



2025:DHC:1198-DB



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 19.02.2025

+ RFA(COMM) 103/2025
M/S ASL RECYCLING CO.Appellant
Through: Mr.Aditya Guha, Mr.A.K.Jha,
Advs.

versus

M/S VANI INTERNATIONALRespondent
Through: None.

CORAM:
HON'BLE MR. JUSTICE NAVIN CHAWLA
HON'BLE MS. JUSTICE SHALINDER KAUR

SHALINDER KAUR, J (ORAL)

CM APPL. 10351/2025 (Exemption)

1. Allowed, subject to all just exceptions.

RFA(COMM) 103/2025

1. The present Appeal under Section 13 of the Commercial Courts Act, 2015 (The CC Act) has been filed impugning the Judgement dated 26.11.2024 passed by the learned District Judge, Commercial Court-02, North-West District, Rohini Courts, New Delhi in CS(COMM) No.426/2021 titled '*M/s Vani International vs M/s ASL Recycling Company*', whereby the application filed by the Respondent herein under Order XIII-A of the Code of Civil Procedure, 1908 (CPC) was allowed and the suit was decreed in favor

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of the Respondent for a sum of Rs.44,69,918/- along with interest and costs.

2. Shorn of unnecessary details, the facts of the case are that the Appellant approached the Respondent in the month of July, 2018, seeking a supply of Import Material of Stainless Steel Remelting Scrap Ingot 304 (the said goods). The Respondent agreed to supply the same to the Appellant and the said goods were sent to the Appellant through a container on the High Seas. The Appellant purchased goods under four invoices. The Appellant made a few payments with regards to the purchase of the said goods between 02.11.2018 and 08.03.2019, however, after the said period, the Appellant became irregular in making the payments to the Respondent.

3. Consequently, the Respondent sent the Appellant a legal notice on 06.03.2021, calling upon the Appellant to clear the outstanding amount with interest at 24% per annum. As the outstanding dues were not cleared, the Respondent filed a suit for recovery of an amount Rs.59,66,732/-, along with interest, under Section 6 read with Section 12A(1) the CC Act.

4. On being served with summons, the Appellant filed its written statement, wherein it was averred that on receiving the said goods, the Appellant informed the Respondent that they were of inferior quality, which was informed to the Respondent telephonically. The Appellant had raised debit notes towards the low-quality goods; however, the Respondent never deducted the amount of the said debit notes and claimed the entire amount.



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5. The Respondent filed their replication along with the statement of admission/denial of the documents. The Appellant also filed its affidavit of admission/ denial.
6. Thereafter, the Respondent preferred an application under Order XIII-A of the CPC, seeking a Summary Judgment and the Appellant filed its reply to the said application.
7. *Vide* the Impugned Order, the learned District Judge allowed the application filed under Order XIII-A of the CPC and decreed the suit in favor of the Respondent, culminating in the present Appeal.
8. The learned counsel for the Appellant submits that the learned District Judge has erred in passing the Impugned Order as oral evidence was to be led in the present suit since the authenticity, genuineness and validity of the three debit notes, testing reports, and invoices against the testing reports, could not have been decided summarily. He submits that the issue regarding whether the documents were authentic or questionable could not have been decided summarily.
9. The learned counsel submits that due to the sudden closure of the Appellants firm, they were not able to trace their book of accounts and therefore, they could not place on record the Ledger Account of the Respondent Company before the learned District Judge.
10. The learned counsel submits that the onus of proving that the documents are sham was on the Respondent, however, the learned District Judge has made observations against the documents in an inquisitorial manner, which is contrary to the settled law as per the



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decision in ***Bright Enterprises Private Limited & Ors. vs. MJ Bizcraft & Ors.***, 2017 (69) PTC 596 (Del).

11. Having heard the learned counsel for the Appellant and perused the record, we may first highlight the scope of Order XIII-A of the CPC. This Court in ***Su-Kam Power Systems Ltd. vs. Kunwer Sachdev & Anr.***, 2019 SCC OnLine Del 10764, held as under:

“90. To reiterate, the intent behind incorporating the summary judgment procedure in the Commercial Court Act, 2015 is to ensure disposal of commercial disputes in a time-bound manner. In fact, the applicability of Order XIII A, CPC to commercial disputes, demonstrates that the trial is no longer the default procedure/norm.

91. Rule 3 of Order XIII A, CPC, as applicable to commercial disputes, empowers the Court to grant a summary judgement against the defendant where the Court considers that the defendant has no real prospects of successfully defending the claim and there is no other compelling reason why the claim should not be disposed of before recording of oral evidence. The expression “real” directs the Court to examine whether there is a “realistic” as opposed to “fanciful” prospects of success. This Court is of the view that the expression “no genuine issue requiring a trial” in Ontario Rules of Civil Procedure and “no other compelling reason.....for trial” in Commercial Courts Act can be read mutatis mutandis. Consequently, Order XIII A, CPC would be attracted if the Court, while hearing such an application, can make the necessary finding of fact, apply the law to the facts and the same is a proportionate, more expeditious and less expensive means of achieving a fair and just result.”



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12. What becomes apparent from a reading the aforesaid extract is that the objective of a Summary Judgment under Order XIII-A of the CPC is to provide a speedy solution to commercial disputes, especially in cases where the defendant has no prospects of successfully defending its claim and there is no substantial reason as to why the claim should be not disposed of before the recording of oral evidence.

13. The relevant dates for decision of the case are as under:-

S. No.	Invoice No.	Date of invoice booked by the respondent in its letter	Date of invoice booked by the appellant.	Alleged date of testing by the appellant.	Date of email vide which ledger confirmation was shared by the appellant.	Amount of invoice (in Rs.)
1	01/2018-2019	18.07.2018	26.08.2018		26.11.2018	49,88,700/-
2	02/2018-2019	11.09.2018	14.10.2018	24.10.2018	26.11.2018	26,22,000/-
3	03/2018-2019	11.09.2018	14.10.2018	27.10.2018	26.11.2018	26,61,330/-
4	04/2018-2019	11.09.2018	14.10.2018	18.10.2018	26.11.2018	25,22,582/-

14. It is noted from the defence raised by the Appellant that there is no dispute regarding the receipt of the goods, the quantity of goods received, or the invoice value of the goods. The goods have allegedly



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been tested on 18.10.2018, 24.10.2018 and 27.10.2018. Despite these alleged tests, there is no record of any letter or email from the Appellant to the Respondent, informing the Respondent about the bad quality of the goods, much less the return of the goods, which were stated to be of an inferior quality. The Appellant admittedly retained the goods. Furthermore, under the cover of its email dated 26.11.2018, the Appellant issued a confirmation by sharing the Ledger of the Respondent maintained by the Appellant with the Respondent, wherein the invoice value of all four invoices is admitted to be payable by the Appellant to the Respondent. Additionally, the payment of Rs. 5,00,000/- by the Appellant on 02.11.2018 is also admitted. Further, the Appellant has not disputed the payment of Rs. 68,27,880/- made to the Respondent between 02.11.2018 and 08.03.2019.

15. As far as the alleged Debit Notes are concerned, there is no evidence on record concerning the alleged bad quality of goods, nor is there any evidence that the alleged debit notes were sent to the Respondent. It is seen that in the alleged debit notes, the Appellant has unilaterally changed the price of the goods stated to be of inferior quality. For Appellant's failure to mention the bad quality of the goods in the balance confirmation letter, the said debit notes are rightly held by the learned District Judge to be unreliable.

16. The learned counsel for the Appellant vehemently submitted that he should be given an opportunity to prove the aforementioned documents. However, on a perusal of these documents, on the face of it, these do not inspire any confidence entitling a delay in the



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adjudication of the Suit. Allowing the Appellant to delay the adjudication of the Suit on such flimsy documents, would in fact, amount to negating the very purpose of the Commercial Courts Act, which is to ensure expeditious disposal of the Commercial Suits of Specified Value. Even if we allow a trial to take place in this regard, it will serve no purpose.

17. Further, the plea of the Appellant that it could not place on record the ledger account seems to be false. In a reply to the email sent by the Respondent on 26.11.2018, the Appellant had sent its accounts for balance confirmation. On the same day, the Respondent replied to the said email with its own ledger account, which duly mentions the same remaining balance amount.

18. Based on the foregoing, we are of the view that the Appellant has no real prospect of successfully defending the claim. We do not find any other compelling reason why the Respondent's claim should not be disposed of before recording of the oral evidence.

19. Therefore, we find no merits in the present appeal. Consequently, the same is dismissed.

SHALINDER KAUR, J

NAVIN CHAWLA, J

FEBRUARY 19, 2025
SU/FRK/IK

Click here to check corrigendum, if any