IN THE COURT OF THE SUBORDINATE JUDGE, SATHYAMANGALAM.

PRESENT: Tmt.K.S.Shabeena, M.L.,
Subordinate Judge, Sathyamangalam.

Monday, the 15th day of June 2026
(2057 Thiruvalluvarandu Parabhava varudam Aani Thingal 01st day)

O.S.No.145 of 2022
CNR No.TNED 050003402022

K.A.Mahendran @ Nanjappan
... Plaintiff

/Vs/

1. Palanisamy
2. P.Shanthi … Defendants

This suit came up for final hearing before me on 15.06.2026 in the presence of Thiru.K.Senthilkumar, Advocate for the Plaintiff and Thiru.P.V.Rathinasabaapathi, Advocate for the defendants and upon perusing the records, hearing the arguments of both side having stood over for consideration till this day, this Court delivered the following.…

Judgment

The plaintiff filed the present suit seeking the sale deed dated 12.10.2015, Doc.No.5933/2015 is sham, nominal, null and void and not binding upon him and costs of the suit.

1. The Brief facts of the Plaint as stated by the Plaintiff:

1. The plaintiff contends that the suit property originally belonged to his father, who had purchased the same under registered sale deeds dated 10.06.1980 and 21.09.1981. After the death of his father on 11.07.2004, the plaintiff, his mother and sisters succeeded to the property. Subsequently, the plaintiff's mother and sisters executed a registered release deed dated 18.08.2006 relinquishing their rights in favour of the plaintiff, thereby making him the absolute owner of the suit property.

2. According to the plaintiff, he has been residing in the suit property along with his family and has been running a lathe workshop therein. For the purpose of expanding his business, he approached the defendants seeking a loan of Rs.5,00,000/-. The defendants allegedly insisted that the plaintiff should either execute a mortgage deed or a sale agreement as security for the loan. Believing the representations made by the defendants and being in urgent need of funds, the plaintiff agreed to execute documents as security.

3. The plaintiff alleges that on 12.10.2015, without disclosing the true nature of the document and by practising fraud, the defendants obtained a registered sale deed in favour of the 1st defendant instead of a security document. It is his specific case that he never intended to alienate the property and that he continued in uninterrupted possession and enjoyment of the same. He further claims that he paid monthly interest of Rs.20,000/- on the loan amount till the year 2018.

4. The plaintiff states that only when he attempted to pay house tax in the year 2018 did he come to know that the property had been transferred in the name of the 1st defendant. He thereafter submitted a complaint before the District Collector on 04.12.2018 alleging exorbitant interest demands and fraudulent conduct on the part of the defendants.

5. The plaintiff further states that the 1st defendant thereafter instituted O.S. No.241 of 2018 seeking declaration of title and recovery of possession. During the pendency of the said proceedings, the plaintiff obtained an encumbrance certificate on 29.01.2021 and came to know that he had earlier executed a sale agreement dated 10.04.2014 in favour of the 2nd defendant and that the same had been cancelled on 12.10.2015, the very date on which the impugned sale deed was executed in favour of the 1st defendant. According to the plaintiff, these circumstances clearly establish that the defendants had advanced a loan and had obtained documents only as security. Hence, the plaintiff seeks a declaration that the sale deed dated 12.10.2015 is sham, nominal, null and void and not binding upon him. Hence this suit.

2. The brief facts of the Written Statement filed by the 1st defendant and adopted by the 2nd defendant:

1. The defendants deny all allegations of fraud, misrepresentation and loan transaction. While admitting the plaintiff's title through his father and the release deed executed by his mother and sisters, the defendants contend that the plaintiff

voluntarily and knowingly sold the suit property to the 1st defendant under a registered sale deed dated 12.10.2015.

2. The defendants specifically deny that the plaintiff borrowed Rs.5,00,000/- from them or that the sale deed was intended as security for a loan. They further deny that any monthly interest was paid by the plaintiff. According to them, the plaintiff deliberately lodged a false complaint before the District Collector and subsequently invented a story of fraud only to avoid the consequences of the registered sale deed.

3. The defendants admit the existence of the earlier sale agreement dated 10.04.2014 executed in favour of the second defendant and its cancellation on 12.10.2015. However, they contend that the cancellation took place because the parties decided that the property should ultimately be purchased in the name of the first defendant. The defendants maintain that the sale deed was executed for valuable consideration and that the plaintiff consciously conveyed title to the 1st defendant.

4. The defendants further contend that the plaintiff has already raised similar defences in O.S.No.241 of 2018 and that the present suit is a belated and vexatious attempt to nullify a valid sale transaction. They also plead limitation and absence of cause of action and seek dismissal of the suit with costs.

3. <u>Issues framed under Order XIV Rule 1 of the CPC by the learned predecessor:</u>

1. Whether the plaintiff is entitled to the relief of declaration as prayed for?
2. To what other reliefs is the plaintiff entitled?

4. Evidences and Documents:

1. On the side of the Plaintiff, the plaintiff was examined as PW.1 and Ex.A1 to Ex.A35 were marked through him and one Tmt.Indhira was examined as PW2 and one Thiru.Rajkumar was examined as PW3 and no documents have been marked.

2. On the side of the Defendant, the 1st defendant was examined as DW.1 and no documents have been marked and thereby the evidence in both side closed.

5. Evidences of Witnesses:

5.1. PW1 reiterated the plaint averments and deposed that he had approached the defendants only for obtaining a loan of Rs.5,00,000/-. He stated that he never intended to sell the property and that he believed the document executed before the Sub-Registrar's Office was only a security document. He further deposed that he remained in possession of the suit property throughout and continued to pay electricity charges and other charges relating to the property. He admitted in cross-examination that he had executed the registered sale deed and handed over the original title deeds. He also admitted that he had not repaid the alleged loan amount till date and had not produced any receipt evidencing payment of interest.

5.2. PW2, the wife of the plaintiff, supported the plaintiff's case. She deposed that the plaintiff had borrowed money from the defendants and that they intended only to create security for the loan. She admitted that she had signed as an attesting witness in the registered sale deed. She further admitted that she did not read the contents of the document before signing it. She also admitted that no amount had been deposited in Court towards repayment of the alleged loan.

5.3. PW3 claimed knowledge regarding the transaction and stated that the plaintiff had borrowed money and had executed only a security arrangement. However, he admitted that he had not read the alleged mortgage document and did not know many particulars relating to the transaction. His evidence was mainly directed towards supporting the plaintiff's theory that the transaction was intended only as security for a loan.

5.4. DW1 deposed that the plaintiff voluntarily executed the sale deed in favour of the first defendant after receiving sale consideration. He denied lending money on interest or practising any fraud. He admitted that a sale agreement had earlier been executed in favour of the second defendant and was subsequently cancelled on the same day when the sale deed was executed in favour of the first defendant. DW1 maintained that the transaction was a genuine sale and asserted that possession had also been delivered, though he admitted that the plaintiff is presently occupying the property.

6. Discussion and Findings:-

Having meticulously scrutinized the averments in the plaint and written statement, along with the oral testimonies and the documentary evidence marked on either side, this Court proceeds to consider the issues framed as follows:

7. Issue No.1: Whether the Plaintiff is entitled to the relief of declaration as prayed for?

7.1. Both side Heard. This Court had cautiously scrutinized the Plaint, Written statement, and the documents marked before this court.

7.2. The suit has been filed by the plaintiff seeking a declaration that the registered sale deed dated 12.10.2015 executed in favour of the first defendant is sham and nominal, null and void and not binding upon him. The foundation of the plaintiff's case is that he never intended to sell the suit property and that the document came into existence only in connection with a loan transaction of Rs.5,00,000/-. The defendants, on the other hand, contend that the sale deed is a genuine transaction supported by consideration and voluntarily executed by the plaintiff.

7.3. At the outset, it is not in dispute that the suit property originally belonged to the plaintiff's father under Ex.A1 and Ex.A2 sale deeds. It is also not in dispute that after the death of the plaintiff's father, the plaintiff's mother and sisters executed Ex.A3 release deed in favour of the plaintiff. Therefore, the title of the plaintiff over the suit property prior to 12.10.2015 stands admitted by the defendants themselves. Thus, the controversy before this Court is not regarding the original title of the plaintiff but only regarding the legal effect and validity of Ex.A6 sale deed dated 12.10.2015.

7.4. The plaintiff would contend that he was in urgent need of money for expansion of his lathe workshop business and therefore approached the defendants for a loan. According to him, the defendants insisted upon execution of documents relating to the suit property as security for the loan. The plaintiff would further state that believing the representations made by the defendants, he accompanied them to the Sub Registrar Office where the defendants, by suppressing the true nature of the transaction, fraudulently obtained a registered sale deed instead of a mortgage or security document.

7.5. Since the plaintiff seeks to avoid a registered sale deed on the ground of fraud and misrepresentation, the burden of proof squarely lies upon him. It is a settled principle of law that every registered document carries a presumption of validity. A registered sale deed is a solemn document executed before a statutory authority. Therefore, a person seeking to invalidate such a document must establish fraud, coercion, undue influence or misrepresentation by clear, convincing and cogent evidence.

7.6. Under Sections 91 and 92 of the Indian Evidence Act, once the terms of a transaction have been incorporated into a written document, oral evidence contrary to the terms of such document cannot ordinarily be accepted unless the case falls within recognised exceptions such as fraud or mistake. Therefore, mere oral allegations are not sufficient. The plaintiff must place before the Court convincing evidence demonstrating that the document does not reflect the true intention of the parties.

7.7. In the present case, PW1 has admitted in unequivocal terms that he signed the document before the Sub Registrar. He has further admitted that he handed over the original title deeds relating to the suit property. During cross-examination, PW1 admitted that the original title deeds were delivered to the defendants at the time of the transaction. Such conduct assumes significance because ordinarily original title deeds are handed over to a purchaser upon completion of a sale transaction. Though it is true that title deeds may also be deposited in certain mortgage transactions, no document evidencing any mortgage arrangement has been produced before this Court.

7.8. The plaintiff has taken a specific stand that he borrowed only Rs.5,00,000/- and paid monthly interest of Rs.20,000/- till the year 2018. However, no receipt whatsoever has been produced to substantiate payment of such interest. PW1 himself admits that he did not obtain any receipt for payment of interest. It is difficult to accept that a person who claims to have paid substantial monthly interest for several years would not possess even a single receipt or documentary record. No independent witness has been examined to prove such payment. No account book, bank statement or financial record has been produced to support the alleged loan transaction.

7.9. Further, PW1 admits that even as on the date of his evidence he had not repaid the alleged principal amount of Rs.5,00,000/-. He also admits that he has not deposited any amount before the Court. PW2 similarly admits that neither in the present suit nor in the earlier proceedings was any amount deposited towards repayment of the alleged loan. Such conduct becomes relevant because a person genuinely claiming that his property was taken as security for a loan would ordinarily seek redemption by tendering repayment. The complete absence of such conduct weakens the plaintiff's version considerably.

7.10. The plaintiff has placed considerable reliance upon Ex.A4 sale agreement executed in favour of the second defendant and Ex.A5 cancellation deed. According to him, these documents establish that the defendants were dealing with the property only as security for money advanced. The Court has carefully considered this contention.

7.11. Ex.A4 reveals that the plaintiff had entered into a sale agreement with the second defendant. Ex.A5 reveals that the said agreement was cancelled on the very date on which Ex.A6 sale deed was executed in favour of the first defendant. The timing of these transactions certainly raises suspicion and creates circumstances requiring explanation from the defendants. However, suspicion however strong cannot take the place of proof. The defendants have explained through DW1 that the agreement in favour of the second defendant was cancelled because the property was ultimately purchased in the name of the first defendant. Such explanation may not be wholly satisfactory, but the burden nevertheless remains upon the plaintiff to prove fraud.

7.12. The Court cannot overlook the fact that no criminal proceedings were initiated by the plaintiff against the defendants alleging cheating or forgery. Though the plaintiff claims to have submitted a complaint before the District Collector, no final order passed on such complaint has been produced. PW1 admits that no enquiry was ultimately conducted. The complaint by itself does not establish fraud.

7.13. The evidence relating to possession assumes considerable importance. Exs.A9 to A31 comprise electricity bills, house tax receipts, gas connection records and other documents standing in the name of the plaintiff and his family. These documents clearly demonstrate that the plaintiff and his family have been continuously residing in the suit property. Ex.A16 to Ex.A18 further indicate that the plaintiff's residential and family records continue to relate to the suit property. Therefore, the Court is satisfied that the plaintiff has established continuous physical occupation of the property.

7.14. However, the crucial question is whether such possession is sufficient to invalidate the registered sale deed. The answer must necessarily be in the negative. Mere possession does not determine title. Even after execution of a sale deed, the vendor may continue to occupy the property under various arrangements. Therefore, continued possession alone cannot establish that the sale deed is sham or nominal.

7.15. PW2, who is the wife of the plaintiff, has supported the plaintiff's case. However, her evidence is not free from difficulty. During cross-examination, she admits that she signed as an attesting witness in Ex.A6 sale deed. She further admits that she did not read the document before signing it. Significantly, she admits that the original title deeds are presently in the custody of the first defendant. Her evidence therefore confirms execution of the sale deed and delivery of original title documents.

7.16. The Court is also unable to place substantial reliance upon the evidence of PW3. PW3 claims that the plaintiff had executed only a mortgage arrangement.

However, during cross-examination, he admits that he had not read the document. He is unable to state important particulars regarding the alleged transaction. His evidence is therefore largely based upon assumptions rather than personal knowledge. Consequently, his testimony does not materially strengthen the plaintiff's case.

7.17. Coming to the evidence of DW1, though the defendants have not produced any documentary evidence, DW1 has consistently maintained that the transaction was a genuine sale. He has admitted the earlier sale agreement and its cancellation. He has further stated that the property was purchased in his name after cancellation of the agreement standing in the name of his wife. Though certain answers given by DW1 reveal lack of knowledge regarding particulars of the documents, such deficiencies by themselves cannot prove the plaintiff's allegations of fraud.

7.18. Another important circumstance is the pendency of O.S.No.241 of 2018 instituted by the first defendant. Ex.A19 to Ex.A26 reveal that the dispute regarding title and possession had already arisen between the parties. The plaintiff admittedly raised substantially similar contentions in that litigation. The present suit appears to have been instituted only after the plaintiff became aware of the encumbrance entries relating to the earlier agreement and cancellation deed. This circumstance does not by itself establish fraud.

7.19. It is a settled principle that a registered sale deed cannot be set aside merely because the executant later claims that he did not understand the contents of the document. Every person signing a registered instrument is presumed to know its contents unless exceptional circumstances are established. In the present case, the plaintiff is admittedly educated up to tenth standard. PW2 is also educated up to tenth standard. Both of them signed the document before the Sub Registrar. No evidence has been produced to establish that they were prevented from reading the document or that the registering authority failed to follow statutory procedure.

7.20. The Court is therefore of the considered view that although the plaintiff has succeeded in proving his continued possession over the suit property, he has failed to prove that Ex.A6 sale deed was obtained by fraud, coercion or misrepresentation. He has also failed to prove that the document was intended merely as security for a loan transaction. The evidence available on record falls short of the degree of proof required for declaring a registered sale deed as sham, nominal and void.

8. Conclusion:

Accordingly, this Court holds that the plaintiff has failed to discharge the burden cast upon him and is therefore not entitled to the declaration sought. The plaintiff is not entitled to the relief of declaration declaring the sale deed dated 12.10.2015 as sham, nominal, null and void and not binding upon him. Hence, Issue No.1 is answered against the plaintiff.

9. Issue No.2: To what other reliefs is the plaintiff entitled?

9.1. The reliefs sought in the suit are entirely consequential to the declaration prayed for by the plaintiff. Once the principal relief of declaration fails, no consequential or ancillary relief can survive independently.

9.2. The plaintiff has not established any independent legal right warranting grant of further relief. The documentary evidence merely establishes his occupation of the property but does not establish invalidity of the registered sale deed. Consequently, no further relief can be granted. Hence the plaintiff is not entitled to any other relief.

10. Result:

1. **In the result,** the suit is dismissed.
2. In the circumstances of the case, there shall be no order as to costs.

Dictated by me to the Steno typist, typed by her in the Computer directly, corrected and pronounced by me in open court on this the 15th day of June 2026.

K S SHABEENA
Digitally signed by K S SHABEENA
Date: 2026.07.04 11:56:18 +0530

Subordinate Judge,
Sathyamangalam.

List of witnesses

Plaintiff side:

PW-1	Thiru. Nanjappan @ Mahendran	(Plaintiff)
PW-2	Tmt.Indhira	
PW-3	Thiru.Rajkumar	

Defendants side:-

DW-1	Thiru.Palanisamy	(1st Defendant)

List of documents

Plaintiff side:

S.No.	Date	Particulars	Nature
Ex.A1	10.06.1980	Sale Deed (Doc.No.1111/1980)	Certified Copy
Ex.A2	21.09.1981	Sale Deed (Doc.No.2160/1981)	Certified Copy
Ex.A3	18.08.2006	Share release deed (Doc.No.3235/2006)	Certified Copy
Ex.A4	10.04.2014	Sale Agreement deed (Doc.No.2160/1981)	Certified Copy
Ex.A5	12.10.2015	Sale Agreement Cancellation deed (Doc.No.5932/2015)	Certified Copy
Ex.A6	12.10.2015	Sale Agreement deed (Doc.No.5933/2015)	Certified Copy
Ex.A7	29.01.2021	Encumbrance Certificate	Online Copy
Ex.A8	04.12.2018	News paper publication (Thinathanthi)	Original
Ex.A9	-----	Electricity Bills (Nos.8) name of Arumugam	Original
Ex.A10	-----	Electricity Bills (Nos.8) name of plaintiff	Original
Ex.A11	-----	Electricity Bills (Nos.7) name of plaintiff	Original
Ex.A12	-----	Electricity Bills (Nos.4) name of plaintiff	Original
Ex.A13	-----	Electricity Bills (Nos.5) name of plaintiff	Original
Ex.A14	-----	Electricity Bills (Nos.3) name of Arumugam	Original
Ex.A15	08.04.2017	House Tax receipt	Original
Ex.A16	21.02.2017	Gas connection Book name of Plaintiff	Xerox
Ex.A17	-----	Gas connection receipts (Nos.7)	Original
Ex.A18	-----	Family Card	Xerox
Ex.A19	10.12.2018	O.S.241/2018 plaint	Xerox
Ex.A20	-----	O.S.241/2018 Written Statement and additional Written Statement	Xerox
Ex.A21	04.02.2020	O.S.241/2018 PW1 deposition	Xerox
Ex.A22	17.02.2020	O.S.241/2018 PW2 deposition	Xerox
Ex.A23	25.02.2020	O.S.241/2018 DW1 deposition	Xerox
Ex.A24	16.03.2020	O.S.241/2018 DW2 deposition	Xerox
Ex.A25	28.06.2022	O.S.241/2018 DW4 deposition	Xerox
Ex.A26	28.06.2022	O.S.241/2018 DW5 deposition	Xerox
Ex.A27	16.12.2022	Consumer Ledger Particulars	Online Copy

Ex.A28	16.12.2022	Consumer Ledger Particulars	Online Copy
Ex.A29	16.12.2022	Consumer Ledger Particulars	Online Copy
Ex.A30	-----	Electricity Bills (Nos.21) name of plaintiff and Arumugam	Original
Ex.A31	07.02.2017	Change of Patta order in Patta No.296	Certified Copy
Ex.A32	11.02.2017	‘A’ Register in Patta No.296	Certified Copy
Ex.A33	-----	Aadhar card of the plaintiff	Xerox
Ex.A34	----	Aadhar card of Plaintiff’s elder son	Xerox
Ex.A35	----	Aadhar card of Plaintiff’s younger son	Xerox

<u>Defendant side:-</u> **-Nil-**

K S SHABEENA

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Subordinate Judge,
Sathyamangalam.