

**130 IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**



**RSA-3233-2025 (O&M)
DATE OF DECISION : 17.09.2025**

BALDEV SINGH		... APPELLANT
	V/S	
SATWANT SINGH		... RESPONDENT

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Ms. Shubreet Kaur, Advocate for the appellant.
* * *

PARMOD GOYAL, J. (ORAL)

Appellant-defendant is aggrieved by concurrent findings of facts recorded vide judgement and decree dated 13.09.2022 passed by the Court of learned Addl. Civil Judge (Senior Division), Sangrur and judgement and decree dated 20.05.2025 passed by learned District Judge, Sangrur.

2. Plaintiff-respondent in his suit for recovery of Rs.17,76,000/- (Rs.12,00,000/- as principal amount and Rs.5,76,000/- as interest @ 1.5% per month from 02.07.2014 to 02.03.2017) has sought recovery of suit amount along with future interest @ 1.5% per month till final realisation. It was asserted that a cash loan of Rs.12,00,000/- (Rupees Twelve Lakhs only) was taken by appellant-defendant from plaintiff/respondent on 02.07.2014 by executing pronote and receipt. Appellant-defendant had agreed to repay the principal amount along with interest @ 1.5% per month on demand in presence of witnesses. That despite repeated requests, appellant-defendant has failed to repay the amount, hence plaintiff-respondent preferred suit for recovery.

3. Appellant-defendant on notice filed detailed written statement denying having taken cash loan from plaintiff-respondent. He denied execution of pronote and receipt acknowledging cash loan of Rs. 12,00,000/- (Rupees Twelve Lakhs only) in presence of witnesses as asserted by plaintiff-respondent. It was asserted that forged and fabricated pronote and receipt have been prepared at the instance of Raghvir Sarop s/o Harbans Lal, who is Proprietor of M/s Sarswati Trading Company and working as a commission Agent in connivance with plaintiff-respondent, witnesses and scribe. It was asserted that plaintiff-respondent Satwant Singh is not known to appellant-defendant nor had he met him ever. Appellant-defendant had filed a suit for rendition of accounts against M/s Sarswati Trading Company Commission Agent, through his Proprietor Raghvir Sarop on 19.08.2016 wherein appellant-defendant had specifically asserted that Proprietor of said commission agent had taken his thumb impressions on some blank papers 6 to 7 years back. That M/s Saraswati Trading Commission agent had duly appeared and contested the suit by filing counter-claim of Rs.2,45,664/- which is stated to be pending. That appellant-defendant was selling paddy and wheat to said commission agent and pronote and receipt dated 02.07.2014 are result of fraud committed by plaintiff in connivance with Proprietor of M/s Saraswati Trading Commission agent. Dismissal of suit was prayed for.

4. From the pleadings of the parties, following issues were framed:-

1. Whether plaintiff is entitled to the relief of recovery of Rs.17,76,000 (Rs.12,00,000/- being principal amount and Rs.5,76,000/- being interest) as prayed for? OPP

2. Whether the plaintiff is entitled to interest, if so, at what rate and to what extent? OPP
3. Whether the suit of the plaintiff is not maintainable in the present form? OPD
4. Whether the plaintiff has no cause of action for filing the present suit? OPD
5. Whether the plaintiff has not come to the Court with clean hands and has suppressed the true and material facts?OPD
6. Relief.”

5. It is the case of plaintiff-respondent that pronote and receipt dated 02.07.2014 were scribed by Parveen Kumar Garg and were executed in presence of Bahadur Singh, Sarpanch and Amrik Singh by defendant admitting the same to be correct.

6. On the other hand, case of the appellant-defendant is that pronote as well as receipt dated 02.07.2014 are forged and fabricated and result of connivance with plaintiff-respondent and M/s Saraswati Trading Commission agent who got signatures of plaintiff on blank papers and misused them as plaintiff-respondent has dispute regarding rendition of accounts with said commission agent to whom appellant-defendant used to sell his paddy and wheat.

7. Initial onus to prove that appellant-defendant had taken cash loan of Rs. 12 Lakhs and had acknowledged the same vide pronote and receipt dated 02.07.2014 is upon plaintiff-respondent. It is only after initial onus is discharged by plaintiff-respondent proving lending of money amounting to Rs. 12,00,000/- (Twelve Lakhs only) and execution of pronote and receipt dated 02.07.2014 the burden shall shift on appellant-defendant to

prove that pronote and receipt dated 02.07.2014 were result of forgery and fabrication.

8. Learned counsel for the appellant-defendant has challenged the impugned judgements and decrees passed by the Courts below whereby Courts below have concurrently found the case of plaintiff-respondent to be credible, on the grounds that both the Courts have erred in accepting advancement of loan and due execution of pronote and receipt dated 02.07.2014 without taking into consideration that plaintiff - respondent had failed to show his financial capacity to lend Rs. 12,00,000/- (Twelve Lakhs only) to the appellant-defendant. Learned counsel for the appellant-defendant has made reference to the evidence of PW-1 i.e. plaintiff-respondent wherein he has admitted that he was earning about Rs.6,50,000/- as gross income from agriculture, out of which 50% were towards expenditure on crops. He has also referred to the statement showing that plaintiff himself had admitted that he has taken a loan of Rs.6.25 Lakhs from the bank. It is asserted that oral evidence of plaintiff-respondent is totally unreliable whereas appellant-defendant has succeeded in proving that both i.e. pronote and receipt dated 02.07.2014 were result of connivance between M/s Saraswati Trading Commission agent and that of plaintiff-respondent in view of dispute between defendant and M/s Saraswati Trading Commission agent.

9. Both the Courts below after appreciating evidence led by both the parties have concurrently found pronote and receipt dated 02.07.2014 to have been duly executed by appellant-defendant and had accordingly, decreed the suit. Issue nos.1 and 2 were decided in favour of plaintiff-respondent and against defendants. Issue nos. 3 and 4 were decided in

favour of plaintiff and issue no.5 was also decided against appellant-defendant and in favour of plaintiff-respondent and accordingly, suit for recovery to the extent of Rs.12 Lakhs with 6% interest from the date of execution of pronote, Ex.P1 and receipt Ex.P2 till realisation was decreed. The First Appellate Court has affirmed the findings of Court of First Instance.

10. In order to prove his case plaintiff-respondent himself has duly appeared in support of his case and reiterated the factum of loan as well as execution of pronote and receipt by appellant-defendant in presence of attesting witnesses. In support of his evidence, he had duly examined both the attesting witnesses i.e. Amrik Singh and Bahadur Singh as PW2 and PW3. Furthermore, even the Scribe of pronote and receipt i.e. Parveen Kumar Garg, Advocate was also examined as PW4, who duly asserted that on the instance of Baldev Singh - defendant he had scribed the original pronote and receipt dated 02.07.2014 and got it typed in the presence of the parties. He further asserted that the same was read over to Baldev Singh and after admitting the same to be correct, he had signed in his presence as well as in presence of witnesses after receiving Rs. 12,00,000/- (Twelve Lakhs only). The attesting witnesses PW2 and PW3 both have asserted about due execution of pronote and receipt by Baldev Singh in their presence as well as in the presence of Scribe and plaintiff-respondent. They have also asserted that amount of Rs. 12 lakhs was paid on execution of pronote in their presence in cash. Neither before the Courts below nor before this Court, the appellant-defendant could show any error in the consistent statements of plaintiff, both the attesting witnesses and Scribe i.e. PW1 to PW4. Nothing

could be shown as to doubt their evidence as regards to due execution of pronote and receipt.

11. I do not find any error in the findings recorded by both the Courts below in this regard. As far as appellant-defendant is concerned, he is not denying his signatures over the pronote and receipt. His claim is that plaintiff in connivance with Proprietor of M/s Saraswati Trading Commission agent has forged the pronote and receipt as M/s Saraswati Trading Commission agent has got his signatures on blank papers during the period when he was dealing with said commission agent to sell his wheat and paddy. However, there is no truthfulness in the assertions made by appellant-defendant in view of any substantive material. The mere oral self-serving statement of appellant-defendant is not sufficient to conclude and throw the evidence of plaintiff-respondent, attesting witnesses and scribe who in a consistent manner had asserted due execution of pronote and receipt by appellant-defendant. No fault with the conclusion drawn by learned Courts below can be found.

12. Faced with above, learned counsel for the appellant-defendant has argued that oral assertions of appellant-defendant regarding forgery and fabrication needs to be taken into consideration. Keeping in view the fact that plaintiff-respondent had no capacity to give loan of Rs. 12 Lakhs specially when he himself had taken loan of Rs. 6.25 Lakhs from the bank.

13. The argument advanced by learned counsel on behalf of the appellant-defendant on first look appears to be very attractive. It is not in doubt that in case the person has no capacity, the factum of lending money by him becomes suspicious. However, on perusal of evidence of

plaintiff and cross-examination which was referred by learned counsel for the appellant-defendant, I find that learned Courts below have rightly appreciated the evidence and has concluded that there was no substance in the argument of appellant-defendant.

14. Learned counsel for the appellant-defendant has only referred to the part of cross-examination of PW1 to argue that plaintiff-respondent had no capacity to give Rs.12 lakhs in loan. The evidence of PW1 has to be read in totality and mere one statement made in cross-examination by itself is not sufficient to disregard the entire evidence of PW1. In fact perusal of evidence of PW1 goes to show that he has duly asserted his capacity to pay to extend loan to defendant by asserting that in the month of May and June, 2014 he had sold his 17 kanals of land and consideration amount received on account of sale of land was lying with him. He had duly placed on record copy of sale deed dated 26.06.2014 'Mark A' executed by him in favour of Balvir Kaur and Mandeep Kaur to the extent of equal share for a consideration of Rs. 32,44,000/-. These assertions made by plaintiff-respondent have gone un rebutted. Plaintiff while appearing as PW1 has also asserted that he owns 7.5 acres of land and used to sell his produce to Surinder Kumar, commission agent of Longowal for the last 20 years. He asserted that he is earning Rs.2 Lakhs from wheat and Rs. 4.5 Lakhs from rice and 50% of the amount is gone in the expenses. He has also asserted that he has got two daughters, one of them was married after completion of 10+2 but now she has passed M.A. examination. He asserted that while she was pursuing her 10+2 from Akal degree College Sangrur, she was residing in hostel and Rs.8,000/- to 10,000/- was being spent on her education. He

further stated that his 2nd daughter has gone abroad after passing 10+2 in the year 2015 for studies. It is asserted that he had spent Rs.15 Lakhs on her studies and said amount was spent from his agricultural income as well as by taking loan of Rs.6,25,000/- from PADB Sangrur.

15. He had further asserted that apart from doing agricultural work, he is also keeping buffaloes and earning income from buffaloes. He had clearly stated that he has got no relationship with Baldev Singh but had friendship with father of Baldev Singh. He had stated that Mahinder Singh, father of defendant used to take money from him but he used to return the same. He also denied relationship with Raghvir Sarop, Proprietor of M/s Sarswati Trading Company Commission agent.

16. On the cumulative reading of evidence specially cross-examination, it is clearly made out that it cannot be held that plaintiff-respondent had no means to advance Rs. 12,00,000/- (Rs. Twelve Lakhs only). Sale of property in June, 2014 just prior to lending Rs.12,00,000/- (Rs. Twelve Lakhs only) to defendant in fact goes to show the capacity of plaintiff-respondent. It is worth noticing that on careful reading, it is clearly made out that loan was taken after year 2015 when his 2nd daughter had gone abroad for studies whereas loan was already advanced in year 2014 and was not repaid by defendant and therefore, merely because plaintiff-respondent had taken loan for studies of his daughter cannot lead to the conclusion that he had no means to advance loan of Rs.12,00,000/- (Rs. Twelve Lakhs only).

17. From the evidence on record, both the Courts have rightly held that plaintiff – respondent had the capacity to lend Rs.12,00,000/- (Rs. Twelve Lakhs only).

18. Similarly, both the Courts have rightly appreciated and applied law duly noticed in the judgments dated 13.09.2022 and 20.05.2025 to deal with the arguments advanced on behalf of appellant-defendant that lending of money without money lenders licence amounts to violation of Section 8 of Punjab Registration and Money Lenders Act, 1938 and therefore, such transactions are not enforceable by way of suit.

19. Both the Courts have rightly held and concluded in view of pronouncement titled as **Amar Singh Vs. Kuldeep Singh**, AIR 1952, Punjab 207; **Sant Lal Vs. Noria Mal**, 1977 PLR 687, **Gori Shankar Vs. Mangal Ram**, AIR 1974 Rajasthan 328 and **Chander Bhan (deceased) through LR Vs. Gobind Ram**, 2004 (1) ISJ (Banking) 228; that one single act of personal loan to friend, relatives or known person does not amount to money lending and no licence is required. The issue has been dealt by both the Courts in proper perspective and therefore, no fault with the findings of Courts below can be found. Appellant-defendant has failed to show any defect in the concurrent findings of facts recorded by Courts below.

20. No question of law arises. Appeal is without any merit and hence, dismissed.

17.09.2025

Janki

(PARMOD GOYAL)

JUDGE

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No