**IN THE COURT OF ADMINISTRATIVE CIVIL JUDGE-CUM-CCJ-CUM-ADDITIONAL RENT CONTROLLER, WEST, TIS HAZARI COURTS, DELHI**

Presided over by- Sh. Anshul Mehta, DJS

In the matter of -

**Neeraj Kumar Kansra**
**S/o Lt. Sh. Sudershan Kumar**
**R/o 5/180, Sunder Vihar, Paschim**
**Vihar, New Delhi**

**......... Petitioner**

**VS.**

**Janak Malik S/o**
**Late Dasa Ram Malik**
**R/o Flat No. 90, LIG Flat,**
**Pkt-3, Paschim Puri, New Delhi**

**......... Respondent**

| | | | |
|---|---|---|---|
| 1. | Date of Institution | : | 12.09.2014 |
| 2. | Date of Reserving Order | : | 06.06.2026 |
| 3. | Date of Decision | : | 11.08.2026 |
| 4. | Decision | : | Suit dismissed |

**JUDGMENT**

1. It is the case of the plaintiff that defendants approached the plaintiff in January 2010 seeking financial help of ₹1,00,000. Further it is submitted that defendant No. 2 again approached the plaintiff in June 2010 for a loan of ₹2,00,000 for construction purposes, and the plaintiff arranged and paid ₹1,00,000 to Defendant No. 2 in July 2010. Thereafter, in the first week of October 2010, both defendants again approached the plaintiff seeking a further loan of ₹3,00,000 to clear their dues with the DDA, so that their property could be declared freehold, following which they intended to take a bank loan against the property and repay the entire amount. Relying on this assurance, the plaintiff arranged and paid ₹2,00,000 to the defendants in the first week of October 2010. Therefore, the case of the plaintiff is that he gave friendly loan to the defendant as follows:-

ANSHUL MEHTA Digitally signed by ANSHUL MEHTA Date: 2026.08.11 16:50:56 +0530

i) ₹1,00,000 in January 2010.
ii) ₹1,00,000 in July 2010.
iii) ₹2 lakhs in October 2010.

Further, it is submitted that the defendants thereafter kept delaying repayment. When the plaintiff finally approached them in August 2012, the defendants issued three post-dated cheques totalling ₹2,00,000, and also executed three promissory notes undertaking to repay a further ₹2,00,000, stating that they had no more cheques to give. The cheques issued by the defendants were subsequently dishonoured, and the plaintiff was constrained to file a complaints under Section 138 of the Negotiable Instruments Act. The defendants were convicted in the complaints u/s 138 of NI Act. During the pendency of the complaint, the defendants had also requested the plaintiff not to initiate proceedings on the promissory notes, citing their poor financial condition, and sought further time to pay the amount due under the promissory notes. Even after final settlement of the Section 138 proceedings, the defendants did not pay the amount due under the promissory notes, compelling the plaintiff to file the present suit under Order XXXVII CPC.

2. Leave to defend application filed by the defendant was conditionally allowed, subject to the defendants depositing ₹50,000 with the court. Upon compliance of the above condition, the WS was filed on behalf of the defendants.

3. As per the Written Statement, The defendants admitted taking a loan of ₹2,00,000 from the plaintiff, but stated that this loan was taken in March 2005, not later. As security for that loan, they had furnished the original documents of the house (standing in the name of Defendant No. 2), three undated cheques totaling to ₹2,00,000 and three promissory notes signed by both defendants for the same amount. They further stated that a loan agreement dated 9 March 2005 recorded handing over of all three cheques as well as of the property documents, though the plaintiff did not

mention the promissory notes in that agreement. The defendants claimed they paid the agreed interest and repaid the entire loan amount of Rs. 2,00,000/- within the period stipulated in the 9 March 2005 agreement, but the plaintiff, despite full repayment, did not return the cheques, property documents, or promissory notes, citing that the loan file could not be located, while assuring the defendants that he would return them once found. The defendants further alleged that, over time, the plaintiff's intentions turned mala fide, and that in order to extort money, the plaintiff misused the cheques by presenting them for encashment, resulting in dishonour. The defendants acknowledged that Defendant No. 2 was convicted in the Section 138 complaint, but contended this occurred because the plaintiff practised fraud on the court by manipulating the undated cheques originally given in 2005. On this basis, the defendants submitted that they had already discharged their liability under the loan agreement dated 9 March 2005, including interest, had paid additional amounts pursuant to the Section 138 complaint, and that nothing remained due under the promissory notes forming the basis of the present suit.

4. The only issue framed in the present suit was whether the plaintiff is entitled to recovery of ₹2,00,000 along with pendente lite and future interest at the rate of 24% per annum, as prayed for? OPP.

5. The plaintiff examined himself as the sole plaintiff witness, PW1. The defendants examined only Defendant No. 1, Janak Malik, as DW1; Defendant No. 2 could not be examined, as she expired before her evidence could be recorded.

6. Along with his evidence affidavit, PW1 relied upon the promissory notes (Exhibit PW1/1, colly), and on the order dated 29 October 2013 and the order on sentence dated 30 October 2013 in the complaint under

Section 138 of the NI Act against Defendant No. 2. The note-worthy deposition of PW1 in his examination are as follows:

I. Denied lending money on interest to various people, though he admitted having around 8–10 pending complaints under Section 138 of the NI Act against other persons.

II. Admitted he was not working at the time of his examination, having earlier worked as a manager at United Fashion Apparels.

III. Stated he did not remember whether any loan agreement was ever entered into between himself and the defendants, and specifically deposed that no agreement existed in respect of the present transaction.

IV. Specifically denied recollecting any loan agreement dated 9 March 2005 with Defendant No. 2, and denied being able to confirm his alleged signature on the document marked D1, stating he could not verify it as the document was only a photocopy.

V. Subsequently agreed that the cheque numbers mentioned in document D1 were the same cheques on the basis of which he had filed the Section 138 complaint.

VI. Did not recall whether the alleged loan was given in the presence of any witnesses, whether he went to the defendants or they came to him for the handing over of the cheques or execution of the promissory notes, or the exact time and place at which the cheques and promissory notes were handed over to him.

VII. Admitted he had not mentioned the ₹4,00,000 loan in the Section 138 complaint, explaining that it was not necessary to do so in a cheque-dishonour case.

VIII. Admitted there were no witnesses present when the promissory notes were handed over by the defendants to him, and that it was only after receiving the promissory notes that he, along with Defendant No. 1, approached witnesses to obtain their signatures on the notes.

IX. Deposed that he had been planning to start a car sale-and-purchase business with Defendant No. 1, who had assured him that if he extended the loan for construction of his house, he would arrange money from the said property, obtained as security from a tenant to start the business. He further stated that the loan was extended because the defendants had represented that they had three daughters to be married.

7. After the plaintiff's evidence concluded, Defendant No. 1 was examined as DW1. The relevant portions of his deposition were:

i. He denied the suggestion put by counsel for the plaintiff that the agreement marked D1 pertained to a separate loan taken by him and his wife from the plaintiff, and that the cheques issued by his wife related to a different loan taken by the couple in January and June 2010.

ii. He admitted that his wife had admitted her liability in the Section 138 complaint.

iii. He denied the suggestion that the witnesses to the promissory notes had not been manipulated by the plaintiff.

iv. He denied that he and his wife had approached the plaintiff for a loan of ₹2,00,000 at 24% per annum in August 2012, against which the promissory note in question was allegedly issued.

8. Before addressing this issue, it is necessary to notice the rival cases of the parties in some detail.

ANSHUL MEHTA Digitally signed by ANSHUL MEHTA Date: 2026.08.11 16:51:21 +0530

9. It is the case of the plaintiff that he extended friendly loans to the defendants as follows: (i) ₹1,00,000 in January 2010; (ii) ₹1,00,000 in July 2010; and (iii) ₹2,00,000 in October 2010 — amounting in total to ₹4,00,000. According to the plaintiff, towards repayment of the first two amounts totalling ₹2,00,000, the defendants issued three post-dated cheques, which were subsequently dishonoured, giving rise to a complaint under Section 138 of the Negotiable Instruments Act, 1881, which was ultimately settled. Towards repayment of the further sum of ₹2,00,000 advanced in October 2010, the defendants are alleged to have executed three promissory notes, which form the subject matter of the present suit.

10. As against this, it is the defence of the defendants that they never took the loan as alleged by the plaintiff, and that the only loan ever taken by them from the plaintiff was a sum of ₹2,00,000, taken in the year 2005, carrying interest, against which they furnished three cheques, three promissory notes, and the title documents of a property standing in the name of Defendant No. 2, by way of surety. It is their case that this loan, together with interest, was repaid in full, and that the very same three cheques — given as security in 2005 — were misused by the plaintiff to found the complaint under Section 138 of the NI Act. It is contended that nothing further is due from the defendants, and that the promissory notes forming the basis of the present suit are not supported by any independent, subsisting loan transaction.

11. On a consideration of the rival pleadings, the real controversy between the parties narrows down to a short question: **whether the total amount advanced by the plaintiff to the defendants was ₹4,00,000, as claimed by the plaintiff, or only ₹2,00,000, as claimed by the defendants** — the latter having admittedly already been the subject matter of, and accounted for in, the Section 138 complaint.

12. DW1 (Defendant No. 1), in his evidence, has admitted that in the complaint filed by the plaintiff under Section 138 of the NI Act, the defendants admitted their liability qua the three cheques in question. In view of this admission, the defence that the loan represented by those very cheques had already been repaid, with interest, prior to institution of the complaint, cannot be accepted, being contrary to the defendants' own conduct in admitting liability in the criminal proceedings and consequent conviction. To this limited extent, the defendants' case that the entire loan stood discharged before the Section 138 complaint was filed does not inspire confidence.

13. However, that by itself does not conclude the matter in favour of the plaintiff, for the following reasons.

14. **Existence and effect of the loan agreement (Ex. D1):** The defendants have relied upon a written loan agreement, marked D1, executed between the plaintiff and Defendant No. 2, whereunder the plaintiff is recorded to have advanced a sum of ₹2,00,000 to Defendant No. 2 at interest of 18% per annum, against which Defendant No. 2 agreed to mortgage his flat bearing No. [92], second and third floor, Pocket-3, Madipur, Delhi, together with three cheques bearing numbers 095701, 095702 and 095705. While the plaintiff has denied that this agreement relates to the transaction in suit, it is significant that in the cross-examination of DW1, learned counsel for the plaintiff himself suggested that the agreement marked D1 was executed between the parties, albeit for a "different" loan. This amounts to an admission by the plaintiff that a written loan agreement did, in fact, exist between the parties for some loan transaction. In these circumstances, the absence of any similar written agreement or any

ANSHUL MEHTA Digitally signed by ANSHUL MEHTA Date: 2026.08.11 16:51:33 +0530

explanation for its absence in respect of the loan in question does not inspire the confidence of this Court.

15. **Nature of the loan — "friendly" loan or interest-bearing loan:** The plaint proceeds on the footing that the loan advanced was a friendly loan. However, in the cross-examination of DW1, learned counsel for the plaintiff himself suggested that the loan in question carried interest at the rate of 24% per annum. This is difficult to reconcile with the plaintiff's own pleaded case of a "friendly" loan, and materially undermines the plaintiff's version of the transaction. Such an admission would also raise an issue as to whether the plaintiff has any registration for lending money on interest as per Punjab Registration of Money Lenders Act, 1938, which remains unanswered in the present suit.

16. **Contradiction as to the date of the transaction:** Learned counsel for the plaintiff, in cross-examination of DW1, suggested that the defendants approached the plaintiff for the said loan of ₹2,00,000 at 24% per annum in **August 2012**, against which the promissory notes in question were issued. This is in direct conflict with the plaint, according to which the defendants approached the plaintiff for the very same loan in the **first week of October 2010**. This is a material and unexplained contradiction going to the root of the plaintiff's case.

17. **Circumstances of attestation of the promissory notes:** With regard to the witnesses appearing on the promissory note, Exhibit PW1/1 (colly), the plaintiff has himself deposed that no witnesses were present at the time the promissory note was signed, and that the signatures of the witnesses were obtained thereafter, separately, at their respective houses, when the plaintiff, along with Defendant No. 1, carried the promissory notes to them. It is also significant that one of the attesting witnesses is the plaintiff's own

sister, and the other is a neighbour of the plaintiff, and that neither witness was examined by the plaintiff in the present proceedings. While attestation by witnesses is not a mandatory or statutory requirement for a valid promissory note, the plaintiff's own admitted conduct of procuring signatures of witnesses upon a document after execution, and not in the presence of the executants coupled with the failure to examine either witness, further diminishes the credibility and truthfulness of the plaintiff's case.

18. **Plaintiff's conduct and credibility:** The plaintiff has himself admitted to having 8 to 10 pending complaints under Section 138 of the NI Act against various other persons, while admittedly not being engaged in any employment at the relevant time. This lends credence to the apprehension that the plaintiff is engaged in the business of money-lending, a fact that has a bearing on the manner in which his transactions, and the documentation surrounding them, ought to be scrutinised.

19. **Omission of the ₹4,00,000 loan from the Section 138 complaint:** It is significant that the plaintiff did not mention the alleged total loan of ₹4,00,000 in the complaint filed under Section 138 of the NI Act. When confronted with this omission in cross-examination, the plaintiff's explanation was that it was unnecessary to do so, the complaint being filed only on the basis of dishonored cheques. Even if the explanation given by the plaintiff for not mentioning the total loan amount of Rs. 4 lacs in the complaint u/s 138 of the NI Act is accepted, then the same shall also be applicable to the present plaint. The present suit is also founded on three promissory notes executed for the separate loan of ₹2,00,000 advanced in October 2010, there was equally no occasion to mention the overall figure of ₹4,00,000, in the present plaint. The plaintiff's choice to omit the

₹4,00,000 figure from the criminal complaint, while asserting it in the present civil suit, further weakens his case.

20. **Multiplicity of promissory notes:** According to the plaintiff, for the singular loan of ₹2,00,000 advanced in October 2010, three separate promissory notes were executed, rather than a single cheque or note for the full amount, on the ground that the defendants stated they had no further cheques available. This explanation is unconvincing. While the issuance of three cheques of different dates for repayment of a single loan may be understood as a mechanism to align repayment with anticipated availability of funds on different dates, no such rationale exists for splitting a single loan of ₹2,00,000 into three separate promissory notes. The plaintiff has offered no cogent explanation as to why a single promissory note for the entire amount was not obtained.

21. **Inconsistency in the purpose of the loan:** Finally, the plaintiff has given shifting and inconsistent versions regarding the very purpose for which the loan of ₹2,00,000 was advanced in October 2010. As per the plaint, the loan was sought so that the defendants could clear their dues with the DDA and have their property declared freehold, following which they would obtain a bank loan against the property to repay the plaintiff. In his evidence, however, the plaintiff deposed that the loan was extended to enable Defendant No. 1 to construct his house, after which Defendant No. 1 would obtain security against the constructed house and use it to start a business of sale and purchase of cars in partnership with the plaintiff. Yet again, it has also been stated that the loan was sought for the marriage of the defendants' daughters. These are materially different and mutually inconsistent explanations for the same transaction, going to the very root of the plaintiff's credibility.

22. **Conclusion:** Having regard to the cumulative effect of the admissions extracted in cross-examination, the material contradictions between the pleaded case and the evidence led, the absence of any written loan agreement for the transaction in suit despite the admitted practice of the parties to reduce loans to writing, the unexplained circumstances surrounding attestation of the promissory notes, the plaintiff's failure to disclose the alleged ₹4,00,000 loan in the Section 138 complaint, the lack of any rational explanation for splitting a single loan into three promissory notes, and the shifting versions regarding the very purpose of the loan, this Court finds that the plaintiff has failed to prove, on a preponderance of probabilities, that any loan of ₹2,00,000 — over and above the ₹2,00,000 already the subject matter of the Section 138 complaint — was in fact advanced to the defendants in October 2010.

23. The issue is accordingly decided **against the plaintiff and in favour of the defendants**.

24. In view of the above findings, the suit filed by the plaintiff is **dismissed**. Parties are left to bear their own costs.

ANSHUL MEHTA

Digitally signed by ANSHUL MEHTA
Date: 2026.08.11 16:51:58 +0530

*Announced in Open Court.*

**(ANSHUL MEHTA)**
**ACJ/CCJ/ARC(WEST)**
**TIS HAZARI COURTS**
**DELHI/ 11.08.2026**

*This judgment contains 11 signed pages.*