IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 21.11.2025

CORAM :

THE HONOURABLE MR.JUSTICE P.DHANABAL

C.S. No.92 of 2020

K.A.S. Prabu S/o. K.A.S. Ramdoss … Plaintiff

vs.

1. T. Nalini W/o. D. Thennarasu
2. M/s. Piramal Finance Limited
formerly known as
M/s. Dewan Housing Finance Corporation Ltd., (DHFL),
represented by its Manager,
Kodambakkam Branch.
[2nd defendant's name amended as per the order
dated 18.09.2025 in A. No.4654 of 2025] ... Defendants

PRAYER: The Suit is filed under Order IV Rule I of Original Side Rules read with Order VII Rule 1 of Civil Procedure Code praying for judgment and decree against the defendants:

1. directing the defendants to repay the earnest money received on the basis of agreement dated 20.06.2019 to the Plaintiff a sum of Rs.1,34,23,150/- towards the principal amount as on 22.01.2020 together with interest at the rate of 12% p.a. on principal Rs.1,25,45,000/- from the date of Plaint till the date of realization; and

2. for costs.

For Plaintiffs : Mr. M. Kannan

For Defendants : Mr. M.G. Ramanathan
[for D1 – set exparte]

Mr. T.K.M. Sai Krishnan [for D2]

JUDGMENT

This Suit has been filed by the Plaintiff for the relieves of directing the defendants to repay the earnest money received on the basis of agreement dated 20.06.2019 to the Plaintiff a sum of Rs.1,34,23,150/- towards the principal amount as on 22.01.2020 together with interest at the rate of 12% p.a. on principal Rs.1,25,45,000/- from the date of Plaint till the date of realization; and for costs.

2. **The brief averments of the Plaint are as follows:-**

The Plaintiff, during the month of May 2019, searched for a property to purchase. While so, the 1st defendant approached the Plaintiff that the Suit property had been mortgaged with the 2nd defendant financial institution and immediately the Plaintiff contacted the 2nd defendant and clarified the issue, where both of them stated that except the mortgage with the 2nd defendant, there is no other encumbrances over the said property. Believing their words, the Plaintiff and the 1st defendant entered into an agreement for sale dated 03.06.2019, subsequently reduced into writing on fresh terms and conditions by an agreement for Sale dated 20.06.2019 for the sale consideration of Rs.1,83,00,000/-. Thereafter, the Plaintiff cleared the loan with the 2nd defendant and the same has to be treated as advance amount of the agreement dated 20.06.2019 and the Plaintiff has settled the loan amount for a sum of Rs.1,07,50,000/- to M/s. Dewan Housing Finance Ltd., Kodambakkam Branch on the direction of the 1st defendant. After payment of the above said loan, the 2nd defendant has handed over all the original documents to the Plaintiff in the presence of the 1st defendant and her husband Mr. D. Thennarasu. The 2nd defendant also executed the receipt in favour of the 1st defendant on 30.07.2019 and the 1st defendant handed over the possession of the Suit premises to the Plaintiff. While so, when the Plaintiff has prepared to get registered the Sale Deed and got an Encumbrance Certificate, he came to know that the Income Tax Department has provisionally attached the above said property for the tax dues of the 1st defendant, who is the partner of M/s. Techno Rubber Plastic and Co., and the same was registered in the office of the Sub-Registrar, Ashok Nagar on 18.07.2019. When the Plaintiff enquired about the Income Tax attachment, both the defendants have evasively replied that they cannot do anything. The defendants were very well aware of the Income Tax issue and proceedings, in order to cheat the Plaintiff both the defendants colluded with each other and grabbed totally a sum of Rs.1,25,45,000/- from the Plaintiff under the guise of selling the property. The Plaintiff is entitled to refund of advance money with interest and both the defendants are jointly and severally liable to pay the amount along with accrued interest. Hence he issued legal notices to both the defendants on 26.12.2019 called upon the defendants to pay the amount with interest. After receipt of notice, the defendants neither paid the dues nor sent any reply. The Plaintiff is entitled to interest at the rate of 12% p.a. for the amount of Rs.1,25,45,000/- from July 2019. Therefore, the Plaintiff filed the Suit.

3. The 1st defendant has not appeared before this Court and filed any written statement.

4. **Brief averments of the Written Statement filed by the 2nd defendant are as follows:-**

The 2nd defendant namely M/s. Dewan Housing Finance Corporation Ltd., (DHFL) is now known as M/s. Piramal Capital and Housing Limited and the 2nd defendant denied all the averments made in the Plaint save those that are specifically admitted hereunder. Erstwhile Dewan Housing Finance Corporation Limited had undergone a Corporate Insolvency and Resolution Process (CIRP) since 29.11.2020 and have been resolved by the Committee of Creditors for a Resolution which was accepted by the NCLT vide order dated 07.06.2021. As per the order, the company is acquired under CIRP by M/s. Piramal Capital and Housing Limited. The Resolution partner has de-merged their company with DHFL and the name of DHFL is now changed as Piramal Capital and Housing Finance Limited and the same was accepted by the Registrar of Companies through an order dated 03.11.2021. The Plaintiff does not have any privity of contract with the 2nd defendant at any given point of time. In such event, the 2nd defendant ought not have been made as a 2nd defendant in the present Plaint filed by the Plaintiff and the 2nd defendant is not even a necessary party. The Plaintiff had never met the 2nd defendant and the Plaintiff has not produced any evidence to establish that the 2nd defendant had any role to play in the transaction which happened between the Plaintiff and the 1st defendant. Even as per the Plaint, all the payments made by the Plaintiff to the 1st defendant and nothing to do with the 2nd defendant. There is no privity of contract between the Plaintiff and the 2nd defendant or a tripartite between the parties of this Plaint. When a loan account is closed by the mortgagor / borrower, it is the bounden duty of the financial company to handover the original title documents to the mortgagor / borrower. In the present case, when the 1st defendant paid the outstanding amount towards the said loan account to the satisfaction of the 2nd defendant, the original documents were handed over to the 1st defendant. The 3rd party would always check the Encumbrance certificate and other title documents, even before parting with the advance amount. But the Plaintiff failed to do the above exercise before purchase of the property. Therefore, the 1st defendant and the Plaintiff have conspired together and designed a plan to escape from the liability fixed by the Income Tax Department and now trying to rope the 2nd defendant as a party to this Plaint. Therefore, the Suit is liable to be dismissed.

5. Based on the above pleadings, after hearing both sides and after perusing the entire records, this Court has framed the following issues on 31.03.2023:

1. Whether the plaintiff is entitled to recovery of earnest money received on the basis

of agreement dated 20.06.2019 to the plaintiff a sum of Rs.1,34,23,150/- towards the principal amount as on 22.01.2020 together with interest at the rate of 12% P.A on principal Rs.1,25,45,000/- from the defendants?

2. As the defendants given an assurance that except mortgage with the 2nd defendant, there is no other encumbrances in the suit property, by believing and on the basis of the assurance the plaintiff settled the 1st defendant's loan amount to the 2nd defendant. Hence, the plaintiff's claim on both the defendants is sustain?

6. In order to prove the case of the Plaintiff, on the side of the Plaintiff, he was examined as PW1 and marked Ex.P.1 to Ex.P.26. On the side of defendants, DW1 was examined and marked Ex.D1 and Ex.D2.

7. The learned counsel appearing for the Plaintiff would submit that

the Plaintiff is the Proprietor of RP Builders doing construction work and during the month of May 2019, he searched for a property and the 1st defendant represented that she is the owner of the Suit property and she mortgaged the property with the 2nd defendant M/s. Dewan Housing Finance Corporation Ltd., (DHFL). The Plaintiff also contacted the 2nd defendant and clarified the issue. At that time, the 1st defendant and the Manager of the Dewan Housing Finance Corporation Ltd., represented that except the said encumbrance, there are no any other encumbrance over the property. Believing their words, the Plaintiff entered into an agreement with the Plaintiff for sale and fixed the sale price as Rs.1,83,00,000/- and an agreement was executed between the parties on 20.06.2019. The Plaintiff cleared the mortgage loan obtained by the 1st defendant and paid a sum of Rs.1,07,50,000/- to the 2nd defendant. Thereafter, the 2nd defendant also executed a receipt in favour of the 1st defendant on 30.07.2019. Thereafter, the Plaintiff came to know that the property was attached by the Income Tax department through an order dated 10.08.2019 for the tax dues payable by the 1st defendant, who is the partner of M/s. Techno Rubber Plastic and Co., The income tax dues have been suppressed by the 1 and 2 defendants. Both the parties are very well aware of the income tax dues and the proceedings. Therefore, they misrepresented the Plaintiff and cheated a sum of Rs.1,83,00,000/-. Therefore, the Plaintiff filed the Suit against the defendants for recovery of advance money to the tune of Rs.1,25,45,000/- along with interest at 12% p.a. from July 2019.

7.1. In order to prove the case of the Plaintiff, PW1 and PW2 were examined and they categorically deposed about the agreement between the Plaintiff and the 1st defendant and the defendants 1 and 2 have assured that except the mortgage, there are no any other encumbrance over the property. Thereby, the defendants are liable to pay the amount. In the meantime, during the pendency of the Suit, the 1st defendant contacted the Plaintiff in the month of April 2021 and represented that income tax department's attachment is valid only upto 6 months and it has been extended for one time for another 6 months in the Index and got expired in the month of June 2020 and thereafter, the attachment has not been extended. Therefore, based on the above said representation, the Plaintiff along with the 1st defendant verified with Registrar Office of Ashok Nagar. Believing the words of the 1st defendant, the Plaintiff registered a Sale Deed on 22.04.2021 and also he mortgaged the Suit property in favour of his creditor Mrs. Umadevi and registered the said document. On the basis of the assurance given by the 1st defendant, he has accepted for registration and further, the 1st defendant promised that there are no charges over the property and she settled everything with the Income Tax office. But again, the Plaintiff came to know vide a Summon dated 07.07.2021, the Income Tax department extended the attachment for further periods and also he received notice from the District Registrar (Admn.), Central Madras and he also appeared for enquiry in respect of the attachment made by the Income Tax department. Thereafter, the District Registrar passed an order dated 29.07.2021 directing the Sub Registrar that the Suit property has been attached by the Income Tax Department, hence no document shall be registered on the basis of Doc Nos.1969 of 2014 and 1338 of 2021 and the same has to be noted in Index-II link of the Registrar office of Ashoknagar.

7.2. Though the document registered in the name of the Plaintiff, he could not enjoy the property as an absolute owner. It is only a name sake and no title has been transferred in the name of the Plaintiff. In any event, the Plaintiff is entitled for the refund of earnest money. On the side of the Plaintiff, he examined PW1 and PW2 and marked Ex.P.1 to Ex.P.26. The evidences of PW1 and PW2 clearly establish the case of the Plaintiff. The defendants, on their side, examined DW1 and marked Ex.D.1 and Ex.D.2. The 2nd defendant has also admitted the payment made by the Plaintiff for the loan obtained by the 1st defendant. Therefore, the Plaintiff through evidences established his case and he is entitled to the relieves as prayed for in the Suit.

8. The learned counsel appearing for the 2nd defendant would submit that the Plaintiff has filed the Suit for recovery of money based on the agreement between the Plaintiff and the 1st defendant. There is no any privity of contract between the Plaintiff and the 2nd defendant. The 2nd defendant is not a necessary party to the proceedings. Before purchase of the property, the Plaintiff knew that there is an encumbrance and the property was mortgaged with the 2nd defendant. Thereafter, the Plaintiff paid the mortgage money to the 2nd defendant and the documents were also handed over to the 1st defendant and the 2nd defendant also executed receipt for the payment. After execution of the receipt, there was no any relationship between the 1st defendant and the 2nd defendant and in fact, the 1st defendant obtained loan from M/s. Dewan Housing Finance Corporation Limited and the said company had undergone a Corporate Insolvency and Resolution Process

(CIRP) since 29.11.2020 and have been resolved by the committee of Creditors for a resolution which was accepted by the NCLT through order dated 07.06.2021. As per the order, the company is acquired under CIRP by M/s. Piramal Capital and Housing Limited. The Resolution Partner has demerged the company with DHFL and the name of DHFL is changed as Piramal Capital and Housing Finance Limited and now again changed as Piramal Finance Limited. As per Section 14 of the Insolvency and Bankruptcy Code, moratorium was ordered by the Hon'ble NCLT, Mumbai, in and by its order dated 03.12.2019. Without impleading the Administrator appointed by the NCLT as a necessary party to the proceedings, the Suit is not maintainable. On that ground itself, the Suit is liable to be dismissed. The 2nd defendant has no knowledge about the alleged income tax dues and it is between the Income Tax department and the 1st defendant. It is the duty of the Plaintiff to purchase the property after verifying all the encumbrances and the 2nd defendant has no role in the purchase of the property between the Plaintiff and the 1st defendant. Therefore, the Suit against the 2nd defendant is not maintainable and the same is liable to be dismissed.

9. Heard both sides and perused the entire materials.

10. **Answers to the points:**

Issue No.2: ***As the defendants given an assurance that except mortgage with the 2nd defendant, there is no other encumbrances in the suit property, by believing and on the basis of the assurance that the plaintiff settled the 1st defendant's loan amount to the 2nd defendant. Hence, the plaintiff's claim on both the defendants is sustained.***

The Plaintiff has filed the Suit for the relief of recovery of money based on the agreement dated 20.06.2019 entered into between the Plaintiff and the 1st defendant for purchase of the Suit schedule property to the tune of Rs.1,34,23,150/-.

10.1. According to the Plaintiff, it is not disputed that the property was under mortgage by the 1st defendant in favour of the 2nd defendant. The Plaintiff and the 1st defendant had entered into an agreement for sale of property for a sum of Rs.1,83,00,000/-. Thereafter, the Plaintiff and the 1st defendant approached the 2nd defendant for redemption of mortgage and accordingly, the Plaintiff paid a sum of Rs.1,07,50,000/- to the 2nd defendant on behalf of the 1st defendant and paid a sum of Rs.17,95,000/- to the 1st defendant. When the original documents mortgaged with the 2nd defendant was handed over to the Plaintiff, the 2nd defendant registered a receipt in favour of the Plaintiff for the payment made by him. Thereafter, the Plaintiff came to know that the property was subjected for attachment by the income tax department on account of the dues payable by the 1st defendant, who is the partner of M/s. Techno Rubber Plastic and Co., The above said dues to the Income Tax department was suppressed by the defendants 1 and 2. Both the defendants had assured that except the mortgage with the 2nd defendant, there is no any encumbrance over the Suit property. By believing the words of the defendants, the Plaintiff settled money to the 2nd defendant. Therefore, both the defendants are liable to pay the Suit money to the Plaintiff.

10.2. The 1st defendant who is the owner of the property has not defended the Suit and has not filed any Written statement. Per contra, the 2nd defendant has contested the Suit by filing Written statement. According to the 2nd defendant, he has no role in the agreement between the Plaintiff and the 1st defendant and both the Plaintiff and the 1st defendant had approached the 2nd defendant for redemption of mortgage and the Plaintiff paid money to the tune of Rs.1,07,50,000/- to the 2nd respondent. The 2nd defendant had executed receipt for the payment made by the Plaintiff and handed over the documents to the 1st defendant. The 2nd defendant has no knowledge about the dues payable by the 1st defendant to the Income Tax department. Therefore, the 2nd defendant has no any role to play in the agreement between the 1st defendant and the Plaintiff.

10.3. The Plaintiff being the purchaser of the property bound by principle of Caveat emptor and it is his duty to verify and enquire about the property. Admittedly, there is no any encumbrance over the property on the date of agreement between the 1st defendant and the Plaintiff and the 2nd defendant being the mortgagee, has bounden duty to issue receipts for the mortgaged amount after settlement and also to return the papers to the Plaintiff and the same was done by him and apart from that, he has no role to say about the encumbrance over the property. While so, it is the duty of the Plaintiff to prove that the 2nd defendant made representation to enter into the agreement with the 1st defendant and to pay the Suit amount to the 1st defendant. It is also an admitted fact that the Plaintiff and the 1st defendant went to the office of the 2nd defendant, enquired about the mortgage amount and thereafter only, they entered into an agreement. Therefore, the role of the

2nd defendant is only limited to the issuance of receipt for the settlement of mortgaged amount and handing over of the records after receipt of money. That part was already completed by the 2nd defendant. Apart from that, the 2nd defendant has no any role.

10.4. In order to prove the case of the Plaintiff, he examined PW1 and PW2 and marked Ex.P.1 to Ex.P.26 and on the side of the defendants, DW1 was examined and marked Ex.D.1 and Ex.D.2. Though the Plaintiff has pleaded in the Plaint and mentioned in the Proof Affidavit that based on the assurance given by the defendants that except the mortgage, there is no any other encumbrance over the Suit property, he entered into an agreement, during the cross examination, he admitted that he had seen the Encumbrance Certificate prior to entering into the Sale Agreement and except the mortgage, there is no any other encumbrance over the property and he also admitted that only to settle the mortgage money, he paid money to the 2nd defendant. He also admitted that in the first week of August 2019, after receiving Ex.P.13, i.e., online print out of the Encumbrance Certificate from Sub-Registrar Office, Ashok Nagar for the period from 01.01.2019 to 30.07.2019, he came to know about the provisional attachment made by the Income Tax department and the loan was settled much prior to the said attachment. Therefore, on the date of payment of mortgaged money, there was no any encumbrance as the attachment is subsequent to the mortgage receipt. Even assuming that there was any encumbrance, how the 2nd defendant can be roped into, has to be explained by the Plaintiff and according to the Plaintiff, the 2nd defendant also suppressed the dues of the 1st defendant pending with the Income Tax department. There is no evidence that the 2nd defendant had knowledge about the said dues payable by the 1st defendant to the Income Tax department.

10.5. During the cross examination of PW1 / Plaintiff, in question No.41, the Plaintiff answered as follows:-

"**Q41:** Have you filed any proof to show that the 2nd defendant had knowledge of the provisional attachment of the Suit property by the Income Tax Department before 01.08.2019?

A: No".

In Question No.40, he has answered as follows:-

"Q40: Only in the second week of August, after you informed the Manager of the 2nd defendant, he knew about the provisional attachment, is it correct?

A: He must have known earlier. Witness adds: When I paid the money on 17.07.2019 by RTGS and settled the loan, the manager of the 2nd defendant told me that the original documents were kept in a chest in Bombay and that he can cancel the mortgage only after receiving the original documents. I guessed that he was aware of the attachment and that is why he delayed the cancellation of the mortgage and had asked me to wait for 10 days".

10.6. Therefore, from the above answers made by the Plaintiff, it is clear that he only guessed that the 2nd defendant was aware of the attachment. Therefore, there is no evidence that the 2nd defendant had knowledge about the provisional attachment made by the Income Tax department. Moreover, the date of attachment is much later to the settlement of the mortgaged amount. Therefore, the Plaintiff failed to prove that the 2nd defendant had knowledge about the dues pending with the Income Tax department, thereby, made representation to the Plaintiff to settle the mortgaged amount. Therefore, without any evidence, the 2nd defendant is not liable to pay money to the Plaintiff.

10.7. Moreover, the mortgage loan was borrowed from M/s. Dewan Housing Finance Corporation Ltd., and the amount was also settled with the above said company and thereafter, the 2nd defendant company, now came into picture due to the insolvency proceedings initiated as against M/s. Dewan Housing Finance Corporation Ltd., and already an Administrator was appointed to administer the properties of M/s. Dewan Housing Finance Corporation Ltd., and the Plaintiff has not impleaded the said Administrator of M/s. Dewan Housing Finance Corporation Ltd., Therefore, the 2nd defendant came into picture through the Corporate Insolvency and Resolution Process (CIRP) proceedings and thereby, without impleading the Administrator for M/s.Dewan Housing Finance Corporation Ltd., the Plaintiff cannot claim any compensation as against the 2nd defendant. That too without any material to show that the 2nd defendant had knowledge about the Income Tax dues and the attachment and he assured that except this encumbrance, there are no other encumbrances. Therefore, the Plaintiff's claim as against the 2nd defendant is not sustainable. Further, it is an admitted fact that during the pendency of the Suit, the Plaintiff obtained Sale Deed from the 1st defendant through Ex.P.16 on 22.04.2021. The above said fact shows the collusion between the Plaintiff and the 1st defendant. When the 1st defendant is unable to appear before the Court to contest the Suit, how he executed the Sale Deed during the pendency of the Suit, has to be explained by the Plaintiff and he has not given proper explanation in this regard. Therefore, the above said conduct of the Plaintiff shows the collusion of the Plaintiff with the 1st defendant. Therefore, the Plaintiff is not entitled to any relief as against the 2nd defendant. Thus, ***issue no.2*** is answered.

11. ***Issue No.1: Whether the plaintiff is entitled to recovery of earnest money received on the basis of agreement dated 20.06.2019 to the plaintiff a sum of Rs.1,34,23,150/- towards the principal amount as on 22.01.2020 together with interest at the rate of 12% P.A on principal Rs.1,25,45,000/- from the defendants?***

The Plaintiff has filed the Suit for recovery of money as against the defendants 1 and 2. According to the Plaintiff, he entered into an agreement for the purchase of the Suit property and paid a sum of Rs.1,07,50,000/- to the 2nd defendant for settling the mortgage due and the remaining amount of RS.17,95,000/- was also paid to the 1st defendant. In total, he paid a sum of Rs.1,25,45,000/-. Thereafter, the 2nd defendant also executed receipt for the payment of mortgage amount and thereafter, there was a provisional attachment made by the Income Tax department for the dues payable by the 1st defendant, who was the partner of M/s.Techno Rubber Plastic and Co., By suppressing the same, the defendants 1 and 2 misrepresented that there is no any encumbrance over the property except the mortgage. The 1st defendant has not contested the Suit and the 2nd defendant has only contested the Suit and this Court, in previous issue, decided that the 1st defendant had been represented that the only encumbrance is the mortgage and the 2nd defendant has no role in the agreement between the Plaintiff and the 1st defendant.

11.1. Though the 1st defendant has not defended the Suit, it is the duty of the Plaintiff to prove his case There is no dispute that the 1st defendant is the owner of the property and Ex.P.1 to Ex.P.3 have been filed by the Plaintiff to prove the Title in favour of the 1st defendant and the copy of the Mortgage Deed has been marked as Ex.P.4. The Plaintiff is claiming that he entered into an agreement with respect to the Suit schedule property. That agreement has been marked as Ex.P.9. On a careful perusal of the above said agreement, it revealed that the schedule property belongs to the 1st defendant and the 1st defendant and the Plaintiff had entered into a Sale Agreement for a sum of Rs.1,83,00,000/- and Rs.24 lakhs was paid as advance and a sum of Rs.15 lakhs was paid through Demand Drafts and cheques dated 20.06.2019, Rs.9

lakhs was paid by cash and the balance amount will be paid by the purchaser at the time of registration. The balance of Rs.1,59,00,000/- shall be paid at the time of registration. The property has mortgaged with M/s. Dewan Housing Finance Corporation Ltd., for a sum of Rs.1,07,50,000/- and the vendor undertakes to redeem the same within one month and thereafter, a sum of Rs.86,40,000/- was transferred to M/s. Dewan Housing Finance Corporation Ltd., bank account and again on 17.07.2019, received a sum of Rs.11,10,000/- through cheque, in total, she received a sum of Rs.1,21,50,000/-. This factum has not been denied by the 1st defendant and the 1st defendant was set exparte.

11.2. The Plaintiff has examined PW2, who is an Advocate, accompanied with Plaintiff, during the conversation between the Plaintiff and the 2nd defendant. In her evidence, she stated in respect of the redemption of mortgage, but there is no dispute that the Plaintiff paid money to the 1st defendant for settling the mortgage money with the 2nd defendant. But the question is whether any suppression of the previous dues payable to the Income Tax department by the defendants. Even as per the Plaintiff, he settled the entire mortgage loan to the 2nd defendant, but the agreement shows that on the date of agreement itself, a sum of Rs.24 lakhs was paid to the 1st defendant and thereafter, on 16.07.2019, a sum of Rs.86,40,000/- was paid to this M/s. Dewan Housing Finance Corporation Ltd., and on 17.07.2019, a sum of Rs.11,10,000/- was paid to the 1st defendant. Though the 1st defendant has not appeared, it is the duty of the Plaintiff to prove his case and mere production of document of agreement i.e., Ex.P.9, is not sufficient to prove the contents of the document. The Plaintiff failed to examine any one of the attesting witnesses found in Ex.P.9. Therefore, the evidences clearly proved that after knowing the encumbrance of the mortgage, he decided to purchase the property and thereby, he entered into an agreement. However, the Plaintiff failed to examine any one of the attesting witnesses of Ex.P.9. When he is able to examine PW2, Advocate, what prevented him to examine any one of the attesting witnesses to Ex.P9 agreement, to prove the same. But he failed to do so.

11.3. Moreover, during the pendency of this Suit, the Plaintiff purchased the property through a Sale Deed dated 22.04.2021 from the 1st defendant. The said copy of the Sale Deed has been marked as Ex.P.16. Subsequently, the Plaintiff executed a Mortgage Deed in favour of one Mrs. Uma Devi on the same date. The copy of that document has been marked as Ex.P.17. Therefore, the Plaintiff after purchase of the property cannot maintain the Suit by claiming the advance money paid by him. The Plaintiff after knowing that there was some attachment by the Income Tax Department for the dues payable by the 1st defendant, obtained Sale Deed from the 1st defendant during the pendency of the Suit and after accepting his Title over the property, he mortgaged the property to the third party Mrs. Uma Devi through Ex.P.17. Therefore, the above said conduct of the Plaintiff dis-entitled him to grant the Suit relief. Once the Suit is filed based on the agreement dated 20.06.2019 between the Plaintiff and the 1st defendant and he paid a sum of Rs.1,25,4,000/- and after accepting the agreement he purchased the property, he cannot claim return of advance money paid by him. At the moment the Sale Deed is executed, the agreement had lost its validity and the Suit cannot be maintained based on the agreement. After sale, the sale agreement was fully complied and become invalid document. Therefore, after execution of Sale Deed in his favour by the 1st defendant, the Plaintiff is not entitled to any relief in respect of the recovery of money through the agreement . Thus, ***issue no.1*** is answered.

12. This Court, through ***issue nos.1 and 2,*** have elaborately discussed and decided that the Plaintiff is not entitled to any relief. Therefore, the Suit is liable to be dismissed.

13. In the result, the ***Suit is dismissed.*** There shall be no order as to costs.

21.11.2025

Index : Yes/No
Speaking Order : Yes/No
mjs

APPENDIX:

List of Plaintiff side Witnesses:

PW1 : Mr. K.A.S.R. Prabhu

PW2 : Mrs. M.B. Hussanara Begum

List of Plaintiff side Documents:

Exhibit No.	Date	Description of Documents
Ex.P.1	23.11.1994	Certified copy of the Sale Deed in favour of D. Thennarasu
Ex.P.2	16.11.2007	Certified copy of the Settlement Deed in favour of T. Kanimozhi and T. Nalini.
Ex.P.3	30.07.2014	Certified copy of the Settlement Deed executed by T. Kanimozhi in respect of her 50% of share in favour of T. Nalini.
Ex.P.4	05.11.2015	Photocopy of the Memorandum of Deposit of Title by the 1st defendant in favour of the 2nd defendant.
Ex.P.5	06.08.2019	Printout of the Online Patta in the name of D. Thennarasu.
Ex.P.6	-	Original Encumbrance Certificate from SRO, Kodambakkam for the period from 01.01.1970 to 31.12.1974.
Ex.P.7	01.01.1975 to	Online printout of the Encumbrance

	31.10.1996.	Certificate from SRO, Kodambakkam.
Ex.P.8.	01.11.1996 to 07.06.2019.	Online printout of the Encumbrance Certificate from SRO, Ashok Nagar.
Ex.P.9.	20.06.2019.	Original Sale Agreement in between the Plaintiff and the 1st Defendant.
Ex.P.10	20.06.2019	Photocopy of Demand Draft Nos.152981 and 152982 in favour of DHFL on behalf of Mrs. Nalini Thennarasu by P. Shakila.
Ex.P.11	22.07.2019	Photocopy of the loan closure letter of DHFL.
Ex.P.12	30.07.2019	Certified copy of the receipt executed by the 2nd defendant in favour of the 1st defendant.
Ex.P.13	01.01.2019 to 30.07.2019.	Online printout of the Encumbrance Certificate from SRO, Ashok Nagar.
Ex.P.14	26.12.2019	Office copy of the Legal notice sent by the Plaintiff to the 1st defendant.
Ex.P.15	26.12.2019	Office copy of the Legal notice sent by the Plaintiff to the 2nd defendant along with postal acknowledgement card.
Ex.P.16	22.04.2021	Certified copy of the Sale Deed executed by the 1st defendant in favour of the Plaintiff.
Ex.P.17	22.04.2021	Certified copy of the Mortgage Deed executed by the Plaintiff in favour of Mrs. Umadevi.
Ex.P.18	07.07.2021	Photocopy of the summon of the Income Tax department to the Plaintiff.
Ex.P.19	07.07.2021	Photocopy of the summon of the District Registrar to the Plaintiff.
Ex.P.20	15.07.2021	Copy of the statement of the Plaintiff to the District Registrar with District

		Registrar office seal.
Ex.P.21	07.10.2021	Original reply under RTI with copy of the order of the District Registrar.
Ex.P.22	-	Printout of the Encumbrance Certificate for the period 20.04.2021 to 25.04.2021.
Ex.P.23	-	Photograph with CD along with 65B certificate.
Ex.P.24	08.06.2019 to 29.06.2019.	Certified copy of the bank statement of Plaintiff's wife P. Shakila in Karnataka Bank Ltd.,
Ex.P.25	03.07.2019 to 30.07.2019	Certified copy of the bank statement of Plaintiff's wife P. Shakila in Karnataka Bank Ltd.,
Ex.P.26		Certified copy of the bank statement of Plaintiff's company R.P. Builders in Karnataka Bank Ltd.,

<u>List of Defendant side Witnesses:</u>

DW1 : Mr. P. Balaji

<u>List of Plaintiff side Documents:</u>

Exhibit No.	Date	Description of Documents
Ex.D.1	03.08.2022	Certified true copy of the Board Resolution.
Ex.D.2	03.11.2021	Copy of the Certificate of Incorporation pursuant to change of name.

21.11.2025

To
The Sub-Assistant Registrar (Original side),
High Court, Madras.

P.DHANABAL.,J

mjs

<u>C.S. No.92 of 2020</u>

21.11 .2025