

**Krishnappa Chetti Vs. Adimula Mudali**

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**SooperKanoon Citation :** [sooperkanoon.com/778563](http://sooperkanoon.com/778563)

**Court :** Chennai

**Decided On :** Oct-16-1896

**Reported in :** (1897)ILR20Mad84

**Judge :** Shephard and ;Subramania Ayyar, JJ.

**Appellant :** Krishnappa Chetti

**Respondent :** Adimula Mudali

**Judgement :**

1. The circumstances under which the promissory note was given by the defendant are stated in the reference. The consideration was the withdrawal of threatened opposition to the discharge of the insolvent and the plaintiff's consent to the arrangement among the creditors.

2. By the promissory note the plaintiff secured for himself a larger payment than he was entitled to under the composition deed, and this was unknown to the other creditors.

3. It is contended on plaintiff's behalf that the circumstance that the note was given by a third party and not by the insolvent rendered the transaction an innocent one as far as the law of Insolvency is concerned.

4. In our opinion it makes no difference whether the note is given by the insolvent or by a stranger if it is given with the insolvent's knowledge and as a part of an

arrangement for securing to one creditor an advantage over the others. The ease is on all fours with Knight v. Hunt 5 Bing. 432. The case cited Amthul Latheef Syed Onissa Begum Saheba v. Choonoolalji Sowcar O. S. Appeal No. 16 of 1895 unreported is distinguishable, for there it was expressly found that there was no fraud.

5. Here the other creditors being ignorant of the arrangement must be taken to have been deceived.

6. Tiruvengadasami and Subbayya, Attorneys for Plaintiff.

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