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IN THE XXI ADDITIONAL CITY CIVIL COURT AT ALLIKULAM, CHENNAI.

Present: Ms.A.PRABAVATHI, B.com., M.L.,
XXI Additional Judge,

Monday, the 2nd day of March, 2026

I.A.No.3 of 2022 - in
O.S.No.7588/2022

CNR.No.TNCH01-029790-2022

1. D.Pratish
   also called Pratish Vedhappudi,
   153, Wallace Garden 2nd Street,
   Nungambakkam,
   Chennai – 600 034.

2. Mrs.D.Padma
   No.55/3, Chelliah Street,
   T.A.S.Enclave, Near A.K.Block,
   Shanthi Colony, Chennai – 600 040.

3. M/s.VGN Projects Estates Private Limited
   (Amended as per order dated 7.7.25 in I.A.No.2 of 2022)
   Rep. by its Director 1st defendant,
   153, Wallace Garden 2nd Street,
   Nungambakkam,
   Chennai – 600 006. .. Petitioners/defendants

Vs.

Mrs.Urmila Surana,
W/o.Suresh Kumar Surana,
Flat No.8C, Uma Complex,
39, Balfour Road,
Kellys, Chennai – 600 010. ..Respondent/plaintiff

This petition came before this court for final hearing on 23.02.2026 in the presence of M/s.S.Saravanakumar, Saurabh Mishra and S.Poornima, counsel for the petitioners and of M/s.T.Srikanth and T.Shrinikethan, counsel for respondent/plaintiff, upon hearing the both sides arguments and upon perusing the records and having stood over for consideration till this day, and this Court delivered the following:

O R D E R

This petition is filed by the 2nd petitioner/2nd defendant under Order XXXVII Rule 3 of CPC to grant unconditional leave to defend the suit and permit the defendant to file written statement in the suit.

1. The brief of the petition averments are as follows:

That the petitioner filed this petition for grant of leave to defend the suit, unconditionally. The original name of the 1st petitioner is Pratish Vedhappudi but the plaintiff has described the petitioner's name wrongly as "D.Pratish". This suit is filed for recovery of a sum of Rs.10,75,520/- with interest at the rate of 2% per month on the principal sum of Rs.4,99,000/-. The suit as framed by the plaintiff is not maintainable before this court in view of the Special Enactment namely Commercial Courts Act, 2015 and the alleged dispute as projected by the plaintiff in the plaint would amply prove and establish that the alleged lending is for the commercial under the name and style of purpose namely the business running as projected "VGN Projects Estates Pvt. Ltd." The dispute as projected by the plaintiff will fall under the definition of Commercial Dispute as defined in Section 2(l)(c)(i) of the Commercial Courts Act,2015 and the petitioner at a loss to know how the plaintiff is able to maintain the suit before this court which is not having jurisdiction to entertain the suit which falls under the jurisdiction of the Commercial Court and the petitioner is filing a separate application to decide the maintainability of the suit. The suit as framed by the plaintiff is misconceived, unsustainable, untenable liable to be rejected at the threshold. The suit as framed by the plaintiff is barred by law and the same is filed with malafide and malicious intention and with ulterior motives and as such, the same is liable to be dismissed with cost. The brief background of the case that the defendant is the Managing Director of a reputed company and have undertaken various real estate business in the State of Tamil Nadu and have a good standing and reputation in the society. The respondent/plaintiff with an intention to defame the petitoner has foisted a false case as if the petitioner failed and neglected to pay a sum of Rs.10,75,520/- without any iota of truth. The petitioner is doing business under the name and style of “VGN Projects Estates Pvt. Ltd.,” which develops building, commercial, plots in India and they have invested huge money on the development project to serve the needs of residents and their satisfaction in all aspects. During the period of 2012-2013, the petitioner was in urgent need of money due to severe financial crisis and the petitioner was in search of loans from various NBFCs and banks, but they were not so successful. However, Mr.Chandra Kumar Bafna got to know of the defendant’s needs and approached the defendant to help financially but lured the petitioner in the name of helping hands. Since Mr.Bafha had a very long acquaintance with the petitioner's father over several years and hence trusting his sugar-coated words, the petitioner secured a loan for crores of rupees by signing more than 125 blank promissory notes as condition precedent for the loan. Initially, the respondent stated that he was providing his own funds as a source of loan for the petitioner, but when the petitioner noticed that the money was crediting from different accounts at different times, and when the petitioner inquired about the same with Mr.Bafna, he stated that they are his family members and friends, and there is nothing to worry about it and he said he would tackle with it. Only on the advise and instructions given by Bafna, the petitioner started depositing the amounts into their individual accounts furnished by Bafna. Suddenly, the petitioner was told to pay some nominal interest rate to the said persons indicated by Bafna and have paid them the interest along with principal amount. During the period of 2018, the petitioner have secured some funds and had decided to settle the Mr.Bafna-related loans, and the petitioner contacted him for the repayment. However, Mr.Bafna did not respond properly and he was trying to avoid and the petitioner came to know that Mr.Bafna was not in the habit of accepting the settlement of loans and his intentions was only to harass the borrowers by some way or other by using such blank pro-notes. Despite the petitioner's readiness to settle the amount, suddenly without even informing the petitioner said Bafna came to the petitioner's office with about 100 members who were all having blank pro-notes in their names and had behaved rudely with the petitioner in front of the petitioner's employees, forcing and demanding the petitioner to repay alleged claim of 55 crores with exorbitant interest at 24% p.a. and started to threaten the petitioner and told the petitioner that whatever amounts paid by the petitioner was adjusted by him only towards interest and he demanded the principal sum. Though the petitioner requested him not to do such threat against the petitioner, the respondent started threatening to the extent that unless and until the petitioner pay his illegal demands, he said he would continue to defame the petitioner in his business circle and would defame the petitioner's reputation also. Therefore, the petitioner was driven to severe mental agony and due to such threat, the petitioner was not able to concentrate on his business also. As there was no other way to oppose such illegal threat of said Bafiia, the petitioner had to file police complaint against Mr.Bafna at the Aminjikarai Police Station, who have been enquiring the matter in the CSR stage. Even when the police called for an inquiry, the petitioner was willing to settle this matter amicably, but Mr.Bafna never cooperated with the inquiry, and he triggered his group of persons to file summary suits against the petitioner by using such blank pro-notes in various courts. The said Bafna has further assured the defendant that whatever the amounts paid by the defendant would be first adjusted in the principal sum and agreed to receive the interest later. The petitioner has also started repaying the loan amount along with principal and interest accumulated till 2018. The petitioner has already paid the principal amount to the plaintiff in toto, leaving the portion of interest amount alone which would be undertaken to be paid later. The petitioner presume that the respondent would not have filed the present suit on his own free will but it would have filed only on the instigation of said Bafna. Hence the above suit was filed only as an afterthought based on the blank pro-note which was filled up recently for the purpose of suit and the petitioner name is also described wrongly. Hence, the relationship between the respondent and said Bafna and their intentions would come to light only through full-fledged trial and evidence of parties. The allegation in the plaint that the said Bafna is the petitioner's finance agent is utter false and such allegations have been made by the plaintiff only for the purpose of suit. From March 2019 to till date, he has been struggling to revive its business projects which was already commenced and he is infact could not complete some of the projects due to severe backlog in his funds position and also due to the pandemic issue was prevailed, he could not mobilize the funds to complete the project. The defendant does not have any intention to default the alleged dues of the plaintiff but the calculations of dues given by him in the plaint is false and the reconciliation of the accounts are required to be done. Hence the triable issues are involved in payment of interest made by the defendant which was not given credit by the respondent before instituting the above suit. Moreover, the plaintiff never issued any pre-suit notice to make their alleged claim against the petitioner but only upon the present suit, the defendant came to know that the pro-note was filled up by the plaintiff or his agent and conveniently, without informing the defendant, the interest portion was filled up by the respondent as 2% per month which is arbitrary and exorbitant. Though the respondent and his principal Mr.Bafna has received huge sum from the defendant by cash, the amounts paid by this petitioner on different dates was not given credit by him and even in the present suit summon and documents served on the defendant, the plaintiff has not attached the entry or endorsement made on the back side of the alleged pro-notes. The plaintiff has suppressed the same in order to frame the suit as summary in nature. Hence, those issues are necessarily to be tested only by way of oral and documentary evidences. The respondent has not disclosed several vital facts before this court. The above payments received from the defendant by the plaintiff had been totally suppressed. The plaintiff has come to court with unclean hands and hence the claims made in the disputed pronotes are to be questioned only by way of examining the respondent. The onus is fully on the respondent to prove those alleged pronote as it was created for the purpose of making false claim. Though the statement attached in plaint discloses some of the payments received by the plaintiff from the defendant, it was not properly calculated and has been made as false claim. The present plaint also does not disclose any cause of action in favour of the respondent and therefore, ought to be rejected on this ground also. The present suit was based on false claim that too having received the entire payment from the defendant, still maintaining the suit based on the false pro-note which was prepared only for the purpose of claim and the claim itself is in dispute and hence cannot be filed under the provisions of Order XXXVII of the Code of Civil Procedure, 1908 and therefore, unconditional leave to defend deserves to be granted to the petitioner. Hence, triable issues are involved which could be proved only through documentary and oral evidences. The respondent has acted as a financier and hence, Money Lenders Act will be applicable against him. The alleged interest charged by the respondent is exorbitant and beyond the permissible limit of Money Lenders Act. The petitioner has filed its appearance legitimately to defend its rights. The Plaintiff has no claim whatsoever, against the Defendant. Therefore summons for Judgment filed by plaintiff deserves to be dismissed with costs. The suit is also hit by non-joinder of necessary party. Therefore prayed to grant unconditional leave to the applicant/defendant to defend the suit and permit the defendant to file written statement in the suit.

2. The brief of the counter averment is as follows:

That the petitioner/defendant's name has not been wrongly mentioned in the plaint. During 3rd week of April 2012, the petitioner/defendant approached the respondent/plaintiff through his finance agent M/s.Bafna Brothers Finance and Property Agent represented by its Partner Mr.Chandra Kumar Bafna for a loan of Rs.3,00,000/- and the petitioner/defendant offered to pay the said sum as and when demanded by the respondent/plaintiff along with interest at the rate of 2% p.m. The petitioner/defendant was introduced to the respondent/plaintiff as the son of Mr.V.N.Devadoss. The father of the defendant Mr.V.N.Devadoss had also recommended to the plaintiff for lending money to the petitioner and hence on 23.04.2012 at Chennai for value received by cheque bearing No.380135 drawn on HDFC Bank and the petitioner executed a promissory note in favour of the plaintiff, in and by which, the defendants promised to pay to the plaintiff, or order on demand the sum of Rs.3,00,000/- together with interest thereon at 2% per month. on 18.06.2012 at Chennai for value received by cheque bearing No.488858 drawn on HDFC Bank and the petitioner executed a promissory note in favour of the plaintiff, in and by which, the defendants promised to pay to the plaintiff, or order on demand the sum of Rs.2,00,000/- together with interest thereon at 2% per month. In respect of the said promissory note, the Defendant paid a sum of Rs.600/- and Rs.400/- towards principal vide NEFT bearing UTR No. ICIB202180047110 and ICIB202180047112 respectively and paid part payments towards interest upto 23.09.2017 as detailed in the annexure filed along with plaint and subsequently the petitioner/defendant failed to pay the balance principal and subsequent accumulated interest. The petitioner/defendant is now due and payable to the respondent a sum of Rs.4,99,000/- for balance of principal and Rs.5,76,520/- for interest in all aggregating to Rs.10,75,520/-. One of the partner of the petitioner/defendant's finance agent (ie., M/s.Bafna Brothers, Finance and Property Agent, represented by its Partner Mr.Chandra Kumar Bafna) had requested the petitioner and other creditors to settle their dues with defendant failing which the creditors would have to face police complaint from the petitioner/defendant as faced by Mr.Chandra Kumar Bafna (CSR.No.453/2022). To substantiate the plaint pleadings, respondent/plaintiff has is filing bank Certificate/statement and TDS Form 26As in respect of TDS deducted from interest amount paid against the respondent/plaintiff's PAN number to the Income Tax Department. The suit falls under the Commercial Court Act and that this court does not have Jurisdiction to decide the suit is denied and the transaction between the Respondent/Plaintiff and Petitioner/Defendant is only between individuals and therefore, dispute arising out the said transaction is not a commercial dispute as per Section 2 (1) (c) of the Commercial Courts Act, 2015 and hence this court has Jurisdiction to decide the present case on merits. The particulars of the payments are detailed in the annexure filed along with the plaint and also in the cause of action Para of the plaint, where exceptions for limitation is pleaded in and which clearly states that the "Payment towards interest upto 23.9.2017 as per annexure enclosed along with this plaint", and further the cause of action of the Plaint, clearly states the dates of receipt of interest and principal. Nothing prevented the petitioner from reconciling the accounts and give their version of the statement of accounts as to the amounts due to the respondent/plaintiff, the very fact that the petitioner/defendant have not taken a single step towards the same shows that they have no intention to settle the amounts due to the respondent/plaintiff. The suit is not supported by any documentary proof is incorrect. The payments shown in the Annexure to the plaintiff are not disputed and the rate of interest also cannot be disputed because TDS is deducted and paid from total interest as details in the 26AS. There is no dispute with the rate of interest as mentioned the Promissory Note as the petitioner/defendant themselves have acted upon terms of the Promissory Note by paying interest at the specified rate. From the very fact that the payments have been made by the petitioner/defendant via cheque/RTGS/account transfer and accordingly paid TDD, the sums that are due towards the respondent/plaintiff are very well known to the petitioner/defendant and they have with a view to avoid, evade payment, has chosen to adopt methods which are dilatory, deceiving and escape from making payments to the petitioner/defendant. The loan contracted by the petitioner/defendant is above Rs.10,000/- on a negotiable instrument therefore, the defence raised by the petitioner/defendant that the Money Lenders Act will apply is incorrect. The admission of the petitioner/defendant that they had executed promissory notes, confirms that he is ware of the fact that Mr.Chandrakumar Bafna had not advanced monies and that he had only facilitated the lending of the monies in the capacity of a finance agent from various creditors who had lent sums to the petitioner/defendant via cheque/bank transfer. Right from the time of advancing monies to the petitioner/defendant they have been making payments directly to the respondent and this being the facts and circumstances, it is not known to the respondent/plaintiff as to why the involvement of Mr.Chandra Kumar Bafna was required for making payments to the respondent/plaintiff. It is the respondent/plaintiff who the petitioner ought to have contacted for making the repayments as the petitioner is having the respondent's bank account particulars. Mr.Chandra Kumar Bafna is not a necessary party to the present suit since the agreements/dealings between the petitioner and the respondent. It is denied that there exists no lender – borrower relationship between the respondent and the petitioner and if the same is true, it is for the petitioner to prove that as to why the petitioner/ defendant had executed promissory notes in favour of the respondent/plaintiff and for what other reason the said amounts was taken from the respondent/plaintiff and the petitioner has to explain why payments to the respondent were made, while said facts are not substantiated by the petitioner in his affidavit , the present application is only a defence created for leave to defend. It is for the petitioner/defendant to establish as to why they had given blank promissory notes and as to when and how they had settled the loan amounts. The petitioner admit that there exists a lender-borrower relationship between them and are blowing hot and cold in order to confuse and blur the reality that they are liable to pay the respondent. The petitioner do not have any valid or legitimate defense in support of their contentions and are not supported by any proof and that the respondent has an undisputed claim against the petitioner and is entitled to obtain summary Judgment against the petitioner before this court. The defences raised by the defendant is moonshine, sham and nominal and the defences are not plausible and cannot be appreciated and therefore opposed this petition.

3. Points for consideration:

Whether this petition is to be allowed or not ?

4. Point :

4(i). This petition is filed by the defendant under Order 37 Rule 5 of CPC seeking leave of this court to defend the case.

4(ii). During the course of arguments the learned counsel for the respondent/plaintiff filed memo enclosing the Judgment passed by the Hon'ble High Court of Madras in CRP.Nos.4218, 4172, 4340, 4358, 4379, 4694 of 2024 and CRP Nos.551, 548, 1303, 1305, 1306, 1307, 1182, 76 & 67 of 2025 and CMP.Ns.23378, 23004, 24148, 24282, 24376 & 26271 of 2014 and CMP.Nos.3166, 3142, 7753, 7756, 7758, 7761, 650 & 631 of 2025 dated 21.11.2025 which facts are similar to the facts of this case. Hence under this circumstance, this court is inclined to grant leave to the petitioners to defend the suit on condition.

In the result, the petition is allowed. The petitioners/defendants are granted leave to defend the suit on condition to pay 50% of the principal amount to the respondent/plaintiff directly within four weeks from today, failing which this petition shall stand dismissed automatically.

Directly dictated to the Steno-typist, computerized by her, corrected pronounced by me in the open court, this 2nd day of March, 2026.

Both side witness and exhibits: Nil.

A PRABAVATHI

Digitally signed by A PRABAVATHI

XXI Additional Judge,
City Civil Court,
Allikulam, Chennai-03.

<u>Draft/fair : Order</u>

I.A.No.3/2022- in

O.S.No.7588/2022

Dated: 02.03.2026

XXI Additional Court, Chennai.