



WEB COPY



S.A.No.768 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.07.2025

CORAM

THE HONOURABLE MRS.JUSTICE R. KALAIMATHI

S.A.No.768 of 2023

and C.M.P.No.24269 of 2023

Pazhani

...Appellant / Defendant

Vs.

P.Purushothaman

...Respondent / Plaintiff

PRAYER:- This Second Appeal is filed under Section 100 of Code of Civil Procedure, 1908, to set aside the judgement and decree in A.S.No.1 of 2019 dated 25.04.2023 on the file of the Principal District Judge, Kancheepuram District at Chengalpattu modified and the judgment and decree passed in O.S.No.6 of 2010 dated 12.11.2018 on the file of the learned Subordinate Judge, Maduranthakam.

For Appellant : Ms.N.Asmitha

For Respondent : Mr.B.Arvind Srevatsa

JUDGMENT

This Second Appeal is preferred by the defendant against the judgement and decree dated 25.04.2023 passed in A.S.No.1 of 2019 by the Principal District Court, Chengalpattu.



S.A.No.768 of 2023

WEB COPY

2. The parties are indicated herein as per their litigative status and ranking before the Trial Court.

3. According to the plaintiff, the defendant borrowed a sum of Rs.1,00,000/- from the plaintiff on 15.03.2007 for the purpose of paying business debts and executed a demand promissory note in favour of the plaintiff agreeing to pay interest at the rate of 12% per annum. Despite the request and demands made by the plaintiff, the defendant did not repay any amount due under the said promissory note. Therefore, the plaintiff was forced to issue legal notice on 13.03.2009 to the defendant and on receipt of the legal notice, the defendant did not choose to repay the amount, but sent a reply with false details. Hence, the suit was laid for recovery of the said money.

4. The defendant per contra would contend that he does not know the plaintiff and he never borrowed any amount from him. He borrowed Rs.26,408/- on 10.07.2001 from one R.Rajagopal, Chunambedu who demanded interest at 36%. He obtained signatures on six blank non-judicial stamp papers and blank revenue stamped papers as security from him. The



S.A.No.768 of 2023

WEB COPY

defendant paid sum of Rs.32,000/- on 10.10.2002 to the said R.Rajagopal and discharged the principal and interest borrowed by him. The said R.Rajagopal, received the amount and passed the voucher for Rs.26,408/- and interest of Rs.26,700/- as on 10.10.2002, totalling to Rs.53,108/-. He paid a further sum of Rs.32,000/- to him and thereby, arriving at a sum of Rs.21,108/- as on 10.10.2002. Upon his protest, defendant gave a remission of Rs.2,108/- and he was told that a sum of Rs.19,000/- is still due from him as on 10.10.2002. The said Rajagopal had sent a person demanding Rs.19,000/- from the defendant. As the defendant protested for such demand, he has set up the plaintiff concocting the suit document using the blank signature of the defendant. The defendant is not running a Saw Mill at Chunambedu. He had no debts to discharge in the year 2007. Any amount exceeding Rs.20,000/- shall be paid only by way of cheque.

5. The Trial Court framed the relevant issues. At trial, on the plaintiff's side, the plaintiff has examined himself as P.W.1 and one of the attester, R.Rajagopal was examined as P.W.2 and four documents were marked. Suit promissory note dated 15.03.2007 is Ex.A1. On the defendant's side, the defendant has examined himself as D.W.1.



S.A.No.768 of 2023

WEB COPY

6. The following substantial questions of law arise for consideration:

i. Whether the court below was correct in law in overlooking the pleadings of the plaintiff wherein it is stated that the promissory note has been executed at Chunambedu which comes within the jurisdiction of the Sub Court, Maduranthakam, however in his oral evidence he has pleaded that the promissory note has been executed at Pondicherry?

ii. Whether the Sub Court, Maduranthakam has jurisdiction to entertain the proceedings of the suit?

7. Upon consideration of the evidence of both sides and after hearing the arguments advanced by the either side, the Trial Court concluded that the promissory note was executed by the defendant for valid consideration and the plaintiff is entitled to the benefit of presumption under Section 118 of Negotiable Instruments Act, 1881 and it was not rebutted by the defendant and chose to decree the suit in entirety.

8. Aggrieved, the defendant preferred appeal before the Principal District Court, Chengalpattu in A.S.No.1 of 2019 and the First Appellant Court upon perusal of the case records and after hearing the arguments advanced by either side confirmed the findings of the Trial Court by allowing



S.A.No.768 of 2023

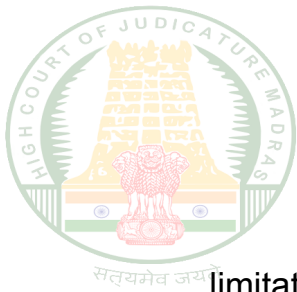
WEB COPY

the appeal in part to the effect that the plaintiff is entitled to recover a sum of Rs.1,00,000/- with interest at the rate of 6% from the date of suit.

9. The learned counsel for the appellant/ defendant would vehemently argue that P.W.1 has stated in his evidence in clear terms that the pronote was executed at Pondicherry. Therefore, the Trial Court has no jurisdiction to entertain the proceedings of the suit.

10. P.W.1 in fact during his cross-examination would state that Ex.A1- Pronote was executed at Pondicherry. The said fact was raised even before the First Appellate Court.

11. Section 16 of the Code of Civil Procedure Code, 1908 refers to suits for immovable property which have to be filed in the local jurisdiction. Section 20 of CPC refers to personal actions such as actions in or contract, where the jurisdiction depends upon the residence of the defendant or the accrual of the cause of action. Section 20 overlaps Section 19, which gives an option where the cause of action accrues in the jurisdiction of one Court and the defendant resides in the jurisdiction of another Court. Section 20 of CPC enacts the rule as to the forums in all cases not falling within the



S.A.No.768 of 2023

WEB COPY

limitations of Section 15 to 19 of CPC, and it is made clear by the words 'subject to the limitations aforesaid appearing in Section 20 of CPC'. For better understanding Section 20 of CPC is extracted hereunder:

“Other suits to be instituted where defendants reside or cause of action arises.— Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction—

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally works for gain, as aforesaid, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises.

[Explanation].— A corporation shall be deemed to carry on business at its sole or principal office in [India] or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place.



S.A.No.768 of 2023

WEB COPY

12. The three clauses found in Section 20 CPC are independent of each other. This Section embraces of personal action. It is relevant to refer to the observations made by the Hon'ble Surpreme Court in ***Dashrath Rupsingh Rathod vs. State of Maharashtra*** reported in **(2014) 9 SCC 129**.

It has been held that:

“A plain reading of Section 20 CPC arguably allows the plaintiff a multitude of choices in regard to where it may institute its lis, suit or action. Corporations and partnership firms, and even sole proprietorship concerns, could well be transacting business simultaneously in several cities. If clauses (a) and (b) of Section 20 are to be interpreted disjunctively from clause (c), as the use of the word "or" appears to permit the plaintiff to file the suit at any of the places where the cause of action may have arisen regardless of whether the defendant has even a subordinate office at that place. However, if the defendant's location is to form the fulcrum of jurisdiction, and it has an office also at the place where the cause of action has occurred, it has been held that the plaintiff is precluded from instituting the suit anywhere else. Obviously, this is also because every other place would constitute a forum non conveniens. This Court has harmonised the various hues of the conundrum of the place of suing in several cases and has gone to the extent of laying down that it should be courts' endeavour to locate the place where the cause of action has substantially arisen and reject



WEB COPY



S.A.No.768 of 2023

others where it may have incidentally arisen... if the defendant corporation has a subordinate office in the place where the cause of action arises, litigation must be instituted at that place alone, regardless of the amplitude of options postulated in Section 20 CPC.”

13. Therefore, it is pellucid that as per Section 20 CPC, the plaintiff has the option of suing either a) where the cause of action has arisen; or b) where the defendant resides or carries on business or personally works for gain.

14. The word 'resides' means to dwell permanently or to make an abode for a considerable time. Admittedly, at a relevant point of time, the defendant had been residing at Chunambedu. Therefore, the suit was laid before the Court, where the defendant was residing at that point of time. This issue has been raised by the defendant and the First Appellate Court has held that as the defendant was residing within the jurisdiction of the Trial Court, the suit was very much maintainable. Therefore, the substantial questions of law are answered in favour of the plaintiff.

15. Based on the observations and discussions, as the substantial



S.A.No.768 of 2023

WEB COPY

questions of law are answered in favour of the plaintiff, this Second Appeal is liable to be dismissed and thereby, dismissed. Sequel to this, the judgment and decree passed on 25.04.2023 in A.S.No.1 of 2019 by the Principal District Court, Chengalpattu stands confirmed. There is no order as to costs. Consequently, connected Civil Miscellaneous Petition stands closed.

23.07.2025

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No
mac

Copy to

1. The Principal District Court, Chengalpattu
2. The Subordinate Court, Maduranthakam



WEB COPY



S.A.No.768 of 2023

R.KALAIMATHI, J.

mac

S.A.No.768 of 2023
and C.M.P.No.24269 of 2023

23.07.2025