IN THE COURT OF THE PRINCIPAL DISTRICT JUDGE, THENI

Present: Thiru.Swarnam J. Natarajan, M.L.,
Principal District Judge, Theni

Thursday, this the 16th day of April, 2026

Appeal Suit No. 45/2025

C.N.R. No.TNTH01-001616-2025

R. Muruganraj ... Appellant/ Defendant

/Versus/

P. Govindaperumal

... Respondent/Plaintiff

Appeal against the Judgment and Decree dated 07.03.2025 in O.S.No.35 of 2018 on the file of Subordinate Court, Theni.

Between:-

P. Govindaperumal ... Plaintiff

/Versus/

R. Muruganraj ... Defendant

This Appeal suit was coming up for final hearing on 02.04.2026 in the presence of Thiru. M. Uthayasuriyan and Thiru. P. Valagurunathan, Advocates for the Appellant/Defendant and of Thiru. R. N. S. Amarnath Babu, Advocate for the Respondent/Plaintiff and upon perusing the records and the trial Court Judgment and decree and on hearing both side arguments, this Court delivered the following;

JUDGMENT

The defendant in O.S.No.35/2018 had suffered a judgment and decree before the learned Subordinate Judge, Theni dated 07.03.2025 on the suit instituted by the plaintiff Govinda Permal seeking for recovery of a sum of Rs.1,44,360/- with subsequent interest at 12% per annum and being aggrieved and dissatisfied with the judgment and decree, the present appeal is preferred.

2. In the plaint, the plaintiff had averred that from the plaintiff, the defendant on 02.06.2016 for his urgent family requirements and for the purpose of discharging sendry loan had borrowed by way of cash a sum of Rs.1,20,000/- from the plaintiff and executed the suit promissory note in favour of the plaintiff on the said date, agreeing to repay the same with interest at 12% per annum. After that, the defendant failed to repay either the principal or the interest and in spite of several demands made by the plaintiff, either in person or through his agents, the defendant failed to repay the loan amount due with interest. On 05.01.2018, the plaintiff had caused a legal notice calling upon the defendant to repay the loan amount due within seven working days. The legal notice was returned as left, knowing fully well the contents of the same. Even thereafter, the defendant failed to repay the loan amount due. Hence, the present suit is filed within a period of limitation.

3(i). The defendant filed written statement before the trial Court denying the allegations made in the plaint in specific and put the plaintiff to strict proof of the allegations made in the plaint with regard to the execution of the promissory note as well as with regard to the loan amount being borrowed by the defendant as alleged. At no point of time, the defendant had borrowed loan amount from the plaintiff on 02.06.2016 as alleged for a sum of Rs.1,20,000/- and the allegations that the defendant never repaid the loan amount due with interest are denied in specific. The plaintiff never demanded the loan amount to be repaid either in person or through his agents at any point of time and there is no necessity for the defendant to borrow loan amount from the plaintiff as alleged.

3(ii). The plaintiff is in the habit of lending money for Ex-Orbitant interest and attached to Sri Jeyajothi Finance at Allinagaram. During the said construction contract work, the defendant happened to borrow Rs.1,50,000/-from the said Jeyajothi Finance Company and every week he used to repay interest at the rate of Rs.15,000/- for the said loan amount borrowed from the plaintiff's financial company without accumulating arrears and in this regard, a receipt was also issued by the plaintiff in favour of the defendant. The entire loan amount due was repaid in full by the defendant, even then, the documents were not returned. In this regard, the plaintiff had lodged a complaint against the defendant before

Theni Police Station for recovery of a sum of Rs.2,00,000/- and during enquiry it revealed to the police that no amount is due by the defendant and the parties were advised and warned to work out their remedy before the civil forum. Only to usurp the property of the defendant that some over or other for the discharged loan amount, the present suit has been filed. Thereby the suit is not maintainable and liable to be dismissed.

4. **Based on the above pleadings, the trial Court was pleased to frame the following issues**:-

i.	Whether the suit promissory note is true and genuine?
ii.	Whether the promissory note was executed for valuable consideration?
iii.	Whether the suit promissory note is forged and concocted document as alleged?
iv.	Whether the plaintiff is entitled for money decree as prayed for?
v.	To what other relief the parties are entitled to?

5. **Subsequently, the issues were recasted by the learned Subordinate Judge, Theni as follows**:-

i.	Whether it is true that the suit promissory note has been forged as alleged by the plaintiff?
ii.	Whether the plaintiff is entitled to recovery of a sum of

	Rs.1,44,360/-with subsequent interest on the principal sum of Rs.1,20,000/- based on the promissory note dated 02.06.2016 as alleged?
iii.	Whether the plaintiff is entitled for money decree as prayed for?
iv.	Whether the plaintiff is entitled for decree as prayed for?
v.	To what other relief the plaintiff is entitled to?

6. On the side of the plaintiff, the plaintiff was examined as PW1, the attesting witness was examined as PW2, Ex.A1 to Ex.A6 the plaint documents were marked on the side of the plaintiff and on the side of the defendant, DW1 was examined and Ex. B1 was marked.

7. **The findings of the trial Court** :-

The trial Court was pleased to give a finding that the plaintiff had proved the execution of the promissory note through his cogent and convincing evidence and the evidence let in by PW1 has been substantiated by the evidence of the attesting witness, namely PW2 Rajkumar and the execution of the promissory note has been proved by the plaintiff to the satisfactory extent and no convincing evidence had been let in on the side of the defendant to disprove the execution of the promissory note by the defendant. Thereby, the Court shall draw presumption under Section 118 of the Negotiable Instruments Act in favour of the plaintiff, which had not been disproved by the defendant. Hence, the trial Court was pleased to decree the suit.

8. Being aggrieved by the same, the present appeal is preferred for the following among other grounds :-

The trial Court had not properly framed the issues and failed to see the defendant's specific pleadings with regard to the denial of the execution of the promissory note as well as the loan amount due. Based on the wrong perspective and without legal understanding, the suit has been decreed by the trial Court. The trial Court cannot go beyond the scope of the suit and failed to appreciate any evidence. Based on erroneous assumption, the plaintiff had not obtained the opinion of the forensic expert to prove the defendant's signature in the promissory note and failed to place the burden on the defendant to disprove the signature in the promissory note. The plaintiff is not the authorized representative of the finance company and failed to note that the defendant's Ex. A1 receipt listed the plaintiff's mobile number as 90033 60165. The trial Court wrongly concluded by taking into consideration only the plaintiff's documents and held that the plaintiff had proved the case and erred in decreeing the suit. Hence, the appellant prays for allowing the appeal.

9. **<u>The points for consideration in the appeal are</u>**:-

i.	Whether the trial Court erred in misplacing the burden on the appellant to disprove the execution of the promissory note even though the defendant had specifically denied the execution in the written statement?
ii.	Whether the trial Court erred in believing the plaintiff's case even though the plaintiff had failed to prove the execution of the promissory note?
iii.	Whether the trial Court erred in disbelieving the defendant's plea taken in the written statement?
iv.	Whether the appeal is to be allowed for the points raised in the grounds of appeal?

10. The learned counsel for the appellant filed his written arguments today and contended that the place where the execution of the promissory note and when the loan amount was asked for was not specifically pleaded in the plaint and the execution is alleged to be made in the finance company and the plaintiff is one of the agent of the said finance company for recovery of the loan amount due and the attesting witness is none but the son of the owner of the said finance company. No other independent witnesses were examined on the side of the plaintiff to prove the execution of the promissory note. The attesting witnesses details were never given in the said promissory note and no valid legal notice was issued to the correct address of the defendant before institution of the suit. There were several contradictions in the plaintiff's case which had been elicited during the cross-examination of PW1 and several facts which were introduced for the first time in the plaintiff's case which were not specifically pleaded in the plaint.

11. The promissory note is a fraudulent document obtained and no presumption under Section 118 of the Negotiable Instruments Act can be raised in favour of the plaintiff. The said aspects had not been considered by the trial Court and erred in decreeing the suit. Hence, the learned counsel for the appellant prays for allowing the appeal.

12. He relied upon the judgment of the Hon'ble Supreme Court CDJ 1999 SC 123, page number 13, wherein the Hon'ble Supreme Court was pleased to held that "the position of law which emerges is that once execution of the promissory note is admitted, the presumption under Section 118(a) would arise that it is supported by consideration. Such a presumption is rebuttable. The defendant can prove the non-existence of consideration by raising a probable defence".

13. It is further held that “If the defendant had proved to have discharged the initial onus of proof showing that the existence of consideration was improbable or doubtful or that the same was illegal, the onus would shift to the plaintiff who would be obliged to prove it as a matter of fact and upon its failure to prove would disentitle him to the grant of relief on the basis of Negotiable Instruments. The burden upon the defendant of proving the non-existence of consideration can be either direct or by bringing on record the preponderance of probabilities by reference to the circumstances upon which he relies”.

14. It is further held that “In such an event, the plaintiff is entitled under law to rely upon all the evidence let in the case including that of the plaintiff as well. In case, where the defendant fails to discharge the initial onus of proof by showing the non-existence of the consideration, the plaintiff would invariably be held entitled to the benefit of presumption arising under Section 118(a) in his favour. The court may not insist upon the defendant to disprove the existence of consideration by leading direct evidence as existence of negative evidence is neither possible nor contemplated and even if led is to be seen with a doubt”.

15. It is further held that “the bare denial of the passing of consideration apparently does not appear to be any defence. Something which is probable has to be brought on record for getting the benefit of shifting the onus of proving the plaintiff to disprove the defence. The defendant has to bring on record such facts and circumstances, upon consideration of which the court may either believe that the consideration did not exist or its non-existence was so probable that a prudent man would under the circumstances of the case should act upon the plea that it does not exist". So, based on the above judgment, the learned counsel for the appellant prays for allowing the appeal.

16. On the other hand, the learned counsel for the defendant contended that there is no specific plea taken by the defendant in the written statement denying the signature found in the promissory note. Without even seeing the promissory note from the Court, such a plea has been fraudulently taken by the defendant in order to defraud upon the plaintiff. Hence, the learned counsel for the respondent contended that the trial Court had appreciated the entire evidence and was pleased to decree the suit and no interference is required in the present appeal.

17. I have given my anxious consideration to the submissions made by both the parties. In a suit based on a promissory note, the execution of the document promissory note, particularly the signature of the defendant, forms the foundation of the plaintiff's case. When such execution is specifically denied by the defendant, the law certainly casts an initial burden upon the plaintiff to prove the execution of the promissory note. However, the nature and credibility of the denial assumes considerable importance in appreciating the evidence on record.

18. A mere bald or mechanical denial of signature in the promissory note without even verifying the said document in question from the Court cannot be treated as a substantive defence. When the defendant disputes his signature in the promissory note, it is expected as a matter of fair procedure and prudence that the defendant first seeks an opportunity to inspect the original promissory note with the permission of the Court. Such inspection would enable the defendant to make an informed and specific denial with regard to his signature found in the promissory note.

19. Without undertaking such a basic requirement, a blanket denial by the defendant appears to be casual and lacking in bona fides. Generally in civil proceedings, pleadings are not empty formalities. The denial of the signature must be specific, clear and supported by some degree of responsibility. If the defendant has not even chosen to peruse the document before the Court before denying the execution, the denial becomes inherently weak and unreliable. It gives rise to a reasonable inference that the defence is not a genuine contest but a routine attempt to evade liability.

20. Further under Section 101 and 102 of the Indian Evidence Act, the burden of proof initially lies on the plaintiff to establish the execution of the promissory note. However, once the plaintiff produces the original promissory note before the Court and adduces evidence regarding its execution, the evidentiary burden shifts on the defendant to disprove the same. At that stage, a meaningful and credible denial is expected from the defendant. A vague or uninformed denial does not effectively rebut the plaintiff's case.

21. In the present case, the defendant had denied the signature in the promissory note without even inspecting the promissory note in question after seeking leave of the court for inspection and such denial cannot occur significant evidentiary value. It does not create a real and substantial dispute requiring elaborate proof. On the contrary, it weakens the defence and strengthens the probability of the plaintiff's case. In the present case, the defendant had denied the signature in the promissory note without even perusing the promissory note from the court and when the specific question is asked for, the defendant had admitted in his cross-examination that he had not looked into the promissory note available before the Court. Thereby, this court finds that the plea taken by the defendant is a casual one in order to avoid repayment of the loan amount due and had not attempted to show bona fides on his part.

22. On the contrary, the plaintiff through his overwhelming evidence and the attesting witness had proved the execution of the promissory note by the defendant in his favour, which had not been controverted by the defendant during cross-examination. Thereby, this Court finds that the trial Court had rightly appreciated the evidence and was pleased to give a finding in favour of the plaintiff based on sound principles of law and in this regard no interference is required in the present appeal.

23. In a suit based on promissory note, one of the defenses sometimes raised is that the plaintiff did not possess sufficient financial capacity to advance the loan amount. However, such plea shall be specifically pleaded in the written statement. The pleadings form the foundation of a civil trial and no party can be permitted to travel beyond its pleadings. In the present case, a careful perusal of the written statement shows that the defendant had not raised any specific plea disputing the financial capacity or the means of the plaintiff to lend the suit amount.

24. In the absence of such foundational plea, any attempt made by the defendant during cross-examination of PW1 to question his financial capacity loses its legal significance. It is settled principles of law that in civil law, that evidence without pleadings has no probative value. When a fact is not specifically pleaded, the opposite party is not put to notice to meet that case. Therefore, permitting a party to rely upon such an unpleaded defence would amount to causing prejudice to the plaintiff's case and contrary to the principles of fair trial.

25. Even assuming that some suggestions were put to the plaintiff in cross-examination regarding his financial capacity, such suggestions by themselves do not constitute a proof. A suggestion unless admitted remains only the suggestion and cannot be treated as evidence. In the present case, the plaintiff is not pleaded to be a man of lack of financial capacity. Therefore, the burden still continues with the defendant to establish that the plaintiff had no sufficient means to advance the loan amount, which the defendant failed to disprove. Thereby, this Court finds that the said aspect has been rightly appreciated by the trial court and the same has been brush-aside by the trial court and no interference is required in the present appeal.

26. The defence put forth by the defendant proceeds on the footing that he had borrowed loan from the finance company and he was regularly paying interest on the said loan amount and the plaintiff was working in the said finance company. It is the further contention that the suit promissory note is not supported by independent transaction, but is connected with the said financial dealings. At the same time, the defendant has also taken a contrary stand that the entire loan amount due to the finance company has already been discharged in full. This line of defence when carefully examined suffers from inherent inconsistency. On the one hand, the defendant claims that the loan amount due from the finance company has been fully repaid. On the other hand, he had admitted the fact that the original document relating to the suit property continue to remain in the custody of the finance company wherein the plaintiff is stated to be working in the said company.

27. If really the entire loan amount has been discharged, the normal and expected conduct of a person could be that the borrower could insist upon return of the original document. The continued retention of the original document by the finance company without any agitation being raised by the defendant would clearly renders the defendant's version taken in the present case doubtful.

28. There is a presumption under Section 114 of the Indian Evidence Act that the document which has been entrusted towards security for the loan transaction, if it continues with the plaintiff, the court shall presume that the loan amount has not been discharged yet. Therefore, this Court finds that the continued possession of the document by the finance company probabilize the plaintiff's contention that the loan was not fully repaid, contrary to the stand taken by the defendant that it has been discharged in full.

29. It was alleged by the defendant that the plaintiff who is working in the finance company had misused and fraudulently created the promissory note. However, the defendant had never lodged any police complaint against the plaintiff nor issued legal notice for the alleged misuse of the promissory note. Even the copy of the statement given by the defendant before the police station with regard to the complaint lodged by the finance company for non-payment of the loan amount due, the said statement or the CSR copy was not sought to be produced through the police station to disprove the case of the plaintiff.

30. Under such circumstances, a mere denial and suggestion that the entire loan amount due to the finance company has been discharged in full cannot be accepted. Thereby, this Court finds that the self-serving evidence of the defendant cannot be accepted in order to disprove the case of the plaintiff and these facts had been rightly appreciated by the trial Court and had decreed the suit and no interference is required in the present appeal.

31. With regard to the judgment cited by the learned counsel for the appellant, there is no quarrel on the legal position laid down in the above judgment cited and the same do not apply to the case in hand for the reason that the defendant had not disproved the case of the plaintiff. On the contrary, the plaintiff had proved the execution of the promissory note through the evidence of the plaintiff and the attesting witness. Thereby, this Court finds that the appeal is liable to be dismissed, confirming the trial court's judgment.

In the result, the Appeal Suit is dismissed with cost throughout the proceedings confirming the order of decreeing of the suit in O.S.No.35/2018 dated 07.03.2025 passed by the learned Subordinate Judge, Theni.

Dictated to the Steno-Typist, taken by her in shorthand, transcribed and typed by her with the help of voice recorder, and Microsoft 365, corrected and pronounced by me, in the open court, this the 16th day of April - 2026.

SWARNAM J NATARAJAN
Digitally signed by SWARNAM J NATARAJAN
Date: 2026.04.17 09:29:55 +0530

Principal District Judge,
Theni.

Appellant side witness and documents :-

-Nil-

Respondents side witness and Documents:-

-Nil-

SWARNAM J NATARAJAN
Digitally signed by SWARNAM J NATARAJAN
Date: 2026.04.17 09:29:59 +0530

Principal District Judge,
Theni.

The Principal District Court,
Theni.
A.S.No. 45/2025
Copy of **JUDGMENT**
Dated : 16.04.2026