek forensic examination of the recording. However, the initial burden of proving reliability and authenticity still rested upon the plaintiff, particularly when the recording forms the foundation of his plea regarding acknowledgment and limitation.

106. The Court also finds force in the defendant's contention that the admitted business relationship between CSE and TTTPL introduces a competing probability inconsistent with the plaintiff's version of a purely personal loan transaction. The plaintiff's explanation of a completely undocumented friendly loan of Rs. 20,00,000/-, allegedly repayable within one month but followed by complete silence for years, appears insufficiently probable in light of the admitted commercial nexus between the entities.

107. The Court is therefore unable to hold, on preponderance of probabilities, that the plaintiff has successfully proved that the RTGS payment dated 05.06.2017 constituted a personal friendly loan recoverable from the defendant in his personal capacity. Since the

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plaintiff has failed to prove the foundational liability itself, the claim for interest also cannot survive.

108. In view of the aforesaid discussions, the Court holds that the plaintiff has failed to discharge the burden cast upon him. Issue No.3 is decided against the plaintiff and in favour of the defendant.

Relief

109. In view of the findings returned on Issue No.1, Issue No.2, and particularly Issue No.3, the Court is of the opinion that although the transfer of an amount of Rs. 20,00,000/- by the plaintiff to the defendant stands established, the plaintiff has failed to prove, on the touchstone of preponderance of probabilities, that the said transfer represented a personal friendly loan advanced to the defendant in his individual capacity.

110. The Court finds that material uncertainties remain regarding the true nature of the transaction. On one hand, the defendant has failed to conclusively establish his plea that the payment formed part of PF and ESI liabilities arising out of commercial dealings between M/s Luthra C.S. Engineering Works Pvt. Ltd. and M/s Trans Tech Turnkey Pvt. Ltd. On the other hand, the plaintiff has equally failed to produce cogent and convincing evidence establishing that the transaction was a personal loan. In a civil suit for recovery, the plaintiff must stand on the strength of his own evidence and discharge the burden cast upon him under Sections 104 to 106 of the BSA.

111. The plaintiff’s case suffers from material deficiencies, namely absence of any written acknowledgment, promissory note, receipt,

agreement, contemporaneous communication, or consistent conduct ordinarily expected in relation to an alleged friendly loan of such substantial magnitude. The evidentiary value of the audio recording Ex. PW1/B also remains insufficient to conclusively establish personal liability, particularly in absence of transcript, forensic corroboration, or satisfactory proof of voice identification. Consequently, the Court is not persuaded to grant the relief sought.

112. Accordingly, the suit of the plaintiff for recovery of Rs. 20,00,000/- (Rupees Twenty Lakhs only) along with interest stands dismissed. In the peculiar facts and circumstances of the case, particularly considering the admitted transfer of funds and the existence of prior dealings between the parties, the Court deems it appropriate to leave the parties to bear their own costs. Decree sheet be prepared accordingly.

File be consigned to Record Room.

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Announced in open Court
on 05th Day of June 2026

(Susheel Bala Dagar)
District Judge-08, West
Tis Hazari Courts,
Delhi.

(This judgment contains 33 pages.)