



S.A.(MD)No.350 of 2019

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 15.07.2025

CORAM

THE HON'BLE MR.JUSTICE G.ARUL MURUGAN

S.A.(MD)No.350 of 2019

P.Murugambal

... Appellant/Respondent/
Plaintiff

VS

1.Sri Mangalam Finance,
represented by its Managing Partner,
R.Kandasamy.

2.R.Kandasamy

3.Sadasivam

4.N.Palanisamy @ Sakthivel

5.K.Arjunan

...Respondents/Respondents/
Defendants

PRAYER: Second Appeal is filed under Section 100 of the Code of Civil Procedure, against the judgment and decree dated 05.01.2018 made in A.S.No.3 of 2015, on the file of the Principal District Judge, Karur, partly reversing the judgment and decree, dated 31.01.2014 made in O.S.No.326 of 2011, on the file of the Additional Sub Court, Karur.



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For Appellant : Mr.S.Balaji

For Respondents : Ms.K.Pandi Priya
for R.1 to R.3

: No Appearance for R.4 and R.5

JUDGMENT

The plaintiff is before this Court on appeal.

2. The Second Appeal is filed challenging the judgment and decree, dated 05.01.2018 in A.S.No.3 of 2015, on the file of the Principal District Judge, Karur, partly modifying the judgment and decree dated 31.01.2014, in O.S.No.326 of 2011, on the file of the Additional Subordinate Judge, Karur.

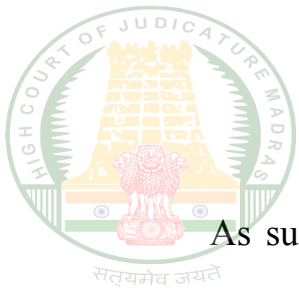
3. For the sake of convenience, the parties are referred to as per the litigative status before the trial Court.



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4. It is the case of the plaintiff that the first defendant is a partnership firm, in which the defendants 2 to 5 are the partners. The second defendant is the Managing Partner. In the course of their business transactions, the defendants had met the plaintiff and had canvassed to invest in a Fixed Deposit with the firm. The defendants represented that they are financially sound and they would repay interest at the rate of 18% p.a.. Believing the words of the defendants, the plaintiff had taken six Fixed Deposits, each for different amount totalling for a sum of Rs.84,000/-. The defendants had paid interest for the Fixed Deposits till 30.04.2005 and thereafter had neither paid interest nor returned the Fixed Deposit amounts. Since all the attempts to realise the amounts failed, the plaintiff had issued an Advocate notice on 05.05.2010, but the same was replied on 19.05.2010 with false averments. Hence, the plaintiff had come up with the suit for recovery of money based on the Fixed Deposit amounts.

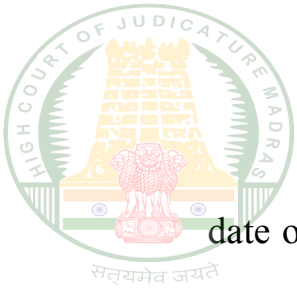
5. The defendants resisted the suit by contending that the payments were made on several dates and a sum of Rs.22,500/- had been paid towards part of the Fixed Deposit amounts in the year 2004-2005 and also had made further amounts amounting to a sum of Rs.21,500/- in the year 2005-2006.



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As such, according to the defendants, only a sum of Rs.40,000/- was due payable to the plaintiff.

6. During trial, P.W.1 was examined and exhibits A.1 to A.13 were marked on the side of the plaintiff. On the side of the defendants D.W.1 was examined and exhibits B.1 to B.5 were marked. The trial Court, on concluding that the plaintiff had deposited money with the defendants' firm and considering that the defendants had only paid interest, had decreed the suit. The trial Court had further granted interest at the rate of 9% p.a., for the principal amount of Rs.84,000/- from the date of filing of the suit till the date of decree and further 6% p.a., interest from the date of decree and till the date of realisation. The defendants had preferred an appeal and the lower appellate Court, by coming to the conclusion that the suit has been filed within the period of limitation, but however by considering the exhibits which are receipts filed by the defendants, came to the conclusion that the defendants had repaid a part of the Fixed Deposit amounts to the plaintiff and they are only due to return balance amount and therefore, had modified the decree partly. The lower appellate Court had decreed the suit for Rs.44,000/-, with interest at the rate of 15% p.a., from 22.06.2005 till the



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date of suit and interest at the rate of 6% per annum from the date of filing of the suit till the date of realisation. Assailing the judgment and decree of the first appellate Court in modifying the judgment and decree of the trial Court, the plaintiff has preferred the above Second Appeal.

7. The Second Appeal has not been admitted and only notice has been ordered to the respondents.

8. The learned Counsel appearing for the appellant argued that when the plaintiff had deposited the amounts in Fixed Deposit, which has been held proved, the defendants firm had only paid amounts towards interest and the lower appellate Court had erroneously considered those part payments as payments made towards principal amount and thereby had modified the decree by deducting the part amounts paid. The learned Counsel further contended that when the amount is invested in Fixed Deposit, the firm is liable to be returned the Fixed Deposit amount along with interest at the time of maturity and they cannot make any part payments and the receipts filed by them is only towards interest. Therefore, the finding of the lower appellate Court in accepting these receipts as payments towards principal



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amount is erroneous and therefore, perverse and sought for interference of this Court.

9. The learned Counsel further contended that since the appellants are from very poor background and if the respondents come forward to make the payments as per the decree of the lower appellate Court atleast right now, they will be contended with the decree passed by the lower appellate Court.

10. Contending contra, the learned Counsel appearing for the respondents argued that though the defendants have not disputed the Fixed Deposits made by the plaintiff, however in view of the financial position of the defendants firm at that time, the defendants firm, on maturity of the Fixed Deposits, had returned the principal amounts in instalments.

11. It is their further contention that all the payments so returned had been made through proper receipts and the lower appellate Court had rightly taken note of the receipts, wherein it has been stated that the payment is made towards principal and therefore had deducted those payments and had



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rightly modified the decree and had confined the decree amount in respect of the balance amount alone, which are payable. The learned Counsel submitted that they have calculated the balance amounts, as per the judgment and decree of the lower appellate Court and the appellant is ready with the demand drafts taken in favour of the appellant towards full satisfaction of the decretal amount as per the judgment and decree of the lower appellate Court and sought for dismissal of the Second Appeal.

12. Heard the rival submissions and perused the materials available on record.

13. Admittedly, the first defendant is a firm which is indulged in financial transactions and business. The defendants, in the course of their business, had canvassed various parties to make deposits in their firm. As per the promise made, the plaintiff had made Fixed Deposits on various dates in small denominations totalling a sum of Rs.84,000/-. The plaintiff had filed documents in Exs.A.1 to A.13 and also examined herself and had proved that the deposit has been made and the Fixed Deposit has not been returned on maturity.



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14. On the other hand, the defendants admitted that the plaintiff had made Fixed Deposits in the first defendant firm. It is the only contention of the defendants that they made payments towards repayment of principal amount and in that process, part of the amount with principal and interest had been returned to the plaintiff and the defendants had filed series of receipts in Ex.B.1. Though the trial Court had decreed the suit in full, the lower appellate Court had considered the documents in Ex.B.1 and found that as per the receipts filed by the defendants in Ex.B.1, the firm had repaid the part of the principal amount along with interest. Though on the date of maturity, the defendants had to return the entire Fixed Deposit amounts along with interest, but still in view of the financial position, it is seen that a portion of the amount has been returned in the financial year 2004-2005 and another portion of the amount has been returned in the financial year 2005-2006.

15. On the receipts in Ex.B.1 having been filed and perused, the lower appellate Court had rendered a finding that the vouchers have been issued by endorsing the payment towards a part payment of principal.



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When these documents have been filed by the defendants with an endorsement that a portion of the amount has been repaid towards principal, there is no explanation on the part of the plaintiff that the entire amount stood towards the payment of interest. In view of the finding rendered by the lower appellate Court which is in pursuant of the vouchers found in Ex.B.1, where the endorsement of the plaintiff is found, this Court is not able to find any illegality in the finding arrived at by the lower appellate Court in modifying the decree of the trial Court by deducting the amount covered under the receipts in Ex.B.1 series and decreeing the suit in respect of the balance amount, as covered under the Fixed Deposit amount.

16. It is also to be noted that since the defendant firm has not preferred any Second Appeal and the present Second Appeal is only filed by the plaintiff, the defendants firm has calculated the amount that is due payable by them, as per the judgment and decree of the lower appellate Court. As per the judgment and decree of the lower appellate Court, the suit has been decreed for a sum of Rs.44,000/- with interest as stated above. As per the calculation made, a sum of Rs.1,08,960/- works out towards interest



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and the defendants firm is due and liable to pay only Rs.1,52,960/- as on date. The defendants firm has taken two Demand Drafts in favour of the appellant/plaintiff, one for a sum of Rs.63,440/- and another for a sum of Rs.89,520/- totalling a sum of Rs.1,52,960/-

17. In view of the above deliberations, this Court does not find any illegality or perversity in the findings arrived at by the lower appellate Court. No question of law, much less a substantial question of law arises for consideration in the Second Appeal.

18. Accordingly, the above Second Appeal stands dismissed. However, there is no order as to costs. The entire payment made by the defendants / respondents towards satisfaction of the judgment and decree of the lower appellate Court through two Demand Drafts dated 14.07.2025 and 15.07.2025 for a sum of Rs.1,52,960/- is recorded and in view of the payments made, there is no amount pending due payable by the respondents/defendants to the plaintiff/appellant. The learned Counsel



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for the appellant/plaintiff had collected both the original Demand Drafts
taken in favour of the appellant/plaintiff.

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Internet :Yes/No
Index :Yes/No
NCC :Yes/No

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To

1. The Principal District Court, Karur.
2. The Additional Subordinate Court, Karur.
3. The Record Keeper,
V.R.Section,
Madurai Bench of Madras High Court,
Madurai.



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G.ARUL MURUGAN, J.

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Judgment made in
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