IN THE HIGH COURT OF ANDHRA PRADESH : AMARAVATI

****

APPEAL SUIT NO: 555 OF 2010

Between:

1. Ramineni Eswara Rao, S/o Yenkamma, Business, R/o Garlapadu Village, Kakumanu Mandal, Guntur District.

2. KarumanchiBapaiahChowdary, S/o. Ayyamma, Business, R/o. Garlapadu Village, Kakumanu Mandal, Guntur District.

...Appellants

AND

1. Nanapaneni Suresh, S/o Late Sambasiva Rao, Business, R/oD.No. 1-2-51/2, Behind Bhavani Mess, J.K.C. College Road, Guntur.

...Respondent

DATE OF JUDGMENT PRONOUNCED**: 10.11.2026**

THE HONOURABLE SRI JUSTICE D. RAMESH
&
THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

SUBMITTED FOR APPROVAL:

1. Whether Reporters of Local Newspapers may be allowed to see the judgment? Yes / No
2. Whether the copies of judgment may be marked to Law Reporters / Journals? Yes / No
3. Whether His Lordship wish to see the fair copy of the Judgment? Yes / No

_____
JUSTICE D. RAMESH

_____
JUSTICE ALAPATI GIRIDHAR

*** THE HONOURABLE SRI JUSTICE D RAMESH**

&

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...Respondent

! Counsel for Appellants **:** Sri N. Subba Rao, learned Senior Counsel, assisted by Sri Ancha Panduranga Rao, learned counsel for the Appellants

^ Counsel for Respondents **:** Sri Ghanta Rama Rao, learned Senior Counsel, assisted by Sri Ghanta Sridhar, learned counsel for the Respondent

< Gist:

> Head Note:

? Cases referred:

1) (MANU/KE/0734/2001)
2) 2026 APHC : 44856
3) (2005) 4 SCC 370
4) (1998) 2 SCC 391
5) (2011) 8 SCC 249
6) (1977) 4 SCC 467
7) (2001) 5 SCC 289
8) (2002) 1 SCC 253

Date of reserved for orders : 10.08.2026
Date of pronouncement : 10.11.2026
Date of uploading : 10.11.2026

APHC010115842010

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI

TUESDAY, THE 11th DAY OF NOVEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE D RAMESH

AND

THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

APPEAL SUIT NO: 555 OF 2010

Between:

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...Respondent

Counsel for the Petitioners: ANCHA PANDURANGA RAO

Counsel for the Respondent K VIJAY CHOWDARY Counsel for the RespondentGHANTA SRIDHAR

THE HONOURABLE SRI JUSTICE D. RAMESH

AND

THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

The Court made the following JUDGMENT:

(per Hon'ble Sri Justice Alapati Giridhar)

1. The appeal is filed challenging the common judgment and decree passed by the learned I Additional District Judge, Guntur, in O.S. No.70 of 2008, dated 31.05.2010, assailing the dismissal of the Suit for specific performance.

2. There is no challenge in this Appeal against O.S.113 of 2009 filed by the Respondent/Defendant for permanent injunction against the Plaintiffs herein and also against Kanneganti Subbarao, which was also dismissed with costs.

3. For convenience, in this Appeal, the parties will be referred to as the Plaintiffs and the Defendant, as arrayed in the Trial Court.

I.CONTENTIONS:

4. Sri N. Subba Rao, learned Senior Counsel, assisted by Sri Ancha Panduranga Rao, learned counsel for the Appellants, briefly submits that by the evidence of PWs.1 to 4, Ex.A1/Agreement of Sale and Ex.A.2/Receipt, they proved their case, but the Trial Court committed an irregularity in dismissing the suit without considering that the Defendant, from time to time took inconsistent pleas. Initially, in the proceedings under the Negotiable Instruments Act and in other suits, he only pleaded that he had executed blank promissory notes and cheques apart from the registered mortgage deed towards security for the mortgage amount, but the Defendant did not plead about this agreement or the stamped receipt either in C.C.No.205 of 2001, O.S.No.340 of 2003 or O.S. No.30 of 2000. For the first time, the Defendant invented a story that his signatures were secured on blank stamp papers. In

the reply notice/Ex.B.2, the Defendant pleaded that Ex.A.1 and Ex.A.2 are fabricated and that his signatures are forged, but the Defendant failed to prove the same and he also took an inconsistent plea and contended that the Trial Court did not recordreasons to arrive at a finding that Ex.A.1 and Ex.A.2 were fabricated and forged. The Trial Court got carried away with the point that the non-judicial stamp papers which were used for the registered mortgage deed and the agreement bear the same serial numbers. The Plaintiffs had nothing to do with the mortgage transaction of the Defendant with Kanneganti Subba Rao. The trial Court erroneously dismissed the suit and sought to remand the matter.

5. The learned counsel for the Plaintiffs submits that the Plaintiffs approached the Defendant at the Defendant's house and paid Rs.15,00,000/- and Defendant handed over the receipt, which was drafted by him.

6. The learned counsel for the Plaintiffs drew the attention of this Court to the pleadings, the reply notice, the proceedings under Section 138 of the Negotiable Instruments Act, and other material on record,relied on the judgmentof High Court Kerala in ***Re: Kuttadan Velayudhan and Ors*** (MANU/KE/0734/2001) and sought to remand the matter.

7. Sri Ghanta Rama Rao, learned Senior Counsel, assisted by Sri Ghanta Sridhar, learned counsel for the Respondent, briefly submits that the Defendant executed a registered mortgage deed in favour of Kanneganti Subba Rao, while executing the same, he also took signed blank cheques, promissory notes, non-judicial stamp papers and white papers towards security. The serial numbers of the non-judicial stamp papers used for the registered mortgage deed, which was executed in the year 1997, are the same sequence of serial numbers used seven years laterto fabricate the agreement.The Defendant, after receipt of the notice by the Plaintiff, came to know about this fabrication of the agreement based on those documents, which were signed at the time of the mortgage transaction. The Defendant also issued a reply notice requesting the Plaintiffs to furnish the agreement of

sale and stamped receipt, but they did not furnish the documents. The Defendant consistently pleaded that he had signed blank documents as it is almost a decade oldtransaction, the Defendant might have failed to recollect all the documents to specifically plead in the earlier proceedings about the signatures on blank white papers and non-judicial stamp papers. However, the evidence of the Plaintiffs on the negotiations and the execution of the documentsis false. Further, the gap between the lines in the agreement, the typing of the agreement and the receipt are in the same ink, whichclearly shows fabrication of the agreement and receipt by these persons and the receipt at one point in time.

8. Further submitted that, strangely, the buyer, seller, description, schedule and the entire agreement appear to have been typed to suit the signature gaps, accordingly,they all forged and fabricated the agreement and the receipt. The Plaintiffs also failed to prove payment of the sale consideration of Rs.20,00,000/- and subsequent part payment of Rs.15,00,000/- and even the alleged documents. The Trial Court rightly dismissed the suit, recording the stamp serial numbers of the mortgage and agreement and other material, and finally sought to dismiss the appeal with costs.

II.PLEADINGS:

9. The case of the Plaintiffs is that the Defendant stated that the schedule property/2.74 Acres is his ancestral property, fell to his share in an oral partition, he obtained a pattadar passbook and title deed and raised teakwood plants on the property. The Defendant offered to sell the schedule property, the Plaintiffs approached him, finally fixed the sale consideration at Rs.20,00,000/- per acre and on 08.06.2005 he executed an Agreement of Sale in their favour by receiving an advance sale consideration of Rs.20,00,000/- from them. The Defendant also furnished copies of the pattadar passbook and title deed. It was agreed as per the terms and conditions of the Agreement of Sale that the balance sale consideration would

be paid within one year and the Defendant would execute a registered sale deed in their favour or their nominees and further agreed that, if the Plaintiffs commit delay in paying the balance sale consideration, they have to pay interest @ 18% p.a. The Defendant shall get the land measured through a Government Surveyor, obtain an Encumbrance Certificate by the date of execution of the regular Sale Deed and hand over the original pattadar passbook and title deed to the Plaintiffs. That in March 2006, the Defendant approached them stating that he was in need of money to develop his hotel business, on 11.03.2006 the Plaintiffs paid Rs.15,00,000/- to the Defendant, and he acknowledged receipt.

10. The Plaintiffs approached the Defendant in May, 2006 and requested him to measure the land and to perform his part of the contract, stating that they were ready and willing to perform their part of the contract, but the Defendant prolonged the matter on one pretext or the other with an evil intention, as the rates of the property increased abnormally. The Plaintiffs, on several occasions, personally and through mediators, approached the Defendant and requested him to perform his part of the contract, but the Defendant prolonged on one pretext or the other with the intention to extract more amount from the Plaintiffs. In the first week of August, 2007, the Plaintiffs, along with the elders, approached the Defendant and requested him to perform his part of the contract, the Defendant demanded an additional amount of Rs.20,00,000/-, but the Plaintiffs stated to him that they need not pay any additional amount, then the Defendant warned that he would create troubles.

11. The Plaintiffs visited the schedule property and learnt that the Defendant had mortgaged the said property to others long back. On 06.09.2007 they obtained an Encumbrance Certificate and came to know that the property was mortgaged in favour of one Kanneganti Subba Rao in 1997. The Plaintiffs approached the Defendant with the Encumbrance Certificate and questioned him for suppressing the mortgage. At the first instance, the Defendant told cock and bull stories and later warned them he had men and

muscle power and demanded an additional amount of Rs.20,00,000/-. The Plaintiffs got issued a legal notice dated 08.09.2007 to the Defendant, calling him to clear the mortgage debt and to measure the land by 20.09.2007 and to attend the office of the Sub-Registrar, Nallapadu, on 22.09.2007 with a fresh Encumbrance Certificate to perform his part of the contract after receipt of the balance sale consideration and execute a registered Sale Deed.

12. The Defendant got issued a reply notice dated 25.09.2007 with false and frivolous allegations, demanding the Plaintiffs send copies of the agreement and the receipt. The Plaintiffs got issued a rejoinder dated 10.10.2007. The Defendant had remained quiet for some time and later started harassing the Plaintiffs physically and mentally by filing caveats and cases against the Plaintiffs. The Plaintiffs again, on 01.02.2008, got issued a notice calling upon the Defendant to perform his part of the contract by clearing the mortgage debt and to attend the office of the Sub-Registrar on 12.02.2008. The Plaintiffs have been willing to perform their part of the contract, but the Defendant failed to perform his part.

13. The Defendant filed the written statement admitting that the schedule property is his ancestral property and the same fell to his share, he obtained pattadar pass book and title deed and he raised teak wood plants in the property. But the Defendant denied the agreement and part payment and material contents of the plaint and further denied offering to sell the property, the Plaintiffs approaching him, fixing the rate at Rs.20,00,000/- per acre, execution of Agreement of Sale on 08.06.2005, receiving of advance sale consideration of Rs.20,00,000/- and furnishing of copies of pattadar pass book and title deed, fixing one year time for the agreement, and in March 2006, he requested the Plaintiffs to pay some amount and that on 11.03.2006 the Plaintiffs paying Rs.15,00,000/- and issuing of the receipt. Also denied that in May 2006, the Plaintiffs approaching him to measure the property andon several occasions, the Plaintiffs requesting him personally through the mediators, demanding additional amount of Rs.20,00,000/-, questioning mortgage.

14. The Defendant specifically pleaded that in the month of September 1997, as he was in dire need of money, he approached Kanneganti Subbarao whois a financier, for a loan of Rs.2,00,000/-, he agreed to pay the same and the Defendant executed a mortgage deed of Rs.2,50,000/- and he handed over the pattadar pass books and title deeds to him. During mortgage, he obtained signatures on blank cheques, promissory notes, non-judicial stamp papers and white papers towards security. He paid Rs.45,000/- towards mortgage debt. Subsequently, as the Defendant was caught in financial difficulties, he sought time, but Kanneganti Subba Rao refused. Taking undue advantage, he filled a cheque for Rs.1,50,000/-, as the cheque was dishonored, he filed C.C.No.205 of 2001 on the file of V Additional Munsiff Magistrate, Guntur, which ended up in acquittal. Kanneganti Subba Rao approached the High Court,which confirmed the conviction, set aside the imprisonment and directed him to pay Rs.1,50,000/- accordingly, the Defendant deposited the amount into the Court. He requested Kanneganti Subba Rao to receive the balance amount under the mortgage deed, but he refused. As the market value of the schedule property had escalated by many folds, the said Kanneganti Subba Rao developed an evil intention to knock away the property and has set up his own henchmen, who are the Plaintiffs, fabricated the Agreement of Sale dated 08.06.2005 and the receipt dated 11.03.2006, basing on the alleged forged agreements, the Plaintiffs got issued legal notice, the Defendant issued reply notice asking them to send photo copies of the alleged documents but did not send, they issued rejoinder with false allegations. The Defendant never entered into any agreement of sale. The Plaintiffs are utter strangers to him. The alleged Agreement and receipt are rank forgery, fabricated and got filed the suit. The Defendant never offered to sell the schedule property, also filed a caveat before the District Court, they received the notice, then the Plaintiffs filed the Suit and pray to dismiss the suit with costs.

III. ISSUES FRAMED BY THE TRIAL COURT:

15. The record reveals that, as the case is not settled, the Trial Court settled the issues in O.S.No.70 of 2008 & also framed issues in O.S.113 of 2009, the former are relevant for disposal of this Appeal, which are extracted hereunder :

O.S.No.70 of 2008

i. Whether the agreement of sale dated 8.6.2005 and receipt dt.11.3.2006 are true, valid and binding on the Defendant?
ii. Whether the Plaintiffs are entitled to the specific performance of the agreement of sale dt. 8.6.2005 or refund of the sale consideration paid with interest at 18% p.a?
iii. To what relief?

IV. COMMON EVIDENCE OF PARTIES:

16. The Plaintiffs adduced evidence of PW.1/Karumanchi Bapaiah Chowdary, PW.2/Tagerosa Srinivasarao, PW.3/Ramineni Eswara Rao and PW.4/Tubati Janardhana Rao and exhibited A1/8.6.05:Agreement of sale executed by Defendant in favour of Plaintiff, A2/11.3.06:Part payment receipt executed by the Defendant in our favour, A3/8.9.07: O/c. of notice issued by us to 1st Defendant, A4/11.9.07: Acknowledgment, A5/13.9.09: Acknowledgment, A6/25.9.07: Reply notice, A7/10.10.09: Re-Joinder notice, A8/18.10.07: Acknowledgment, A9/1.2.08: O/c. of the notice, A10/4.2.08:Acknowledgment, A11/5.2.08: Acknowledgment, A12/6.9.07: EC issued by Sub Registrar, Nallapadu.

17. The Defendant adduced evidence of DW.1/Nallapaneni Suresh and DW.2/Kanneganti Subbarao and exhibited B1/Served copy of Regd. Notice by the Plaintiff dt.8.9.07, B2/Reply notice office copy dt.25.9.07, B3/O/c. of rejoinder notice dt.10.10.07, B4/C.C of registered mortgage deed, B5/CC of Judgment in CC 205/2001, B6/C.C of deposition of PW1 in CC.205/01,

B7/Paper publication in Andhra Jyothi Dt.7.3.08, Guntur Edition, B8/CC of Legal notice issued by the accused dt.14.9.01.(Ex.P6),B9/Acknowledgment, B10/Notice received by the 1st Defendant, B11/CC of Caveat in the year 2007, B12/Reply notice dt.25.10.07 along with Acknowledgment, B13/CC of caveat No.453/07, B14/Reply notice dt.18.1.08 with acknowledgment, B15/CC of Judgment in OS 30/00 on the file of III ASCJ, Guntur, B16/CC of Award of Lok Adalat in O.S.340/03 of ASCJ, Guntur, B17/CC of Award of Lok Adalat in Crl.A.264/03 of IX ADJ, Guntur, B18/CC of Deposition of DW1 in OS.30/00 on the file of ASCJ, Guntur and B19:CC of Deposition of DW2 in CC 205/01 on the file of V AMMC, Guntur.

18. The common Judgment reveals that the Trial Court recorded findings that there are inconsistencies in the evidence of the Plaintiffs. The Trial Court also noted the inconsistencies including the time of approaching the Defendant, time of execution of the agreement and place, also the sequence of serial numbers in the mortgage deed dated 25.09.1997 in favour of Kanneganti Subba Rao and the same sequence for the agreement of sale dated 08.06.2005 after 7 years and 8 months, also recorded a finding that the agreement and the receipt are probably forged and fabricated and dismissed the Suit filed for specific performance with costs.

19. The other Suit O.S.No.113 of 2009 filed by the Defendant/Respondent in this Appeal for Permanent Injunction was also dismissed with costs. As stated supra, the same is not in challenge in this Appeal, so the Court is not dwelling on these aspects.

V. POINT FRAMED BY THIS COURT:

20. Thus, this Court, in view of the submissions, inclined to frame the following point for consideration:

i. *Whether the Plaintiffs in O.S.No.70 of 2008 could prove the agreementof sale/Ex.A.1 dated 08.06.2005 and the receipt dated 11.03.2006, if so, whether they could prove that they have been alwaysready and willing to perform their part under the agreement with balancesale consideration?*

VI. ANALYSIS:

21. The material on record reveals that there is no dispute that the Defendant was the owner of the schedule property/Ac.2.74 cents, Pedakalakaluru Village, Guntur Mandal. The Defendant has executed a registered Mortgage/Ex.B4 on 25.09.1997 in favour of K. Subbarao, who is the 3rd Defendant in the connected suit/OS.113 of 2009, on stamp papers including on Stamp Serial No's.40113 and 40114, Sl. No.5760, 5761, 5762, 5763 and 5764, the consideration under the Mortgage is in dispute and this Court is not concerned with the same in this suit. The alleged agreement of sale/Ex.A1 was dated 08.06.2005 and on stamp papers in Stamp Serial No's.40112 and 40115, Sl.No.5766 and 5767. The same serial number stamps were used in both the Mortgage and the Agreement transaction i.e., after 7 years and 8 months of the Mortgage, which are not in dispute but these appear to be abnormal, this abnormality is not properly explained by the Plaintiffs.

22. As per the Plaintiff, their transaction is genuine and they do not know K. Subbarao/3rd Defendant, that on 08.06.2005 the Defendant executed the agreement/Ex.A1 in their favour duly receiving the advance consideration of Rs.20,00,000/- and on 11.03.2006 also the Defendant received Rs.15,00,000/- from the Plaintiffs and passed a receipt/Ex.A2.

23. As per the Defendant, the said K. Subbarao was behind this fabrication of the agreement and receipt and this case, who took his signatures as security on blank stamp papers, promissory notes, cheques and other papers during the mortgage transaction. The said K. Subbarao fabricated the Agreement/Ex.A1 and Receipt/Ex.A2 in the name of the Plaintiffs and they all filed this false suit.

VII. THE CONTENTS OF THE AGREEMENT/EX.A1 AND ITS STAMP PAPERS:

24. The Agreement is dated 08.06.2005 on two stamp papers (stamp serial no's.40112 and 40115 of the year 1997, Sl.Nos.5766 and 5767 respectively). This is between the Plaintiffs and the Defendant. As per the contents, the Defendants executed the same in favour of the Plaintiffs duly agreeing to sell the schedule property/Ac.2.74 cents, 20 Lakhs per acre, total consideration is 54.80 lakhs, stipulated time is 12 months to pay the balance sale consideration and to register the property duly measuring and basing on the measurements, the balance sale consideration to be paid, if the balance is not paid within the stipulated period, agreed to pay interest @ 18% pa.

25. The Plaintiffs in their Plaint, the Legal Notice/Ex.A3, Rejoinder Notice/Ex.A7, Legal Notice/Ex.A9 and Plaintiffs/PW.1 and PW.3 in their evidence affidavit, did not specifically state the place exactly the Agreement/A1 and Receipt/Ex.A2 transactions took place. But PW.1/2nd Plaintiff, in his cross-examination, for the first time stated that the defendant intimated him that the agreement was drafted and it was ready, they paid the amount and he signed the agreement and PW.1 went through the contents of the Agreement at the Defendant's house. Whereas PW.3/1st Plaintiff in his cross-examination, for the first time stated that the Agreement was got typed by the Defendant and Janardhan/Attestor/PW.4 and brought to the house of the Defendant. This version is not in their pleadings and legal notices as stated supra. The record reveals that PW.1 and PW.3 are literate, PW.3 is doing Rice Mill business and also admitted in cross-examination that he is paying taxes to the Rice Mill.

26. PW.4, in his evidence affidavit, mentioned that the Defendant himself went to the Registrar's Office and got the agreement typed on the Stamps brought by him, this is not only a new version but also inconsistent with the evidence of PW.1 to 3, as stated supra.

27. As per PW.1, he had an acquaintance with the defendant just one month prior to the purchase of the property, but as per PW.3 he knew the Defendant just 20 days prior to the agreement transaction. But as per PW.4, 2 or 3 months prior to the Agreement, he had negotiations, but the transaction was not settled. Thus, the case of the Plaintiff is materially inconsistent with the initial transaction with the Defendant.

28. He/PW.1 stated in his cross-examination that he did not take an Encumbrance Certificate before making payment of 20 lakhs and entering into the agreement on 08.06.2005 or before making part payment of 15 lakhs on 11.03.2006, which appears abnormal and is not properly explained by the Plaintiffs for paying such a huge amount to a stranger even without verifying encumbrance on the property.

29. Generally, when Agreement is entered into with a stranger, buyer will verify the title, including obtaining an Encumbrance Certificate over the property, only then would they enter into the Agreement. But as per PW.1, he did not verify the title of the Defendant or even obtain an Encumbrance Certificate. This is one of the abnormal circumstances. Further, generally the Agreement will be got drafted by the Plaintiffs, the same will not be entrusted to a stranger/Defendant, even if it is entrusted, the Plaintiffs will thoroughly go through the contents of the Agreement, then only they will make the payment but as per PW.1 they paid the amount and the Defendant signed on the Agreement, then he went through the contents of the Agreement, whereas the stamps used for the Agreement are more than 7 years old, which is not in dispute, which generally will not be allowed by a buyer, but the Plaintiffs did not explain what is the reason for not verifying the title, not taking encumbrance certificate, entrusting the drafting of the agreement to the Defendant that too on very old stamps and payment of the amount without verifying the contents of the Agreement.

30. The Certified copy of Mortgage Deed/Ex.B4 dated 25.09.1997 on stamp papers including on Stamp Serial No’s.40113 and 40114 and other

stamps, Sl. No.5760, 5761, 5762, 5763 and 5764. These Mortgage and Agreement stamps are in the same sequence of serial numbers, which were issued in the year 1997. These serial numbers are not in dispute. The Trial Court also recorded these stamp serial numbers. This is not only abnormal but also highly improbable, which is not explained properly by the Plaintiffs.

31. On payment of the consideration. As per the Plaintiffs the rate is fixed at Rs.20,00,000/- per acre and they incorporated in the Agreement/Ex.A1, but PW.4 in his cross examination, stated that it is Rs.25,00,000/- per acre, which is also not even disputed by the Plaintiffs. Further, as per the Plaintiffs, they paid Rs.20,00,000/- on 08.06.2005 and Rs.15,00,000/- on 11.03.2006 to the Defendant. The Plaintiffs in their Plaint, the Legal Notice/Ex.A3, Rejoinder Notice/Ex.A7, Legal Notice/Ex.A9 and Plaintiffs/PW.1 and PW.3 in their evidence affidavit, stated they paid 20 Lakhs and 15 Lakhs, appearing as if the payment was made just 20 Lakhs once and also 15 Lakhs once without contribution by the Plaintiffs before the Defendant. But PW.3 in his cross examination stated that they each paid Rs.10,00,000/- to the Defendant and so also Rs.7,50,000/- each to the Defendant.The Plaintiffs did not even dispute this version of PW. 3. PW.4 also deposed on the same lines of PW.3, which is a material point but inconsistent on payment as stated supra. Thus, the Plaintiff has not proved the case on these payments.

32. The Plaintiffs also did not elicit any material in support of their case from the cross-examination of DW.1/Defendant.

33. The Trial Court not only disbelieved the Plaintiffs case, but also held that the Defendant could probabilise his contention that the agreement and receipt were fabricated by the Plaintiffs, and observed that they were not entitled to a refund of Rs.35 lakhs as claimed.

34. ***In Re: Kuttandan Velayudhan case*** supra, the High Court of Kerala held that signing a document means that, after the document is prepared and completed, the person who signed has agreed to the terms and

conditions of the document. The High Court ordered the decree of Specific Performance of the Agreement.

35. The Plaintiffs cannot avail the judgment since the Defendant could demonstrate material inconsistencies in the Agreement, including the place of execution and payments, use of old stamp papers and their serial numbers connecting to an old mortgage transaction.

VIII.ON THE RECEIPT/EX.A2 :

36. As per the Plaintiffs, they paid part payment of Rs.15,00,000/- and the Defendant signed the receipt/Ex.A2.

37. As per the Defendant, this receipt is also fabricated by using a blank paper signed by him for security during the mortgage transaction.

38. The Court perused the Receipt/Ex.A2, which contains descriptions of both parties, most of the recitals of the agreement and the details of the schedule property.

39. As stated supra, the Plaintiffs in their Plaint, the Legal Notice/Ex.A3, Rejoinder Notice/Ex.A7, Legal Notice/Ex.A9 and Plaintiffs/PW.1 and PW.3 in their evidence affidavit, did not specifically state the place, where exactly the Receipt/Ex.A2 transactions took place. But PW.1/2nd Plaintiff, in his cross-examination, for the first time stated that the Defendant got this receipt drafted. But claimed the Agreement/Ex.A1 was with him when he made the part payment and he stated that there is no reason for not taking the part payment endorsement on the agreement.

40. Generally, the part payment, if any, will be made on the Agreement/Ex.A1, this is generally practice, whereas in this case, this is one of the abnormal circumstances, which is not explained properly by the Plaintiffs. The 2nd Plaintiff also, in his evidence, did not assign any reason for not taking the endorsement on the agreement for the part payment. Further, for the first time in their evidence, they stated that the Receipt was typed by

the Defendant and the amount was paid at his residence. This version is not in their pleadings and legal notices as stated supra.

IX. ON PLEA OF THE SAME TYPING INK ON THE AGREEMENT AND THE RECEIPT :

41. The Court perused the agreement/Ex.A1 dated 08.06.2005 and the Receipt/Ex.A2 dated 11.03.2006, there is a gap of 9 months between these two alleged two transactions. However, the ink in these two deeds appears to bethe same colour and thickness. Generally, when a letter is typed on a day and the other letter is typed after a month by the same type machine, the thickness of the ink will be slightly different on these letters and may not look like it has the same thickness of strokes. So, it appears theywere typed by a typewriter at one point. The contention of the Defendant appears so probable.

X.THE CASES INSTITUTED AGAINST THE DEFENDANT/N. SURESH:

42. As per the Plaintiffs, this agreement has nothing to do with the Plaintiffs.

43. As per the Defendant, he executed a registered Mortgage dated 25.09.1997 in favour of the said K. Subbarao, who took his signatures as security on blank stamp papers, promissory notes, cheques and other papers during the mortgage transaction. The said K. Subbarao was behind this fabrication of the Agreement/Ex.A1 and Receipt/Ex.A2 in the name of the Plaintiffs and they all filed this false suit.

44. The Plaintiffs in their Legal Notice/A3 dated 08.09.2007, claimed that they came to know about the Mortgage and obtained encumbrance, demanded the Defendant to close the mortgage transaction with the said K. Subbarao within a week and get ready to perform his part of the contract to measure the land and attend the Registrar’s Office on 22.09.2007. The Plaintiffs did not alternatively demand the Defendant on these settled lines that if the Defendant fails to clear the Mortgage debt, they will pay the Mortgage debt out of the balance sale consideration to clear the encumbrance

on the property. The demand by the Plaintiffs predominantly appears to clear the mortgage debt.

45. But in the suit for specific performance, the Plaintiffs did not implead the said K. Subbarao in the Suit though they received the caveat filed by the Defendant against the Plaintiffs and K. Subbarao. They also did not offer any plausible explanation. The Trial Court also discussed these aspects and recorded that there is collusion.

46. It appears the following proceedings were instituted against the Defendant. The said K. Subba Rao filed a Suit/OS.30 of 2000/Ex.B15 for recovery of amount basing on a Promissory Note dated 20.12.1997. The said K. Subbarao also filed C.C.205 of 2001 for a cheque dishonour case. One Bathula Sunil filed O.S.340 of 2003/Ex.B16 for recovery of amount and he also got attached the schedule property. Bathula Sunil also settled a cheque case in Crl.Appeal No.264 of 2003/Ex.B17.

47. The case of the Plaintiffs is that the Defendant in the earlier proceedings claimed that his signatures were obtained by the said K. Subbarao on cheques and documents but did not refer to any stamps, and he was also not consistent on the mortgage amount. For this, the Defendant submits that as the mortgage and signing on blank documents is around a decade-old transaction, he could not recollect exactly the blank documents signed by him, but he has specifically pleaded in all the cases that he signed on blank documents. He also issued paper publication/Ex.B7 Dated 07.03.2008, wherein he specially mentioned that during Mortgage, the said K. Subbarao obtained his signatures on blank promissory notes, stamp papers and cheques etc. This contention of the Plaintiffs does not have much force in view of the time gap of around 7 years from the Mortgage dated 25.09.1997

48. As per the Plaintiffs, they have nothing to do with those cases. The said K. Subbarao in O.S.113/2009, i.e., connected suit in this common judgment, claims that the Plaintiffs in this case and this Defendant colluded and fabricated this agreement and receipt to defraud him in the Mortgage

Transaction. But he could not place material even to connect them remotely to sustain his contention. As per the Defendant, the said K. Subbarao got fabricated all the documents and filed all these cases, including this Suit, against him.

XI. LAW ON FABRICATION OF VALUABLE SECURITY INCLUDING NEGOTIABLE INSTRUMENTS:

49. In order to answer the law on fabrication of documents and allied aspects, it is important to advert to Sections 463, 464 and 467 of IPC (Sections 336(1), 335 and 338 of BNS respectively), they read as follows:

> "**463. Forgery:-** Whoever makes any false document or false electronic record or part of a document, or electronic record with intent to cause damage or injury to the public or to any person, or to support any claim or title, or to cause by person to apart with property, or to enter into any express or implied contract, or with intent to commit fraud or that fraud may be committed commits forgery.
>
> **464. Making a false document:-** A person is said to make a false document or false electronic record --
>
> **First :-** Who dishonestly or fraudulently--
>
> (a) makes, signs, seals or executes a document or part of a document;
>
> (b) makes or transmits any electronic record or part of any electronic record;
>
> (c) affixes any digital signature or any electronic record;
>
> (d) makes any mark denoting the execution of a document or the authenticity of the digital signature,
>
> with the intention of causing it to be believed that such document or part of document, electronic record or electronic signature was made, signed, sealed, executed, transmitted or affixed by or by the authority of a person by whom or by whose authority he knows that it was not made, signed, sealed, executed or affixed; or
>
> Secondly — Who, without lawful authority, dishonestly or fraudulently, by cancellation or otherwise, alters a document or an electronic record in any material part thereof, after it has been made, executed or affixed with electronic signature either by himself or by any other person, whether such person be living or dead at the time of such alteration; or
>
> Thirdly — Who dishonestly or fraudulently causes any person to sign, seal, execute or alter a document or an electronic record or to affix his electronic

signature on any electronic record knowing that such person by reason of unsoundness of mind or intoxication cannot, or that by reason of deception practised upon him, he does not know the contents of the document or electronic record or the nature of the alteration.

Explanation 1:- A man's signature of his own name may amount to forgery.

Explanation 2:-The making of a false document in the name of a fictitious person, intending it to be believed that the document was made by a real person, or in the name of a deceased person, intending it to be believed that the document was made by the person in his lifetime, may amount to forgery.

Explanation 3:- For the purposes of this section, the expression "affixing electronic signature" shall have the meaning assigned to it in clause (d) of sub-section (1) of section 2 of the Information Technology Act, 2000.

467. Forgery of valuable security, will *etc.*:-

Whoever forges a document which purports to be a valuable security or a will, or an authority to adopt a son, or which purports to give authority to any person to make or transfer any valuable security, or to receive the principal, interest or dividends thereon, or to receive or deliver any money, movable property, or valuable security, or any document purporting to be an acquittance or receipt acknowledging the payment of money, or an acquittance or receipt for the delivery of any movable property or valuable security, shall be punished with imprisonment for life, or with imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine."

50. The illustration(c) of section 464 of IPC covers, where any amount is inserted fraudulently in a negotiable instrument as stated in the illustration, it is forgery, which is extracted hereunder:

"(c) A picks up a cheque on a banker signed by B, payable to bearer, but without any sum having been inserted in the cheque. A fraudulently fills up the cheque by inserting the sum of ten thousand rupees. A commits forgery."

51. The illustration (a) of Section 464 of IPC covers, where adds a cipher by a party to the document or a third party or inserts a numerical letter to defraud, in a document or negotiable instrument as stated in the illustration, it is forgery, which is extracted hereunder;

"(a) A has a letter of credit upon B for rupees 10,000/- written by Z, A, in order to defraud B, adds a cipher to the 10,000 and makes the sum 1,00,000 intending that it may be believed by B that Z so wrote the letter. A has committed forgery."

52. The illustration (h) of Section 464 of IPC covers, where a person executes a document with ante dates to defraud as stated in the illustration, it is forgery, which is extracted hereunder:

> "(h) *A* sells and conveys an estate to *Z*. *A* afterwards, in orderto defraud *Z* of his estate, executes a conveyance of thesame estate to *B*, dated six months earlier than the date ofthe conveyance to *Z*, intending it to be believed that hehad conveyed the estate to B before he conveyed it to *Z*. Ahas committed forgery."

53. This Court in **Thota Gopal and Pandipati Gopal Reddy**[1], following **Iqbal Singh Marwah & another Vs Meenakshi Marwah**[2], **State of Punjab Vs Raj Singh and Another**[3], **Ramrameshwari Devi & others Vs Nirmala Devi & others**[4],**T. Arivandandam v. T.V. Satyapal & Anr**[5], **Re: suo moto proceedings against Mr. R. Karuppan, Advocate and Salem Advocate Bar Association, Tamil Nadu Vs. Union ofIndia cases**[6], discussed on the procedure to launch prosecution under Section 467 of IPC against parties, witnesses, or others for fabrication of documents out of a Court. And also prosecuting parties or witnesses for perjury for filing fabricated documents with the Pleadings and/or evidence before a Court and ordered prosecution accordingly.

54. The **Hon'ble Three-Judge Bench** of **Hon'ble Supreme Court of India** in ***PRITISH Vs STATE OF MAHARASHTRA AND OTHERS***[7], dealing with the facts that the Reference Courton 23.4.1993 passed an Award enhancing compensation. The Claimants moved the High Court for further enhancementand the High Court dismissed the Appeal in the year 1993. In 1995, some persons of the locality moved the Reference Court for taking action under Section 340 of the Code of Criminal Procedure, that the claimants produced forged copies of sale deeds in support of their claim and

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[1] 2026 APHC : 44856
[2](2005) 4 SCC 370
[3](1998) 2 SCC 391
[4](2011) 8 SCC 249
[5](1977) 4 SCC 467
[6](2001) 5 SCC 289
[7](2002) 1 SCC 253

wangled a whopping enhancement by playing fraud. The Reference Court ordered prosecution. They filed an Appeal before the Sessions Court, on 12.8.1996 the Sessions Judge concerned ordered that the Complaint shall be filed against five more persons besides the Appellant. Those five persons moved the High Court and got themselves extricated from prosecution proceedings. The Appellant then filed an appeal before the High Court contending that the reference Court has overlooked the basic principles of natural justice, but the High Court did not accept this contention. The **Hon'ble Supreme Court**, relying on the **Constitutional Bench Judgment** in ***M.S. Sheriff and anr. vs. State of Madras and ors.*** (AIR 1954 SC 397), dismissed the Appeal, holding that the stage envisaged under Section 340 of the Cr.P.C does not decide the guilt or innocence, the scope is to see whether the material requires inquiry by a Criminal Court in the interest of justice. Also rejected the contention that he was not heard during the preliminary inquiry and dismissed the Appeal, they are extracted hereunder:

> "16. Be it noted that the court at the stage envisaged in section 340 of the Code is not deciding the guilt or innocence of the party against whom proceedings are to be taken before the magistrate. At that stage, the court only considers whether it is expedient in the interest of justice that an inquiry should be made into any offence affecting administration of justice. In M.S. Sheriff and Anr. v. State of Madras and Ors. [AIR 1954 SC 397] a constitution bench of this Court cautioned that no expression on the guilt or innocence of the persons should be made by the court while passing an order under section 340 of the Code. An exercise of the court at that stage is not for finding whether any offence was committed or who committed the same. The scope is confined to see whether the court could then decide on the materials available that the matter requires inquiry by a criminal court and that it is expedient in the interest of justice to have it inquired into.
> ……..
>
> 19. We, therefore, agree with the impugned judgment that appellant cannot complain that he was not heard during the preliminary inquiry conducted by the reference court under section 340 of the Code."

55. Thus, in view of the law as stated supra, for fabrication of document/s, the concerned personsand the concerned abettors may be prosecuted based on evidence, including electronic evidence such as CDR/IPDR, chats, voice recordings, videos, and/or CCTV footage, to show filing of civil and/or criminal cases, at the instance of a person/s. Also false evidence in civil and/or criminal proceedings at the instance of a person/s out

of money lending or real estate frauds etc. The Law is comprehensive enough to cover every dimension of fraud.

56. Section 467 of IPC, takes care of fabrication of documents concerning valuable security, Will etc., which provides imprisonment for life or a term which may extend upto 10 years and fine, for forging valuable security (agreement, sale or gift or mortgage deed or negotiable instrument, their endorsement etc). Section 193 of IPC, takes care of giving or fabricating false evidence, including a Party or witness, who files a forged or fabricated document and makes a false statement or declaration, which provides imprisonment, which may extend to seven years, and shall also beliable to fine) r/w 191 or 192 of IPC as per law, depending on the facts of thecase.

57. These are illustrative but not exhaustive. In view of the serious allegations before this Court, has dwelt on these points as stated supra.

58. The Parties could not demonstrate sufficient material to proceed suo moto on either set of the allegations.

59. The Parties may move an appropriate application before the concerned Trial Court under Section 340 of Cr.PC to examine the allegations.

60. The Parties are at liberty to proceed, if so advised, as per law as stated supra.

XII. RESULT:

61. This Court, on re-appreciating the evidence on record and from the foregoing discussion, inclined to hold that the Plaintiffs in O.S.No.70 of 2008 could not prove the case as stated supra, point No.i is answered against the Plaintiffs. The Plaintiffs/Appellants could not demonstrate any infirmityin the common Judgment and Decree of the Trial Court warranting interference by this Court.

62. Thus, in view of the material and foregoing discussion, the Appeal is dismissed with costs.

As a sequel, miscellaneous petitions, if any, pending shall stand closed.

JUSTICE D. RAMESH, J

JUSTICE ALAPATI GIRIDHAR, J

Dt: 10.11.2026,JKS

Note:
L.R copy to be marked
B/O : JKS

Whether the Order is:

Speaking		Reasoned	☑
Reportable	☑	Non-reportable	

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THE HONOURABLE SRI JUSTICE D RAMESH

AND

THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

A.S.No.555 of 2010

10.11.2026

JKS