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C.S.No.23 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.10.2023

CORAM

THE HONOURABLE **MR.JUSTICE ABDUL QUDDHOSE**

C.S.(Comm.Div.)No.23 of 2021

M/s.Tractors and Farm Equipment Limited,
77, Nungambakkam High Road,
Chennai – 34.

Rep. By its Authorised Signator
Mr.C.P.Sounderarajan

.. Plaintiff

-VS-

N.Deepak,
Sole Proprietor,
M/s.Mahalakshmi Tractors,
ThuruvanaHalli, Plot No.125, B.H.Road,
Near Banashankari KalyanaMantap,
Kudur, Chickmagalur District.
Karnataka – 577 548.
Through the District,
Chickmagalur.

.. Defendant

PRAYER: Civil Suit is filed under order IV Rule 1 O.S. Rules, read with Order VII Rule 1 of CPC and Section 2(1)(c)(ix) of the Commercial Courts Act, 2015, praying for a direction to the defendant to pay a sum of Rs.1,16,86,541.46/- with interest at 12% per annum from the date of the suit till the date of payment.



C.S.No.23 of 2021

For Plaintiff : Mr.Vadiraj Aniruth
for M/s.S.Ramasubramaniam & Associates

Defendant is set exparte

JUDGMENT

This commercial suit has been filed by the plaintiff seeking for recovery of a sum of Rs.1,16,86,541.46/- together with interest and costs from the defendant.

2. The plaintiff is a tractor manufacturer. The defendant was its dealer and he was appointed as a dealer on 22.09.2014. Ever since the said appointment, the plaintiff and the defendant are having regular transactions with regard to the tractor sales. The defendant has been irregular in making the payment to the plaintiff in respect of the tractor sales made by the plaintiff to him. According to the plaintiff, there is a balance of Rs.1,16,86,54.46/- still due and payable by the defendant to them as detailed hereunder:-



C.S.No.23 of 2021

Supply of tractors	: Rs.80,75,372.07/-
Less: Credit for spare parts	: Rs.1,07,347.93/-
Less: Credit claim account	: Rs.23,482.68/-
Less: Security Deposit	: Rs.3,00,000/-
Total	: Rs.76,44,541.46/-
Add: Trade Advance	: Rs.40,42,000/-
Total outstanding	: Rs.1,16,86,541.46/-

3. The documents filed by the plaintiff have been marked as exhibits before the learned Master-III while recording the oral evidence of the plaintiff. The plaintiff's authorised representative Mr.Shobak, who is the Deputy Manager – Dealer Developments, was examined as P.W.1 on behalf of the plaintiff. The defendant has been set exparte by this Court on 18.04.2022.

4. As seen from the minutes of the meeting dated 25.05.2018, 02.12.2019, 24.04.2020 and 27.08.2020 between the plaintiff and the defendant, which have been marked as exhibits, the defendant has partially acknowledged the liability towards the plaintiff. The minutes of the meeting dated 25.05.2018, 02.12.2019, 24.04.2020 and 27.08.2020 have



C.S.No.23 of 2021

been marked as Exs.P7 to P10 respectively.

WEB COPY

5. The learned counsel for the plaintiff, on instructions, would submit that the plaintiff is giving up the claim pertaining to trade advance amounting to Rs.40,42,000/- referred to supra. The said submission is recorded. If the said sum of Rs.40,42,000/- is deducted from the suit claim, a sum of Rs.76,44,541.46/- (Rs.1,16,86,541.46-Rs.40,42,000) will become due and payable by the defendant to the plaintiff. As seen from the minutes of the meeting dated 25.05.2018, 02.12.2019, 24.04.2020 and 27.08.2020, which have been marked as Exs.P7-P10, the defendant has acknowledged its liability towards tractor sales made by the plaintiff to the defendant.

6. The plaintiff has also filed its accounts statement for the period from 01.08.2014 to 28.02.2021, which has been marked as Ex.P11, and in page No.130 of the said accounts statement, the credit claim account amounting to Rs.23,482.68/- is reflected. Similarly, security deposit amount available with the plaintiff amounting to Rs.3 lakhs is reflected in page No.119 of the accounts statement.



C.S.No.23 of 2021

WEB COPY

7. The claim towards supply of tractors amounting to Rs.80,75,372.07/- is after adjusting the bank guarantee amount of Rs.45 lakhs, which was invoked by the plaintiff on 29.12.2020 on account of breach of the contract committed by the defendant. The same is also reflected at page No.118 of the statement of accounts (Ex.P11).

8. After adjusting the amount available with the plaintiff and after recording the statement made by the learned counsel for the plaintiff that on instructions, the plaintiff is giving up the claim towards trade advance of Rs.40,42000, the following amount is still due and payable by the defendant to the plaintiff as seen from the evidence available on record. The details are set out hereunder:-

Supply of tractors	: Rs.80,75,372.07/-
Less: Credit for spare parts	: Rs.1,07,347.93/-
Less: Credit claim account	: Rs.23,482.68/-
Less: Security Deposit	: Rs.3,00,000/-
Total	: Rs.76,44,541.46/-



C.S.No.23 of 2021

9. Based on the oral and documentary evidence available on record, the suit claim will have to be partly decreed in favour of the plaintiff.

10. With regard to the interest, since the contract does not stipulate the payment of any interest, this Court cannot award interest at the rate of 12% as claimed in the suit. However, when it is an admitted fact that the defendant is a defaulter, this Court will have to award interest though at a nominal rate in consonance with the present banking interest. This Court deems it fit to award 6% interest on the outstanding amount from the date of the suit till the date of the payment.

11. In the result, the suit is partly decreed by directing the defendant to pay a sum of Rs.76,44,541.46/- together with interest at 6% per annum from the date of filing of the suit till the date of the payment. The defendant is also directed to pay the costs of the suit.

05.10.2023

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Index:yes/no
Neutral citation:yes/no



C.S.No.23 of 2021

Plaintiff's witness:

Mr.A.V.Shobak - PW1

Documents exhibited by the Plaintiff:

Sl.No.	Exhibits	Date	Particulars of Documents
1	Ex.P1	06.06.2022	Letter of Authorisation
2	Ex.P2	29.08.2014	Letter of Intent issued by the Plaintiff to the Defendant
3	Ex.P3	22.09.2014	Letter of Probationary Appointment issued by the Plaintiff to the Defendant
4	Ex.P4	01.04.2020	Letter from the Plaintiff to the Defendant
5	Ex.P5	23.11.2019	Letter from the Defendant to Plaintiff
6	Ex.P6	10.06.2020	Letter acknowledging the change in the enfranchised territory from the Plaintiff and the Defendant
7	Ex.P7	25.05.2018	Minutes of Meeting between the Plaintiff and the Defendant.
8	Ex.P8	02.12.2019	Minutes of Meeting between the Plaintiff and the Defendant
9	Ex.P9	24.04.2020	Minutes of Meeting between the Plaintiff and the Defendant
10	Ex.P10	27.08.2020	Minutes of Meeting between the Plaintiff and the Defendant
11	Ex.P11	12.03.2021	Statement of Accounts

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C.S.No.23 of 2021

ABDUL QUDDHOSE, J.

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C.S.(Comm.Div.)No.23 of 2021

05.10.2023