



WEB COPY

AS No. 120 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-02-2026

CORAM

THE HON'BLE MR JUSTICE N. SATHISH KUMAR

AND

THE HON'BLE MR.JUSTICE R.SAKTHIVEL

AS No. 120 of 2026

and

CMP No.3837 of 2026

S. Radhakrishnan
S/o. Sundarraaj

..Appellant(s)

Vs

P.R. Chandran
S/o. Late Raju Naidu,

..Respondent(s)

This appeal filed under Section 96 r/w. Order XLI Rule 1 CPC to set aside the decree and judgment passed by I Additional District Court, Coimbatore in O.S.No.486 of 2018 dated 22.04.2024.

For Appellant(s): Mr. B. Nedunzhelian

For Respondent(s): Mr. M.S. Seshadri,
for Ms. Vindhya Vasini



JUDGMENT

(Judgment of the Court was delivered by N.Sathish Kumar J.)

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The appeal is filed challenging the decree and judgment of the Trial Court granting the alternative relief of refund of the advance amount of Rs.17,00,000/- with interest at the rate of 9% per annum from the date of the sale agreement and thereafter at 6% per annum till the date of realisation. The appeal has been filed by the unsuccessful defendant.

2. For the sake of convenience, the parties are referred to as per their rankings before the Trial Court.

3. The suit has been filed by the respondent/plaintiff for specific performance to enforce the contract dated 02.06.2006 or, in the alternative, for directing the defendant to refund the advance amount of sale consideration together with interest at the rate of 24% per annum from the date of suit till realization and for a charge over the suit property.

4. According to the plaintiff, the appellant/defendant agreed to sell the suit property for a total sale consideration of Rs.18,00,000/- and executed a registered sale agreement dated 02.06.2016 after receiving a sum of



Rs.17,00,000/- as advance. The balance sale consideration of Rs.1,00,000/- was agreed to be paid within 11 months from the date of agreement. The defendant also handed over the title deeds and other relevant documents with regard to the suit property.

5. In the second week of April 2017, when the plaintiff approached the defendant to execute the sale deed upon tendering the balance sale consideration of Rs.1,00,000/-, the defendant postponed the same on one pretext or the other. The plaintiff was always ready and willing to perform his part of the contract. The plaintiff issued a legal notice dated 20.04.2017. The defendant sent a reply containing false allegations. Hence, the suit.

6. The defendant, in the written statement, contended that he had no intention to sell the property and that the transaction was only a loan transaction. According to him, he had borrowed a sum of Rs.17,00,000/- and agreed to pay interest at the rate of 3% per month. He would further contend that his signatures were obtained on blank papers and the sale agreement was executed only as security for the said loan. The defendant has also paid interest for 17 months to the plaintiff and thereby, disputed the sale agreement .



7. Based on the above pleadings, the Trial Court has framed the following issues :-

- i) Whether the suit sale agreement is true and valid and executed with the intention to sell the suit property ?
- ii) Whether the plaintiff is entitled to the relief of specific performance?
- iii) Whether the plaintiff is entitled to the suit amount with future interest?
- iv) To what other relief the plaintiff is entitled to ?

8. On the side of the plaintiff, the plaintiff examined himself as P.W.1 and Exs.A1 to A5 were marked. On the side of the defendant, the power agent of the defendant was examined as DW1 and two other witnesses were examined as DW.2 and DW.3 and Exs.B.1 to B.14 were marked.

9. The Trial Court, upon appreciation of the entire evidence, found that the plaintiff has not established his readiness and willingness to perform his part of the contract and therefore, negated the relief of specific performance. However, considering the admitted receipt of Rs.17,00,000/-, the Trial Court granted alternative relief directing refund of the said amount with interest at the rate of 9% per annum from the date of sale agreement till the date of decree and



thereafter, at the rate of 6% per annum till realisation. Challenging the said decree and judgment, the defendant has filed the present appeal.

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10. The learned counsel for the appellant/defendant would submit that though the agreement is registered, the transaction is only a loan transaction and therefore, even the alternative relief ought not to have been granted.

11. In the light of the above submissions, the following point arises for consideration in this appeal:-

Whether the Trial Court is right in granting alternative relief in favour of the plaintiff ?

12. **Point**

Ex.A1 dated 02.06.2016 is a registered sale agreement. The execution of the agreement has not been disputed. The defendant has admitted the receipt of Rs.17,00,000/-. The only contention of the appellant is that the agreement was executed as security for a loan and he agreed to pay interest at the rate of 3% per month, and that the agreement came to be registered under coercion by the plaintiff.



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(ii) As rightly observed by the Trial Court, the plea of coercion or execution under force has not been established . Once a registered document has been admitted, oral evidence contrary to its terms is not permissible except to prove misrepresentation, fraud or want of execution, or lack of consideration, etc. No such plea has been substantiated in the present case.

(iii) It is also to be noted that the defendant himself has admitted the receipt of Rs.17,00,000/-. Even assuming that the transaction originated as a loan, once a registered agreement has been executed, the defendant cannot be permitted to resile from its terms without establishing any legally recognised ground.

(iv) The Trial Court has rightly negatived the relief of specific performance on the ground that the readiness and willingness has not been established. The plaintiff has not challenged that portion of the decree. Therefore, the only surviving question relates to refund of the admitted amount.



(v) Considering the admitted receipt of Rs.17,00,000/-, this Court finds no infirmity in the judgment of the Trial Court granting alternative relief. The rate of interest fixed by the Trial Court at 9% per annum till decree and 6% per annum thereafter is reasonable. Accordingly the point for consideration is answered against the appellant.

(vi) Though it is stated in the agreement that possession was handed over at the time of agreement, both sides fairly admitted that possession of the property continues with the defendant.

13. In the result, the appeal stands dismissed and the judgment and decree of the Trial Court are confirmed. No costs. Consequently connected miscellaneous petition is closed.

(N.S.K.,J.) (R.S.V.,J.)

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Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

MRP



To

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The I Additional District Court,
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