

**BEFORE THE PRINCIPAL DISTRICT COURT
VELLORE DISTRICT**

Present:- Thiru.M.Elavarasan
Principal District Judge

Thursday, the 26th day of March, 2026

O.S. No. 88 of 2024
CNR.No.TNVL01-002653-2024

M.Deenadhayalan . . . Plaintiff

-vs-

J.Kannan . . . Defendant

This suit was coming before me on 25.02.2026 for hearing in the presence of Thiru K. M. Boopathy, counsel for the plaintiff and, and of Thiru A. Ramesh, counsel for the defendant and, upon hearing the arguments of both sides and, upon perusing the relevant records, this court passes the following:-

JUDGMENT

Suit for recovery of money to direct the defendant to pay sum of Rs.14,68,666.58/- to the plaintiff with future interest at the rate of 24 % per annum and to create a charge over the schedule mentioned property and in case the sale proceeds are found to be insufficient, permitting the plaintiff to proceed against the assets of the defendant and against defendant personally for the balance amount and for cost.

2. Brief facts from the plaint is that the defendant, borrowed a sum of Rs.10,00,000/- from the plaintiff on 15.05.2022 by executing a demand promissory note on the same date and agreeing to repay the same on demand together with interest at the rate of 24% per annum. There after, petitioner demanded the defendant several times to repay the above said amount. The defendant did not pay any amounts either principle or on interest. On 22.09.2023 towards part payment for the amount due on the above said loan the defendant has issued cheque for a sum of Rs.10,00,000/- bearing Cheque No.000002 drawn on his banker Bandhan Bank, Vellore-632001, Vellore District dated 07.11.2023 infavour of the plaintiff and the same was returned by the plaintiff bank as " No such account" on 11.11.2023 along with a return memo of Bank of India, Gudiyatham Branch dated 10.11.2023. The defendant failed to repay the interest or principle inspite of repeated demands and requests made by the plaintiff. Hence the plaintiff has issued a legal notice dated 30.11.2023 and the said notice was received by the defendant on 05.12.2023 and the defendant was given reply notice dated 14.12.023 with false and baseless allegations. The suit schedule mentioned properties are the self acquired properties of the defendant who got the same by way of a registered sale deed dated

16.07.2012 for valid and binding consideration and registered release deeds (2) dated 15.07.2015 and 14.09.2015 for valid consideration. The plaintiff demanded the defendant several times to repay the above said amount. But the defendant did not pay any amount either on the principal or interest. Hence the suit.

3. Brief written statement filed by the defendant is that the suit is not maintainable either in law or on facts and is liable to be dismissed. The Defendant denies all the averments and allegations contained in the plaint as false, baseless and concocted. The Plaintiff has not disclosed the nature of the relationship between the Plaintiff and the Defendant, how they became acquainted, or where and under what circumstances the alleged transaction took place. The Defendant has never borrowed any money from the Plaintiff at any point of time. The Defendant had issued a detailed reply notice dated 14.12.2023 to the legal notice dated 30.11.2023, wherein all allegations were categorically denied. The Defendant specifically denies the allegation that he borrowed a sum of Rs.10,00,000/- from the Plaintiff and executed a promissory note. The Defendant calls upon the Plaintiff to strictly prove the source of funds allegedly advanced. The Defendant

denies the allegation that he issued a cheque dated 07.11.2023 for Rs.10,00,000/- towards part payment. The Plaintiff's father, M. Munisamy, had earlier issued a notice dated 05.09.2023 under Section 138 of the Negotiable Instruments Act, to which the Defendant sent a reply dated 16.09.2023. In the said reply, it was clearly stated that the Plaintiff's father was in possession of six signed blank cheques and promissory notes belonging to the Defendant. The Plaintiff has misused one such blank cheque by filling in the particulars in collusion with his father, for which the Defendant cannot be held liable. Hence, the suit is to be dismissed with costs.

4. Based on the pleadings, the predecessor have framed five issues on 04.12.2024 as follows :-

1.	Whether the defendant executed suit promissory note and availed loan of Rs.10,00,000/- from the plaintiff on 15.05.2022?
2.	Whether the plaintiff is entitled the suit claim against the defendant?
3.	To what other relief?

5. In order to establish the facts, the plaintiff himself has been examined as PW1 by way of proof affidavit, and through him Exh.A1

to Exh.A11 have been marked. One more witness, namely Mr. Santhoshkumar, has been examined as PW2. With the evidence of PW1, PW2 and Exh.A1 to Exh.A11, the plaintiff's side evidence was closed. On the side of the defendant, the defendant himself has been examined as DW1, and no documents were marked.

6. Heard both sides. Perused the material records. Considered the submissions raised by both sides.

7. Issues No.1 to 3 :-

This suit has been filed by the plaintiff seeking a direction to the defendant to pay the suit amount of Rs.14,68,666.58 with future interest at 24% p.a., to create a charge over the schedule mentioned property, and for costs

8. The learned counsel for the plaintiff would submit that the defendant had borrowed a sum of Rs.10 lakhs from the plaintiff on 15.05.2022 and executed the suit promissory note, agreeing to repay the said amount with interest at 24% p.a. The plaintiff approached the defendant on several occasions, but the defendant did not come forward to settle either the principal or the interest. It is further submitted that on 22.09.2023, the defendant issued a cheque for Rs.10 lakhs in favour of the plaintiff, drawn on Bandhan Bank. The plaintiff

presented the cheque for collection on 07.11.2023, and the same was returned with the endorsement “No such account” on 11.11.2023 along with the return memo. Thereafter, the plaintiff issued a legal notice on 30.11.2023. Though the defendant received the notice, he did not send any reply. The defendant has not repaid the loan amount due under the promissory note. Hence, the plaintiff filed the suit for recovery of money. In order to prove his case, the plaintiff examined himself as PW1 and one of the attesting witnesses, namely Santhoshkumar, as PW2. Further, the plaintiff has produced the original promissory note executed by the defendant, the cheque issued by the defendant, and other relevant documents. The learned counsel for the plaintiff would further contend that the plaintiff has proved his case through both oral and documentary evidence, and hence the suit may be decreed with costs.

9. On the other hand, the learned counsel for the defendant would submit that the defendant never borrowed such a huge amount of Rs.10 lakhs from the plaintiff and never executed the suit promissory note in favour of the plaintiff. It is further contended that there was no necessity or occasion for the defendant to borrow such a huge amount, and that the plaintiff was not financially capable of advancing such a

sum. It is also contended that the plaintiff has not explained how he came into possession of the cheque allegedly issued by the defendant and under what circumstances it was issued. The father of the defendant, namely Munusamy, had already issued a legal notice under Section 138 of the N.I. Act on 05.09.2023, and the defendant had sent a suitable reply on 16.09.2023. It is further contended that the plaintiff's father is in possession of six signed blank cheques and promissory notes, and that the plaintiff, in collusion with his father Munusamy, has misused one such blank cheque by filling in the amount and name. Therefore, the defendant is not liable to pay the suit amount. Hence, the suit filed by the plaintiff is liable to be dismissed with exemplary costs

10. When the defendant has denied the execution of the suit promissory note as well as the issuance of the cheque in favour of the plaintiff, the burden lies upon the plaintiff to prove that the defendant borrowed a sum of Rs.10 lakhs on 15.05.2022, agreed to repay the same with interest at 24% p.a., and executed the suit promissory note in his favour. Admittedly, the present suit is not based on the cheque dated 22.09.2023, but is founded on the promissory note dated 15.05.2022. To support his case, the plaintiff has also produced the

cheque allegedly issued by the defendant. The original promissory note is marked as Ex.A1 and the original cheque is marked as Ex.A2. The defendant has not denied the signatures found in Ex.A1 and Ex.A2. Further, it is an admitted fact that the cheque bearing No.006576 belongs to the defendant. The specific case of the defendant is that he never borrowed money from the plaintiff and never executed the promissory note in his favour. It is further contended that the plaintiff's father Munusamy is in possession of six blank cheques and promissory notes and that the plaintiff has misused the same in collusion with his father. It is not the case of the defendant that he had borrowed money from the plaintiff's father and, at the time of such borrowal, issued signed blank cheques and promissory notes, and thereafter repaid the entire amount. The defendant has filed his chief affidavit, wherein he has stated as follows:-

நான் வாதியின் தகப்பனார் திரு. முனுசாமியிடம் பெற்ற கடனுக்காக அவரிடம் ஏற்கனவே தேதியிட்ட செக் மற்றும் தேதியிட்ட புரோநோட் ஆகியவற்றை எழுதி கொடுத்து அதற்குண்டான பணத்தை செலுத்தி விட்டேன். மேலும் மேலும் எண்ணிடத்தில் பணம் பறிக்க வேண்டும் என்ற கெட்ட நோக்கோடு பாண்டை தயார் செய்து இந்த வழக்கை தாக்கல் செய்துள்ளார்.

11. The defendant has not stated in his chief examination that he borrowed money from the plaintiff's father and, at the time of such borrowal, handed over a post-dated cheque and promissory note, and that he repaid the entire amount to the said Munusamy. The defendant has taken a different stand in his chief examination. As already stated, the defendant has not denied the signatures found in the suit promissory note as well as in the cheque marked as Ex.A2. Further, during cross-examination, DW1 has deposed as follows:-

முனுசாமியிடம் எந்த தேதியில் எவ்வளவு பணம் வாங்கினேன் என்பதை பிராமண வாக்குமூலத்தில் சொல்லியுள்ளேனா என்றால் சொல்லவில்லை. முனுசாமியிடம் நான் கொடுத்த புரோநோட்டு பூர்த்தி செய்யப்பட்டதா இல்லது வெற்று புரோநோட்டா என்றால் வெற்று புரோநோட்டு ஆகும்.

அந்த புரோநோட்டை திருப்பி வாங்கினேனா என்றால் அவர் கொடுக்கவில்லை. பிரமாண வாக்குமூலத்தில் எந்த தேதியில் முனுசாமியிடம் வாங்கிய பணத்தை திருப்பி கொடுத்தேன் என்று சொல்லியுள்ளேனா என்றால் சொல்லவில்லை. வெற்று அந்த புரோநோட்டைத்தான் பூர்த்தி செய்து இந்த வழக்கை தாக்கல் செய்துள்ளதாக சொல்கிறேனா என்றால் ஆமாம்.

12. Thus, the defendant has specifically admitted that the blank promissory note allegedly given to the plaintiff's father has been used for filing this suit. Further, he has categorically admitted during the course of cross-examination as follows:-

பிரதிவாதியிடம் நான் கடன் வாங்கியது உண்மை என்றும் வழக்கிற்காக நான் அவரின் அப்பாவிடம் வாங்கியதாக பொய்யாக சொல்கிறேன் என்றால் 9 வருடங்களுக்கு முன்பு ஒரு புரோக்கர் மூலமாக பணம் வாங்கினேன். தேதி போட்டுத்தான் புரோனோட்டும் செக்கும் கொடுத்தேன் எந்த தேதி என்று நினைவில்லை.

13. The defendant has thus admitted that he had borrowed money through a broker and had issued a promissory note and cheque. He has also admitted the issuance of the cheque and promissory note. Admittedly, the plaintiff presented the cheque for collection and the same was returned with the endorsement "No such account." The plaintiff issued a legal notice to the defendant, which was received by him. The defendant has failed to offer any satisfactory explanation as to how the cheque came into the possession of the plaintiff. During cross-examination, he has stated that he was not aware that the cheque was presented for collection and returned. From the evidence of the

defendant, it is clear that he has attempted to suppress the true facts. The defendant has taken one stand in his written statement and a different stand in his chief examination.

14. On the other hand, the plaintiff has categorically deposed that the defendant borrowed a sum of Rs.10 lakhs on 15.05.2022, agreed to repay the same with interest at 24% p.a., and executed the suit promissory note in his favour. He has further stated that the defendant issued a cheque towards discharge of the said liability, which, upon presentation, was returned with the endorsement "No such account." This clearly shows that the defendant issued the cheque despite knowing that no such account existed, thereby indicating his dishonest intention. Further, one of the attesting witnesses to the promissory note dated 15.05.2022 has been examined as PW2, who has corroborated the case of the plaintiff in all material particulars. Though PW1 and PW2 were cross-examined at length, nothing has been elicited in favour of the defendant. Thus, the plaintiff has clearly established that the defendant borrowed Rs.10 lakhs on 15.05.2022, executed the promissory note, and subsequently issued the cheque towards repayment of the said amount. Whereas, the defendant has

failed to rebut the presumption arising in favour of the plaintiff and has not established any legally acceptable defence. The defendant, having admitted his signatures and taken inconsistent stands, has failed to rebut the presumption or substantiate his defence of repayment with any acceptable evidence. The oral and documentary evidence adduced by the plaintiff remains unshaken, whereas the defence put forth is not credible. Accordingly, the plaintiff is entitled to recovery of the suit amount with reasonable interest and costs, and the suit is liable to be decreed. However, insofar as the claim of interest at 24% per annum is concerned, the same appears to be on the higher side. Considering the nature of the transaction and prevailing rates, this Court deems it just and reasonable to award interest at a reduced rate @ 12% p.a., from the date of plaint till date of decree and that the subsequent interest from the date of decree till realization in full shall be 6% p.a., and thus the issues are answered in favour of the plaintiff.

15. In the result,

- 1. The suit is decreed with costs :**
- 2. Accordingly,** the defendant is directed to pay to the plaintiff a sum of **Rs.14,68,666.58/- (Rupees Fourteen Lakhs Sixty Eight Thousand Six Hundred Sixty Six and Paise Fifty Eight only), with future interest at the rate of 12% per annum** on the principal amount from the date of plaint till the date of decree and that the subsequent interest from the date of decree till realization in full shall be 6% p.a.,
- 3.** It is further ordered that the plaintiff shall have a **charge over the suit schedule mentioned property** for the decree amount till full realization.
- 4.** In the event of the sale proceeds of the charged property being insufficient to satisfy the decree amount, the plaintiff is at liberty to **proceed against the other properties of the defendant and also against the defendant personally** for recovery of the balance amount, in accordance with law.

Dictated to the Steno-typist, transcribed and computerized by him, corrected and pronounced by me in the Open Court, this day the 26th day of March 2026,

**Principal District Judge
Vellore District**

Plaintiff Side Witness Examined:-

PW1 – Mr. Deenadayalan (Plaintiff)

PW2 - Mr. Santhoshkumar

Defendant Side Witness Examined:-

DW1 – Kannan

Plaintiff Side Documents Marked :-

Exh.A1/PW1	15.05.2022	Original Promissory Note
Exh.A2/PW1	07.11.2023	Original Check issued by the defendant
Exh.A3/PW1	10.11.2023	Return Memo
Exh.A4/PW1	30.11.2023	Office copy of the Legal Notice
Exh.A5/PW1	05.12.2023	Acknowledgment Card
Exh.A6/PW1	14.12.2023	Reply Notice
Exh.A7/PW1	16.07.2012	Certified copy of the registered sale deed (Doc.No.5966/2012)
Exh.A8/PW1	15.07.2015	Certified copy of the registered release deed (Doc.No.6297/2015)
Exh.A9/PW1	14.09.2015	Certified copy of the registered release deed (Doc.No.8209/2015)
Exh.A10/PW1	23.04.2024	Online Patta (Patta No.3218)
Exh.A11/PW1	23.04.2024	Online Encumbrance Certificate for the period from 16.07.2012 to 22.04.2024.

Defendant's Side documents :-

Nil

P D J
Vlr