BEFORE THE PRINCIPAL DISTRICT COURT
VELLORE DISTRICT

Present:- Thiru. M.Elavarasan
Principal District Judge

Thursday, the 02nd day of July, 2026

A.S.No. 55 of 2025
CNR.No.TNVL01-003231-2025

A. Mathiazhagan . . . Appellant/Plaintiff

-vs-

1. M. Manogaran
2. Vanitha . . . Respondents / Defendants

On appeal from the Judgment and Decree of the Subordinate Judge, Katpadi dated 30.04.2025 in O.S.No.491 of 2022.

Between

A. Mathiazhagan . . . Plaintiff

-vs-

1. M. Manogaran
2. Vanitha . . . Defendants

This appeal suit was coming before me on 15.06.2026 for hearing in the presence of M/s. V.S. Pavetraa, C. Ranjith Kumar and M. Senthamizh Dhravidan., counsel for the appellant and, M/s. R. Loganathan, V.P. Ramkumar and R. Gopi, counsel for the respondent and, upon hearing the argument of both sides and, upon perusing the relevant records, this court passes the following:-

J U D G M E N T

The appeal suit is filed by the appellant/plaintiff as against the judgment and decree dated 30.04.2025 where suit for recovery of money was dismissed by the Subordinate Court, Katpadi in O.S.No.487 of 2019(Old O.S.No.364 of 2017).

2. For quick reference, the litigative status of the parties as stood before the trial court is referred in this judgment.

3. Brief case from the plaint is as that the plaintiff and the defendants are residents of the same village and are well acquainted. On 23.07.2014, the defendants borrowed a sum of Rs.1,30,000/- from the plaintiff for purchasing immovable property for their family welfare and executed a promissory note in favour of the plaintiff agreeing to repay the amount with interest at 24% per annum on demand. Despite repeated demands, the defendants failed to repay either the principal or interest. Consequently, the plaintiff issued a legal notice dated 26.12.2016 demanding repayment, to which the defendants sent a reply containing false allegations. As on 19.07.2017, a sum of Rs.2,23,426/- comprising Rs.1,30,000/- towards principal and Rs.93,426/- towards interest remained due. Hence, the suit was filed for recovery of the said amount.

4. Brief written statement of the defendants is as that the defendants denied borrowing Rs.1,30,000/- from the plaintiff or executing the suit promissory note on 23.07.2014. According to them, the plaintiff and his associate Jaikumar were conducting unregistered chit funds of Rs.1,00,000/- and Rs.50,000/-, in which the defendants' son Kesavan was a subscriber and had regularly paid all installments without availing any chit amount. At the time of joining the chit, the plaintiff and Jaikumar obtained the defendants' signatures on blank promissory notes and stamp papers as security. After the chit transactions were completed, the plaintiff allegedly misused those signed blank documents and fabricated the suit promissory note due to a separate loan dispute involving the 2nd defendant's brother. The defendants contended that they neither received the alleged loan amount nor executed the promissory note on the date mentioned therein. They further alleged that the attesting witnesses were employees of the plaintiff and that the suit was filed based on a fabricated document. Therefore, they denied liability and sought dismissal of the suit.

5. The trial court, after taking note of the facts, framed the following three issues on 31.01.2025:-

(1). Whether the suit promissory note dated 23.07.2014 is true, valid and supported by consideration?

(2). Whether the plaintiff is entitled for recovery of money?

(3). To what other relief, the plaintiff is entitled to ?

6. On the side of the plaintiff, the plaintiff himself was examined as P.W.1 and documents Ex.A1 to Ex.A5 were marked. On the side of the defendants, the first defendant was examined as D.W.1 and documents Ex.B1 to Ex.B3 were marked in support of their defence.

7. After considering the facts and evidence, the trial court have come to a conclusion and dismissed the suit. Against the said judgment and decree the plaintiff filed this appeal on various among other grounds.

8. The main grounds raised in the grounds of appeal are as that:-

- The judgment and decree of the Trial Court are contrary to law, evidence and probabilities of the case and have resulted in a miscarriage of justice.

- Having produced the original promissory note and adduced evidence regarding its execution, the appellant discharged the initial burden of proof. The Trial Court failed to apply the presumption under Section 118 of the Negotiable Instruments Act and wrongly held that execution was not proved.
- The respondents took inconsistent stands. The plea that their signatures were obtained on blank promissory notes was not raised in the reply notice and was introduced only in the written statement, clearly indicating an afterthought. The Trial Court failed to consider this material contradiction.
- The evidence of D.W.1 was unreliable, as he denied even his own signatures found in the vakalat, written statement and proof affidavit. The Trial Court failed to draw an adverse inference from such conduct.
- The dismissal of the suit solely on the ground of non-examination of attesting witnesses is erroneous.
- The Trial Court overlooked the fact that the title document relating to Document No.2722/2014 was handed over to the appellant as security, which strongly supports the genuineness of the transaction.
- The respondents' contention that the alleged liability related to one Sudhagar is wholly irrelevant and self-contradictory, as any genuine claim against him would have been pursued separately.
- Exs.B1 to B3 do not relate to the suit transaction and do not

establish the respondents' defence. The Trial Court erred in placing reliance upon such irrelevant documents.

- The respondents failed to rebut the statutory presumption arising in favour of the appellant. The findings of the Trial Court are therefore perverse, unsupported by evidence and liable to be set aside.

9. Heard both sides. Both sides filed written submissions. Perused the material records. Considered the submissions raised by both sides.

10. The points for determination in this appeal is as to:-

(1) Is it true that the plaintiff and his friend Jaikumar have conducted an unregistered chit of Rs.1.5 lakhs?

(2) Is it true that the plaintiff and his friend Jaikumar obtained signatures on the blank promissory note and blank Govt. Bonds from the bidders as security?

(3) Is it true that the plaintiff has prepared the suit promissory note using the signature of the defendant on the blank Govt. Bonds and filled it in the name of the defendant?

(4) Whether the suit promissory note is true, valid and supported by consideration?

(5) Whether the appeal preferred by the appellant is liable to be allowed?

11. Point Nos.1 to 4 :-

The above points are interlinked, hence, taken up together. The learned counsel for the appellant would submit that the defendants have borrowed a sum of Rs.1,30,000/- to purchase an immovable property for the welfare of their family and executed the suit promissory note in Rs.50 Non Judicial Stamp Paper in favour of the plaintiff on 23.07.2014 and agreed to repay the said amount with interest @ 24% p.a., Thereafter, the defendants have not come forward either to settle the principal or interest. The plaintiff approached the defendant on several occasions, but the defendant have not settled the principal amount with interest. Hence, the plaintiff issued a legal notice on 26.12.2016 through his counsel to the defendants and the said legal notice was received by the defendants. Instead of paying principal amount with interest, the defendants issued reply notice with false alelgations. Hence, the plaintiff filed the suit for recovery of money of Rs.1.30,000/- with interest @ 24% p.a., The defendants have contended that the plaintiff and his friend Jaikumar have conducted an unregistered chit of Rs.1,50,000/- and the defendant son Kesavan was working in Chennai. Therefore, the defendants taking his son monthly salary for Rs.4,00,000/- as monthly installment of Chit for Rs.1,00,000/- and Rs.2,000/- as monthly installment of Chit for Rs.50,000/- and the defendants have paid the money till the end without taking any bids to the plaintiff. Further, having contended at the time of conducting the chit the plaintiff and his friend Jaikumar obtained signatures in blank promissory note and blank Govt. Bonds from the bidders as security. The learned trial Judge, without considering the fact that the plaintiff has produced originally promissory note signed by the defendants and the plaintiff has produced the original title deeds standing in the name of the defendant and also legal notice issued to the defendants. Further, the learned trial Judge failed to consider the evidence of PW1 that he has categorically deposed about the borrowal of Rs.1,30,000/- nu the defendants and executed the suit promissory note in his favour. The learned trial Judge has rendered Judgment based on presumption and assumption and without considering the admission made by the defendant and also without considering the evidence of DW1, has wrongly concluded that the plaintiff has miserably failed to prove that the defendants have borrowed a sum of Rs.1,30,000/- and has wrongly dismissed the suit. Therefore, the appeal preferred by the appellant / plaintiff is liable to be allowed.

12. Per contra, the learned counsel for the respondents / defendants would submit that the plaintiff and his friend have conducted an unregistered chit for Rs.1,00,000/- and for Rs.50,000/- and the defendant's son one Kesavan was one of the subscriber for the monthly chit run by the plaintiff and his friend Jaikumar and the defendants have paid the monthly installment till the end without taking any bid and after the completion of the auction, the plaintiff and his friend Jaikumar have signed that they have paid the total amount for the auction to the defendant. To support the case of the defendants, the defendants have produced Ex.B1 to B3 and the learned trial Judge after considering both oral and documentary evidence has properly appreciated the evidence of both the plaintiff and defendants and has rightly concluded that the plaintiff has miserably failed to prove its case and has rightly dismissed the suit. Therefore, the appeal preferred by the appellant is liable to be dismissed with costs.

13. The brief case of the plaintiff in the trial court is that on 23.07.2014, the defendants borrowed a sum of Rs.1,30,000/- from the

plaintiff for purchasing immovable property for their family welfare and executed a promissory note in favour of the plaintiff agreeing to repay the amount with interest at 24% per annum on demand. Despite repeated demands, the defendants failed to repay either the principal or interest. Consequently, the plaintiff issued a legal notice dated 26.12.2016 demanding repayment, to which the defendants sent a reply containing false allegations and that as on 19.07.2017, a sum of Rs.2,23,426/- comprising Rs.1,30,000/- towards principal and Rs.93,426/- towards interest remained due and hence the plaintiff is constrained to file the above suit.

14. The case of the defendants in the trial court is that the defendants denied borrowing Rs.1,30,000/- from the plaintiff or executing the suit promissory note on 23.07.2014. According to the defendants, the plaintiff and his associate Jaikumar were conducting unregistered chit funds of Rs.1,00,000/- and Rs.50,000/-, in which the defendants' son Kesavan was a subscriber and had regularly paid all installments without availing any chit amount. At the time of joining the chit, the plaintiff and Jaikumar obtained the defendants' signatures on blank promissory notes and stamp papers as security. After the chit

transactions were completed, the plaintiff allegedly misused those signed blank documents and fabricated the suit promissory note due to a separate loan dispute involving the 2nd defendant's brother and prayed dismissal of the suit.

15. It is settled law that the initial burden is always upon the plaintiff to prove that the defendants have borrowed a sum of Rs.1,30,000/- and executed the suit promissory note and also agreed to repay the said amount with interest @ 24% p.a.. In order to prove the initial burden, the plaintiff himself was examined as PW1 and he has produced the original suit promissory note and also the original settlement deed in favour of the 2nd defendant, which is alleged to have been given at the time of borrowal of the said amount of Rs.1,30,000/-

16. The learned counsel for the defendant would submit that the plaintiff and his friend Jaikumar have conducted an unauthorized chit of Rs.1,00,000./- and Rs.50,000/- and the defendant son Kesavan, who was working at Chennia use to send money to the defendant and paid the monthly subscription of the above said chit amounts. Further, the learned counsel for the defendant would submit that at the time of conducting chit fund by the plaintiff and his friend, they obtained

signature on the blank promissory note and the blank Govt. bonds and stamp papers as security. In order to prove the said fact that the plaintiff and his friend have obtained signature of the defendant on the blank promissory note and also blank Govt. bonds and also that they have conducted an unregistered chit of Rs.1,00,000/- and Rs.50,000/- in the plaintiff village, the defendants have produced Ex.B1 to B3. Therefore, the defendants have established that the plaintiff and his friend have obtained signature in blank promissory note and created, fabricated document and filed this vexatious suit.

17. On perusal of Ex.B1 to B3, it seems that monthly subscriber card stands in the name of Kesavan. There is no proof on the side of the defendant that the plaintiff and his friend were conducted monthly chit in the name of Sri Thulukanathamman Chit Company. Further, it is very interesting to see that Ex.B1 to B3 were not shown to the plaintiff at the time of cross examination by the defense counsel. The plaintiff has not admitted that he alone issued Ex.B1 to B3 to the son of the defendants herein. Apart from that, there is no pleading with respect to Ex.B1 to B3 in their written statement. Therefore, the contention of the learned counsel for the defendant that the plaintiff and his friend

were conducting unregistered monthly chit of Rs.1,00,000/- and Rs.50,000/- is not at all true and correct.

18. So far as the plaintiff is concerned, the plaintiff has specifically pleaded in his plaint that the defendants have borrowed a sum of Rs.1,30,000/- on 23.07.2024 and the defendants have executed suit promissory note in favour of the plaintiff and they agreed to repay the said amount with interest @ 24% p.a., To support his pleading, PW1 has categorically deposed about the borrowal and execution of suit promissory note in his favour by the defendants. The learned counsel for the defendants would submit that when the defendants have taken a stand that the suit promissory note was not supported by consideration, the plaintiff ought to have examined the attesting witness to prove that the suit promissory note was not supported by consideration. But, the plaintiff has failed to examine any one of the attesting witness to prove the above said fact. Considering the arguments of the learned counsel for the defendants that on perusal of Ex.A1 Original Suit promissory note, it seems that one Mohan, Rajabose, Kesavan and Velmurugan are the attesting witnesses to the suit promissory note Ex.A1 dated 23.07.2024. Admittedly, the attesting witness namely Mohan, Kesavan

and Velmurugan are the sons of the defendants. The said fact was admitted by DW1 during the course of cross examination. Further, the defendants have not chosen to examine their sons to disprove the case of the plaintiff. The learned trial Judge has observed that plaintiff has not taken steps to examine the sons of the defendant. Definitely, they would not support the case of the plaintiff. Admittedly, the another attesting witness namely Rajabose is no more and he had passed away. The said fact also admitted by DW1 during the course of cross examination. The learned trial Judge has observed that the plaintiff has not produced the death certificate of attesting witness Rajabose to show that he had passed away. When DW1 himself admitted that the attesting witness had passed away, questioning of producing the death certificate does not arise. The plaintiff was not in a position to examine anyone of the attesting witness, because, one of the attesting witness Rajabose had already passed away and three other witnesses are the sons of the defendants. Therefore, the evidence of PW1 is very important to decide the issue whether he has discharged the burden or not?

19. The plaintiff has produced the original suit promissory note Ex.A1 dated 23.07.2014. The defendant has denied the signature contained in Ex.A1. Apart from that, DW1 has denied the signature in Vakkalat and Written statement etc., The 1st defendant has denied his own signature in Ex.A4 also. The defendants have specifically pleaded in para no.5 of the written statement as follows :-

> 5. பிரதிவாதி மேலும் பணிந்து சமர்பிப்பது யாதெனில், ஏலச்சீட்டில் சேரும் சந்தாரர்களிடம் செக்யூரிட்டிக்காக அவர்களின் சொத்துப்பத்திரங்களையும், வெற்று கடனுறுதி சீட்டிலும் மற்றும் வெற்று அரசு பத்திரங்களிலும் கையொப்பங்கள் பெற்றுக்கொண்டும் ஏலச்சீட்டினை வாதியும் அவரது நண்பர் ஜெய்குமாரும் நடத்தி வந்தார்கள். ஏலச்சீட்டு முடிந்த பின்னர் ஏலச்சீட்டு நடத்திய வாதியும் அவரது மேற்படி நண்பரும் பிரதிவாதிகளுக்கு கொடுத்த பைசல் ரசீதிற்கு பிறகு இரண்டாம் பிரதிவாதியின் தம்பி சுதாகர் என்பவர் வாதியிடம் வாங்கிய கடனை பைசல் செய்யவில்லை என்ற காரணத்திற்காக இப்பிரதிவாதிகள் செக்யூரிட்டிக்காக கொடுத்த அசல் சொத்து பத்திரங்களை வைத்து, வெற்று அரசு பத்திரங்களில் பிரதிவாதிகள் கையெழுத்திட்டதை பயன்படுத்தி தாவா பாண்டினை தயார் செய்து இத்தாவாவினை பிரதிவாதிகள் பெயரில் வாதி தாக்கல் செய்துள்ளார். மேலும் வாதி வழக்கு போடுவதற்கு முன்பு இப்பிரதிவாதிகளுக்கு சட்ட அறிவிப்பு ஒன்று கொடுத்தார், அதற்கு இப்பிரதிவாதிகள் சார்பாக வழக்கறிஞர் மூலம் பதில் அறிவிப்பு கொடுத்துள்ளார்கள்.

20. So far as the defendants are concerned, they have admitted their signature contained in Ex.A1 suit promissory note dated 23.07.2014. During the course of cross examination, DW1 has denied the signature found in Ex.A1 and also signature found in Vakkalat and Written statement etc., The specific contention of the defendant is that the plaintiff and his friend have obtained signature on the blank promissory note and blank Govt. bonds. Though the defendant have admitted their signature in the suit promissory note in their written statement, at the time of deposing evidence, the 1st defendant has categorically denied his signature in the suit promissory note.. If a party deposes contrary to his own pleading, such evidence generally carries contra or little more value, such evidence cannot be looked into on a matter that is contrary to the pleading. It is settled law that no amount of evidence could be looked into in the absence of pleadings. When a party's oral evidence contradicts his own pleading, weaken his claim or defense. In the present case on hand, PW1 has categorically deposed about the borrowal of Rs.1,31,000/- and execution of suit promissory note. Apart from that the plaintiff has produced original settlement deed stands in the name of 2nd defendant. There is no

explanation on the side of defendants regarding the original settlement deed produced by the plaintiff. Therefore, considering original promissory note and the evidence of PW1, it is very clear that the plaintiff has discharged his initial burden about the borrowal of amount of Rs.1,30,000/- by the defendant and also execution of suit promissory note.

21. Now, the burden is shifted upon the defendant to disprove the case of the plaintiff as well as to prove their defense. As I already stated, the defendants have admitted their signature in the suit promissory note. Generally, if the defendant admit his signature in a promissory note, the legal presumption on consideration arises under section 118 of Negotiable Instruments Act. The Court will presume that the Promissory Note was executed for consideration. The burden shifts to the defendant to rebut the presumption. Mere denial of borrowing money is generally insufficient. The defendant himself to adduce probable evidence that no consideration was passed and the said suit promissory note was executed for some other purpose.

22. In order to prove the defendant's case, the 1st defendant was examined as DW1. DW1 has deposed in his chief examination that

"செக்யுரிட்டிக்காக கொடுத்த அசல் சொத்து பத்திரங்களை வைத்து வெற்று அரசு பத்திரங்களில் நாங்கள் கையெழுத்திட்டதை பயன்படுத்தி தாவா பாண்டை தயார் செய்து இத்தாவாவினை எங்கள் பெயரில் வாதி தாக்கல் செய்துள்ளார்.

Therefore, as I already stated that the defendants have admitted their signature in the suit promissory note, the burden is heavily upon them that the suit promissory note is not supported by consideration and also the said document was cerated by the plaintiff to file this vexatious suit. Though the defendant stated in his chief examination as above, during the course of cross examination, he has deposed quiet contra against his chief examination. Further, the defendants have admitted in their written statement that

2ம் பிரதிவாதியின் தம்பி சுதாகர் என்பவர் வாதியிடம் வாங்கிய கடனை பைசல் செய்யவில்லை என்ற காரணத்திற்காக இப்பிரதிவாதிகள் செக்யுரிட்டிக்காக கொடுத்த அசல் பத்திரங்களை வைத்து வெற்று அரசு பத்திரங்களில் பிரதிவாதிகள் கையெழுத்திட்டதை பயன்படுத்தி தாவா பாண்டினை தயார் செய்து இத்தாவாவினை பிரதிவாதிகள் பெயரில் வாதி தாக்கல் செய்துள்ளார்.

Though the defendants have stated in their written statement as above, they have not chosen to examine their 2nd son namely Sudhakar. Apart from that, the defendants have not made any attempt to examine his sons who are shown as attesting witnesses to Ex.A1 suit promissory note dated 23.07.2014.

23. The learned counsel for the defendants would submit that mere admission of signature on the promissory note is not sufficient to invoke presumption under section 118 of Negotiable Instruments Act. The plaintiff has to establish his case by examining one of the attesting witness to the suit promissory note or atleast scribe. To support his arguments, he relied upon the judgment of the Hon'ble Madras High Court reported in **2025(1) CTC Page 567,** in the case between **K.Selvaraj /v/ V. Thangavelu,** wherein it has been held as below.

> *Negotiable Instruments Act 1881 (26 of 1981) Section 118 – Presumptions under – Execution of alleged Promissory note denied by the defendant. Mere fact that Defendant admitted his signature on Promissory Note not sufficient to invoke presumption under Section 118 – Defendant established a prima facie case – Onus shifts on Plaintiff to prove execution of Promissory Note pursuant to passing of consideration – Plaintiff failed to establish his case, more so by failing to examine alleged*

Scribe cum Witness present during alleged transaction – When neither execution of Promissory note nor passing of consideration proved by Plaintiff, held, not liable for sum allegedly owned to Plaintiff under Promissory note"

24. Admittedly, the plaintiff has not examined the scribe with respect to borrowal of the amount of Rs.1,30,000/- and also execution of promissory note by the defendant. Admittedly, the scribe cannot be treated attesting witness. We cannot expect a scribe would depose about passing of consideration. So far as the facts contained in the judgment referred by the learned counsel for the defendant is not applicable to the facts of the present case in hand. Because, the defendants have made an attempt to examine his sons to disprove the case of the plaintiff. Further, they have not chosen to examine his 2nd son Sudhakar to disprove the case of the plaintiff and to prove the case of the defendant. The conduct of the 1st defendant that he totally denied his signature in the chief examination itself shows his true intention to escape from his liability. But, the trial court failed to consider the above legal aspects, admissions of the parties and held that the plaintiff is not entitled for the suit relief and finally dismissed the suit, which seems to be improper. The cumulative effect of the oral and

documentary evidence adduced by the plaintiff clearly establishes the borrowal of the suit amount and the execution of Ex.A1. The findings of the Trial Court to the contrary are the result of misappreciation of evidence and erroneous application of the settled principles governing the burden of proof under the Negotiable Instruments Act.

25. In the light of the foregoing discussion, this Court is of the considered view that the plaintiff has successfully established, by cogent oral and documentary evidence, that the defendants borrowed a sum of Rs.1,30,000/- and executed the suit promissory note dated 23.07.2014 in his favour for valid consideration. The plaintiff has discharged the initial burden cast upon him, thereby attracting the statutory presumption under Section 118(a) of the Negotiable Instruments Act. The defendants, on the other hand, have failed to rebut the said presumption by adducing any credible or probable evidence. Their defense is riddled with material contradictions, unsupported by pleadings and devoid of acceptable proof. The learned Trial Judge, instead of appreciating the evidence in its proper perspective, proceeded on surmises and conjectures, ignored material evidence on record and consequently arrived at an erroneous

conclusion resulting in miscarriage of justice and thus the points are answered in favour of the appellant.

26. Point No.5 :-

In view of the findings to the Points No.1 to 4, the judgment and decree of the Trial Court are liable to be set aside, and the appeal deserves to be allowed by decreeing the suit as prayed for, together with interest and costs throughout the proceedings i.e., both the suit and appeal and thus the Point No.5 is answered.

In the result,

(i) the Appeal Suit is allowed with costs.

(ii) The decree and judgment passed by the Subordinate Judge, Katpadi dated 30.04.2025 in O.S.No.491 of 2022 are hereby set aside

(iii) Consequently, the suit filed by the plaintiff is decreed as prayed for.

(iv) That the defendants are jointly and severally directed to pay the plaintiff a sum of Rs.2,23,426/- (Rupees Two Lakhs Twenty-

Three Thousand Four Hundred and Twenty-Six only), together with subsequent interest on the principal sum of Rs.1,30,000/- at the contractual rate of 24% per annum from the date of the suit till the date of decree and thereafter at 6% per annum from the date of decree till the date of realization.

(iv) That the appellant / plaintiff is entitled for litigation expenses of both the suit and appeal from the defendants.

-x-x-x

Dictated to the steno-typist, partly transcribed and computerized by him, partly typed by him directly, corrected and pronounced by me in the Open Court, on this day the 02nd day of July, 2026.

ELAVARASAN Digitally signed by ELAVARASAN Date: 2026.07.02 17:17:44 +0530

Principal District Judge
Vellore District

Annexure:- NIL

ELAVARASAN Digitally signed by ELAVARASAN Date: 2026.07.02 17:17:49 +0530

P D J
Vlr

To

The Subordinate Judge,
Katpadi.