OCD-31

ORDER SHEET

IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

CS-COM/819/2024
IA NO: GA-COM/1/2024, GA-COM/2/2025

STAR PIPE PRODUCTS (INDIA) PRIVATE LIMITED
VS
ASHIRWAD FOUNDRIES PRIVATE LIMITED

BEFORE:
The Hon'ble JUSTICE KRISHNA RAO
Date : July 21, 2025.

Appearance:
Mr. Aniruddha Mitra, Sr. Adv.
Mr. Ganesh Prasad Shaw, Adv.
Mr. Gaurav Kumar, Adv.
Mr. Harshit Thirani, Adv.
...for the plaintiff

1. The plaintiff has filed an application being GA-COM/2/2025 praying for judgment upon admission. The plaintiff has also filed an application being GA-COM/1/2024 praying for interim order.
2. Initially this Court has passed an ad-interim order which is continuing till date.
3. The plaintiff has filed the suit praying for decree for a sum of Rs.84,69,294.13p. along with interest at the rate of 18% per annum. The plaintiff and the defendant have entered into three Memorandum of Understanding dated 1st April, 2004, 1st April, 2007 and lastly on 7th November, 2010. As per the terms of the Memorandum of Understanding executed between the parties dated 7/11/2010, the defendant was to manufacture and supply Iron Casting to the plaintiff. The plaintiff shall purchase such Iron Casting from the defendant. The plaintiff could

assemble the rough casting and export it to countries such as United States and Canada.

4. At the time of issuance of purchase order to the defendant, the plaintiff was obliged to make lump sum payment in the form of an advance to the defendant, depending upon the value of the order, which was to be adjusted against the supply of casting as provided by the defendant every week.
5. In the year 2022, the defendant had started facing financial problems and was unable to maintain the required stock of Pig Iron, and subsequently supply the Rough Iron Casting against the advances provided by the plaintiff to the defendant. In order to overcome the said problems, the defendant sought a loan from the plaintiff in the form of higher advances and proposed a repayment plan for the same.
6. As per the normal course of business, the purchase orders were placed by the plaintiff to the defendant on 16th December, 2023 and 4th of January, 2024. As per prevailing agreement between the parties, the plaintiff had to pay an advance against the order and further payment were made against each delivery and the advance paid by the plaintiff was adjusted against the corresponding orders.
7. In furtherance of such agreement and practice, the plaintiff paid advance amount on various dates in financial year 2023-2024 to the tune of Rs.79,19,560.13p. This included the credit note issued by the defendant on account of an extra payment for tax invoice dated 5th January, 2024 and was made to the tune of Rs.6,42,441/-. Out of such advance amount, an amount of Rs.4,50,266/- was adjusted on account of partial delivery of

an Order. Thus, remaining unadjusted advance payment was calculated as Rs.74,69,294.13p.

8. On 9th April, 2024 an additional amount of Rs.10,00,000/- was paid by the plaintiff to the defendant as an advance payment for further purchase of goods. Accordingly, the total amount of Rs.84,69,294.13p. is pending against the defendant as advance payments made by the plaintiff.

9. Mr. Aniruddha Mitra, Learned Senior Advocate representing the plaintiff submits that the due and payable amount by the defendant to the plaintiff is reflected as credit balance in the ledger account of the plaintiff pertaining to the defendant for the financial year 2023-2024 and 2024-2025. He submits that the defendant failed to deliver the goods and failed to fulfill its obligations in terms of the Memorandum of Understanding dated 7.11.2010. He submits that on the request of the plaintiff for return of the said amount with interest, the defendant issued a letter dated 10th May, 2024 to the plaintiff admitting that the defendant owed an outstanding amount of Rs.84,69,294.13p. He submits that in the said letter the defendant unconditionally admitted the liability of Rs.84,69,294.13p. and stated that due to some internal problems, defendant was unable to manufacture any goods and due to financial constraints, the defendant has to divert its fund to pay certain interest burdens. He submitted that in the said letter the defendant has also informed the plaintiff that defendant has decided to sell its land to repay all of its creditors including the plaintiff.

10. Mr. Mitra submits that from the ledger and the letter dated 10th May, 2024, it is clear that the defendant is liable to pay an amount of

Rs.84,69,294.13p. and the same was duly admitted by the defendant and as such, no further evidence is required to be adduced to prove the case of the plaintiff. He submitted that the defendant unequivocally has admitted that the defendant is liable to pay an amount of Rs.84,69,294.13p. and as such, it is a fit case wherein a judgment upon admission can be passed.

11. Heard Learned Counsel for the plaintiff. Perused the materials on record.

12. This Court finds that time and again Memorandum of Understandings were entered between the parties and lastly on 7th November, 2010, the Memorandum of Understanding was entered between the plaintiff and the defendant. As per the said Memorandum, the defendant would manufacture and supply Iron Casting to the plaintiff and the plaintiff shall purchase such Iron Casting from the defendant. It was also agreed that the plaintiff will pay an advance sum to the defendant and the defendant will adjust the said advance by supplying the materials to the plaintiff. The plaintiff has relied upon the tax invoices wherein it reveals that the defendant has raised bill upon the plaintiff with regard to the supply of the materials. Subsequently, by an e-mail, the defendant has forwarded the ledger for the year 2023-2024 wherein it reveals that the closing balance was Rs.74,69,294.13p.

13. The another ledger account of the plaintiff for the year 2023-24, shows that an advance an amount of Rs.74,69,294.13p. is due and payable by the defendant to the plaintiff. The plaintiff has also disclosed the ledger account which shows that on 9th April, 2024, the plaintiff has further transferred an amount of Rs.10,00,000/- to the defendant and the

closing balance was Rs.84,69,294.13p. The defendant had issued a letter to the plaintiff on 10th May, 2024, wherein the defendant has unequivocally admitted that the foundry of the defendant is non-operational since 12th January, 2024 and the defendant owed Rs.84,69,294.13p. outstanding to the plaintiff which was provided by the plaintiff to the defendant as an advance against the pending order. The defendant in the said letter also admitted that due to their internal problem, the defendant has diverted those funds to pay off the high interest burden that the defendant is having right now. The letter further reflects that the defendant has informed to the plaintiff that to reduce interest burden, the defendant has decided to sell their land and repay the Axis Bank as well as to the plaintiff and the other creditors.

14. The plaintiff has also disclosed a notice dated 28th June, 2024, wherein the plaintiff has called for the defendant for payment of Rs.84,69,294.13p. along with interest at the rate of 18% per annum. But in spite of receipt of the said notice, the defendant has not paid any amount to the plaintiff.

15. Considering the above, this Court finds that from the Memorandum of Understanding dated 07.11.2010, it is established that both the parties have entered into a Memorandum of Understanding. The defendant has issued tax invoices to the plaintiff. Subsequently, the defendant has forwarded the ledger account for the year 2023-24 which shows that as on 27th March, 2024, an amount of Rs.74,69,294.13p. is due and payable by the defendant to the plaintiff. Another ledger account of the plaintiff also shows that the said amount is due and payable to the plaintiff. The ledger

account of the plaintiff also proves that the plaintiff has further paid an amount of Rs.10,00,000/- on 9th April, 2024 to the defendant and accordingly, the total due and payable amount was Rs.84,69,294.13p. From the letter dated 10th May, 2024, it is found that the defendant has unequivocally admitted that an amount of Rs.84,69,294.13p. is due and payable to the plaintiff.

16. In the case of ***Uttam Singh Duggal & Company Limited Vs. United Bank of India & Ors.*** reported in ***(2000) 7 SCC 120***, the Hon'ble Supreme Court has held that where a claim is admitted, the Court has jurisdiction to render a judgment for plaintiff and to pass a decree on admitted claim. The object extends to the relief to which, according to the admission of the defendant, the plaintiff is entitled.

17. This Court finds that the defendant by a letter dated 10th May, 2024, has admitted that an amount of Rs.84,69,294.13p. is due and payable by the defendant to the plaintiff. In the said letter, the defendant has also admitted that the defendant is planning to repay the said amount to the plaintiff within 15 days. But in spite of the same, the defendant has not paid the said amount.

18. In view of the above, this Court finds that the plaintiff is entitled to get the judgment upon admission for a sum of Rs.84,69,294.13p. along with interest at the rate of 12% per annum from 9th April, 2024 till the realization of the said amount.

19. The defendant is directed to pay the amount of Rs.84,69,294.13p. along with interest at the rate of 12% per annum from 9th April, 2024 till the realization of the said amount to the plaintiff.

20. GA-COM No. 2 of 2025 is disposed of.

21. Accordingly, CS-COM No. 819 of 2024 is disposed of.

22. Decree be drawn accordingly.

23. The plaintiff has also filed an application being GA-COM No. 1 of 2024 praying for an interim order and this Court has passed an interim order. But now the suit itself is disposed of and accordingly, GA-COM No. 1 of 2024 is also disposed of.

(KRISHNA RAO, J.)

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