



2025:DHC:10189-DB



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

% ***Reserved on: 07th November 2025***
Pronounced on : 20th November 2025

+ **RFA(COMM) 573/2025 & CM APPL. 63792/2025, CM APPL. 63793/2025, CM APPL. 63794/2025**

1. WALNUT PICTURES

a partnership firm having its office at:
3rd Floor, C/313, Morya House, Off New Link Road,
Mumbai, Suburban, Maharashtra-400053

2. RAJ ROY

S/o Sh. Sanjay Kumar Roy
R/o 2005, D Wing Imperial heights,
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3. SANJEEV KAUL

S/o Omkar Nath Kaul
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And a partner in M/s Walnut Pictures
e-mail: sanjeevkaul2013@gmail.com

Through: Mr. Rahul Ajatshatru, Ms. Sagrika
Tanwar, Advocates.

.....Appellants



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versus

RAJYESH KUMAR PATNI

Proprietor of M/s Darpan Productions

Having its address at:-

C-69, G.F. Lajpat Nagar-II,

New Delhi-110024

Mobile: +91-9717800996

Through: Ms. Smita Maan, Mr. Vishal Maan
and Mr. Kartik Dabas, Advocates.

.....Respondent

CORAM:

HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

ANISH DAYAL, J.

1. This appeal assails the impugned order and decree dated 1st August 2025 passed by the District Judge (Commercial Courts), South District, Saket, New Delhi in **CS (COMM) 409/2023**. Suit for recovery filed by the respondent/plaintiff was decreed against appellant no.1/defendant no.1 for a sum of Rs.64,93,790.92/-, along with *pendente lite* and future interest at the rate of 12% per annum till realization, along with costs to carry simple interest at the rate of 6% per annum to be paid within thirty days.
2. The suit was decreed by allowing the application under Order XIII-A of Code of Civil Procedure, 1908 (**'CPC'**) which permits the Court to pass Summary Judgment, if the plaintiff or the defendant has no real prospect of succeeding on the claim or defending the claim, as the case may be, and there



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is no compelling reason as to why the suit should not be disposed of before recording of oral evidence.

Case set up by Respondent/Plaintiff

3. Respondent/Plaintiff claims to be a reputed personality in the field of providing varied range of services to film and television production houses, including as a line producer in New Delhi and North India since 1998. He is the proprietor of *M/s Darpan Productions* and looks after the day-to-day affairs of the concerned proprietorship. In May 2022, one *Shri Aditya Singh*, Executive Producer of appellant no.1/defendant no.1 (*Walnut Pictures*) introduced the respondent/plaintiff to appellant nos. 2 & 3/defendant nos. 2 & 3 who represented themselves as partners and producers of *Walnut Pictures* and expressed their desire to produce and direct a web series tentatively titled '*Front Page*', proposed to be released on the over-the-top (OTT) platform '*Zee 5*' and to be shot in Delhi NCR.

4. Respondent/Plaintiff claims that they had several meetings and discussed terms and conditions at the respondent's/plaintiff's office at Lajpat Nagar-II, New Delhi. Respondent/Plaintiff provided an estimate towards expenses to be incurred for location, food, shooting solutions, action vehicles, hotels, vanity, security, etc. required for the production to the appellants/defendants, who in turn reassured that they will reimburse all the expenses of the shooting to the respondent/plaintiff. Thereafter, shooting of the web series commenced in July 2022.

5. Respondent/Plaintiff was diligent in the services and sought permissions, licenses from Government of National Capital Territory of



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Delhi (**‘GNCTD’**) for shooting. Respondent/Plaintiff claims that they incurred total expenses of *Rs.3,87,93,790.92/-* including Goods and Services Tax (**‘GST’**). These expenses were shared with appellants/defendants through an invoice, and an amount of *Rs.3,06,00,000/-* was paid towards the liabilities and an assurance was made that they would clear the outstanding amount of *Rs.80,00,000/-* (approximately) at the earliest.

6. Appellants/Defendants then, issued a cheque dated 26th December 2022 for *Rs.80,00,000/-* drawn on Axis Bank. However, appellant nos. 2 & 3/defendant nos.2 & 3 requested the respondent/plaintiff not to encash the same and sought some time to make online transactions directly.

7. On 27th December 2022, appellants/defendants sent an E-mail admitting and acknowledging that they have paid an amount of *Rs.3,06,00,000/-* and *Rs.80,00,000/-* shall be cleared by 30th December 2022.

8. Respondent/Plaintiff waited without any success and subsequently, addressed an e-mail to the appellants/defendants reminding them that they would present the cheque for encashment. Yet again, appellant no.2/defendant no.2 telephonically contacted the respondent/plaintiff and requested him not to present the cheque for another week. Not getting any response from the appellants/defendants, respondent/plaintiff presented the cheque, which was returned as dishonoured on 19th January 2023 with the remarks *‘payment stopped by the drawer’*.

9. When appellant nos. 2 & 3/defendant nos.2 & 3 were contacted, they stated that payment had been stopped, since signatures of the investors were missing on the cheque and forwarded a letter which had been addressed to the bank to substantiate the same.



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10. According to the respondent/plaintiff, appellants/defendants had requested them to wait for some time as they were in the process of arranging funds. *Vide* e-mail dated 13th February 2023 appellants/defendants again assured that they would honour their commitment and pay the outstanding amount.

11. Left with no option, respondent/plaintiff served a legal notice on 18th February 2023 demanding Rs.64,93,790.92/- to be paid within a period of fifteen days. Appellants/defendants failed to reply, and thus, respondent/plaintiff moved for pre-institution mediation before Patiala House Courts, New Delhi. Appellants/Defendants did not appear on the fixed dates before the Mediation Centre and a Non-Starter Report was generated. Thereafter, the commercial suit was instituted.

Case set up by Appellants/Defendants

12. In the written statement, appellants/defendants raised certain preliminary objections- ***firstly***, that the suit was not maintainable on the ground of lack of jurisdiction since appellants'/defendants' place of business was outside the territorial jurisdiction of this Court as, appellant no.1/defendant no.1 has its registered address in Mumbai, and appellant nos.2 & 3/defendant nos. 2 & 3 were both residents of Mumbai. It was stated that no cause of action arose within the jurisdiction of Delhi; ***secondly***, that the plaint was not in consonance with provisions of Order VII Rule 14 of CPC as the respondent/plaintiff had not produced all relevant documents relied upon on in the plaint; ***thirdly***, that pleadings in the plaint suffer from vice of *suppressio veri and suppressio falsi*; ***fourthly***, respondent/plaintiff



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had not produced any supporting document to substantiate the claim that has been made for fees and/or expenses which had been incurred; *fifthly*, that the suit was not maintainable on the ground of non-joinder of necessary parties. *Shri Aditya Singh*, who had introduced the parties to the suit has not been made a party. *Shri Aditya Singh* was in a position to depose or provide evidence, regarding the budget which had been approved by him.

13. Appellants'/Defendants' case was that they had entered into an agreement with *Zee* for production of the web series, which was required to be shot in Delhi NCR. In turn, they had appointed one, *Shri Aditya Singh* as Executive Producer to take care of production and expenses and to engage persons required to provide services. With the approval of *Zee*, *Shri Aditya Singh* agreed to the budget of Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs only) for the entire shoot. *Shri Aditya Singh* introduced appellant nos. 2 & 3/defendant nos.2 & 3 to the plaintiff stating that respondent/plaintiff was an old acquaintance and assured them that respondent/plaintiff will be able to provide all the necessary help and services in the budget which had been agreed upon.

14. The shoot began in Delhi NCR on 7th December 2022. Appellants/Defendants showed full faith and trust in *Shri Aditya Singh* and the respondent/plaintiff and therefore, did not get into the details of the budget of the shoot. Till 22nd December 2022, appellants/defendants had paid Rs.2,16,00,000/- (Rupees Two Crore Sixteen Lakhs Only) Unexpectedly, on the last day of shoot, respondent/plaintiff conveyed that the total amounts payable by appellants/defendants was Rs.3,23,00,000/- (Rupees Three Crore Twenty-Three Lakhs Only). Appellants/Defendants



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conveyed the same to *Shri Aditya Singh*, who gave excuses that they were last minute expenses.

15. Appellants/Defendants raised an objection on the last day of the shoot, but respondent/plaintiff threatened that if monies are not paid, they will stop the shoot and will not allow the entire cast and crew to leave Delhi. Appellant nos. 2 & 3/Defendant nos.2 & 3 were forced to stay around Delhi and arrange funds from their funding partners and ultimately paid Rs.90,00,000/- (Rupees Ninety Lakh Only) to respondent/plaintiff on 26th December 2023 to allow them to depart. On 27th December 2023, plaintiff demanded another sum of Rs.80,00,000/- (Rupees Eighty Lakh Only) and threatened appellant no.3/defendant no.3, who was forced to handover the cheque and was thereafter able to leave Delhi.

16. Upon return to Mumbai, appellant nos. 2 & 3/defendant nos. 2 & 3 started following up with respondent/plaintiff and *Shri Aditya Singh* to provide the expense sheet and invoices for the shoot. However, due to some reason or the other, it was not provided; even till the date the suit was filed and only a table of expenses was provided, which showed expenses incurred under several heads, with no supporting documents and/or explanation with regard to how the amount was incurred.

17. Respondent/Plaintiff started threatening criminal action against appellant nos. 2 & 3/defendant nos. 2 & 3 for the balance amount of Rs. 80,00,000/- (Rupees Eighty Lakhs Only), while the appellants/defendants had been following up with respondent/plaintiff and *Shri Aditya Singh*, but still did not get any revert on the aforesaid expenses. Appellants'/defendants' case was that the maximum budget for the shoot



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was fixed at Rs.2,50,00,000/- (Rupees Two Crore Fifty Lakhs Only) and, therefore, it could not exceed the same. Appellants/Defendants in fact, had to recover the amount of Rs.73,00,000/- (Rupees Seventy-Three Lakhs Only) from respondent/plaintiff, which was over and above the fixed budget of Rs.2,50,00,000/-.

18. Appellants/Defendants stated that the respondent/plaintiff was extorting monies and has previously blackmailed appellant nos.2 & 3/defendant nos.2 & 3. After the filing of suit and issuance of summons to appellants/defendants, a complaint was filed before the *Indian Motion Picture Producers Association (Mumbai)* ('*IMPPA*') on 12th July 2023, of which both appellants/defendant and respondent/plaintiff were members.

19. Thereafter, a counter claim/suit was filed against the respondent/plaintiff for recovery of excess monies, which could not be listed for want of pre-litigation mediation. On 21st May 2024, Commercial Court dismissed the application under Order VIII Rule 1 of CPC for condonation of delay in filing the written statement. Moreover, an application under Order I Rule 10 of CPC was filed by respondent/plaintiff for impleadment of *Zee*, which was subsequently withdrawn. Yet another complaint was filed before the *Federation Western-Indian Cine Employees, Mumbai* (FWICE) against *Zee*, *Shri Aditya Singh* and others on 19th August 2024 by respondent/plaintiff.

20. An appeal was filed against order dated 21st May 2024 dismissing the application under Order VIII Rule 1 of CPC, which was allowed by this Court on 21st January 2025 and the written statement was taken on record, subject to costs. An application for impleadment of *Shri Aditya Singh* was



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filed under Order I Rule 10 of CPC by the appellants/defendants, which was dismissed by Trial Court on 9th July 2025.

21. An application under Order XIII A of CPC was filed by the respondent/plaintiff, to which reply was filed and in the sequence of events, the application stood allowed on 1st August 2025 and the impugned decree was passed.

Submissions by the counsel

22. The primary and principal thrust of *Mr. Rahul Ajatshatru*, counsel for appellants/defendants in support of the appeal was that the Commercial Court ought to have examined the pleadings to ascertain, whether there was a triable dispute or not. A bare perusal of the pleadings would clearly show that there were triable issues and, therefore, the application under Order XIII-A of CPC ought not to have been allowed, nor should a Summary Judgment have been passed.

23. Appellants'/defendants' counsel vehemently argued that the claims of respondent/plaintiff have been disputed by them in their written statement and also, in their reply to the application under Order XIII-A, which the Commercial Court failed to take note of that, and hastily dealt with them in the impugned order.

24. Despite categorical averments made in the written statement, as also in the reply to the application under Order XIII-A, Commercial Court in *paragraphs 19 and 20* of the impugned order wrongly concluded that "*there is no coherence in the reply of the defendants*". In support of his argument, counsel for appellants/defendants relied upon the decisions in ***IDBI***



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Trusteeship Services Limited v. Hubtown Limited (2017) 1 SCC 568 *M/s Bright Enterprises Private Limited & Anr. v. MJ Bizcraft LLP & Anr.* 2016 SCC OnLine Del 4421, *Su-Kam Power Systems Ltd. v. Kunwer Sachdev* 2019 SCC OnLine Del 10764, *Brijesh Kumar Agarwal v. IFCI Factors Ltd.* 2023 SCC OnLine Del 1502, *Anil Goel v. Ghanshyam Goel and Ors.* 2013 SCC OnLine Del 3278, *Uttam Singh Duggal & Co. Ltd. v. United Bank of India and Ors.* (2000) 7 SCC 120 *Tani Sandhu Bhargava v. Shumita Didi Sandhu* 2025 SCC OnLine Del 6543.

25. Second contention made by counsel for appellants/defendants rests on the ground that Commercial Court failed to note the actual role played by *Shri Aditya Singh* and wrongly dismissed the impleadment application on 9th July 2025. There were categorical pleadings made on the role played by *Shri Aditya Singh* in the written statement and the impleadment application. There were serious allegations that *Shri Aditya Singh* had misrepresented and defrauded, and even if he was to be considered an agent of appellant/defendant, all promises and assurances were vitiated. Despite taking note of pleadings related to *Shri Aditya Singh*, the Commercial Court dismissed the impleadment application filed by appellants/defendants and did not implead him as a necessary party. In this regard, the appellants/defendants relied upon *Vidur Impex and Traders Private Limited and Others v. Tosh Apartments Private Limited and Ors.* (2012) 8 SCC 384.

26. Third contention was that the counterclaim of appellants/defendants was ignored and disregarded, which sought to claim excess and unsubstantiated monies released to the respondent/plaintiff. Commercial



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Court decreed the suit despite no documentary evidence being furnished by the respondent/plaintiff that it had in fact spent Rs.3,87,79,010/-, and the suit was decreed on a mere statement. Commercial Court further erred in relying upon e-mails and communication, which would not serve to provide any estoppel against the appellants/defendants, since they had also pleaded that such communications were made under misrepresentation and/or fraud.

27. Commercial Court did not take into account the dispute raised by the appellants/defendants before the IMPPA, which had issued a show-cause notice on 16th August 2025 to the respondent/plaintiff on the basis of allegations made regarding his conduct.

28. *Ms. Smita Maan*, counsel for the respondent/plaintiff, in response, relied upon the appellants'/defendants' admission of liability *inter alia* an e-mail dated 27th December 2022, letters dated 3rd February 2023 and 4th February 2023, issuance of cheque dated 26th December 2022 for Rs.80,00,000/-, which was subsequently dishonoured and various WhatsApp messages acknowledging services and dues.

29. She contended that the party who admitted liability cannot approbate and reprobate, and the suit was rightly decreed on the basis of clear and unambiguous admissions. Further, the principle of estoppel by conduct as established under Section 115 of the Indian Evidence Act, 1872 barred the appellants/defendants from alleging coercion or denying their invoices after having issued a cheque and signing letters acknowledging dues.

30. Allegations of coercion, overcharging and duress were never raised contemporaneously. If indeed the respondent/plaintiff had coerced them on 25th-27th December 2022 by threatening to stop the shoot and detaining



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them; the appellants/defendants did not file any First Information Report (*FIR*) or send a legal notice regarding coercion and/or no objection was ever raised in writing. On the other hand, appellants/defendants issued an e-mail dated 27th December 2022, in which they acknowledged their liability to pay the outstanding amount of Rs.80,00,000/- and thanked the respondent/plaintiff for their co-operation.

31. Appellants'/Defendants' plea that the budget was agreed at Rs. 2,50,00,000 is an afterthought, since it has not been stated at any stage either through correspondence or in any communication. The budgetary arrangement was entirely between appellants/defendants and Zee Entertainment Enterprises Ltd. to which the respondent/plaintiff had no concern. The defence raised was therefore, illusory, sham, and vexatious and the suit deserved to be decreed summarily.

32. *Ms. Smita Maan* stated that the Commercial Court had correctly concluded that the appellants'/defendants' own correspondence, messages and financial conduct established existence of liability beyond any reasonable doubt.

33. A comparative analysis of pleadings had been undertaken by the Commercial Court and in that light, material contradictions had been pointed out. Appellants/defendants had accepted the services of respondent/plaintiff, made partial payments through banking channels and continued to engage with the respondent/plaintiff even after the alleged coercion. Reliance on *IDBI Trusteeship Services (supra)* was not tenable since the Supreme Court in that judgment held that when defence is elusive and vexatious, summary judgment may be passed without a trial.



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34. To substantiate her point, she relied on the Supreme Court's decision in *Ambalal Sarabhai Enterprises Limited v. KS Infraspace LLP* (2020) 15 SCC 585 which discussed the scheme and purpose of the Commercial Courts Act, 2015 ('*CC Act*') and the insertion of Order XIII-A of CPC as a mechanism to expedite commercial disputes. Appellants'/Defendants' plea that the summary judgment was passed in haste is unfounded, since they were afforded complete opportunity to file pleadings, replies and documents. Appellants'/defendants' attempt to file additional material after the matter was reserved for orders, was rightly rejected as an abuse of process.

Analysis

35. Having heard the parties, perused the pleadings and documents and after analysing the impugned decision, this Court is not inclined to allow this appeal for *inter alia* the reasons emphasised below.

36. It is admitted between the parties that no written agreement was executed for availing the services of respondent/plaintiff. While appellants/defendants, on one hand, state that *Shri Aditya Singh* had agreed to a budgetary cap of Rs.2,50,00,000/-, there is no evidence filed or presented by them for the same. Respondent/Plaintiff on the other hand contends that they were not aware of any such budgetary cap and, if at all, that was a matter between the appellants/defendants and *Shri Aditya Singh* and *Zee* to which they were not privy to.

37. Indeed, not even a single line of communication was exchanged between the parties to the suit that a budgetary cap of Rs.2,50,00,000/- had been agreed to. It is quite unthinkable that in a transaction of such value,



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there has been absolutely no communication exchanged between the parties, for this purpose, either prior to the services having been commenced, or midstream, or even after they have concluded. It may be useful for this purpose to chronologically sequence out the written communication that was in fact exchanged between the parties:

- i. Cheque dated 26th December 2022 for Rs.80,00,000/- presented on behalf of Walnut Pictures which was dishonoured subsequently on 19th January 2023 with a remark, *'payment stopped by the drawer'*.
- ii. E-mail dated 27th December 2022 addressed to respondent/plaintiff by appellant no.2/defendant no.2 stating that they have cleared payment of Rs.3,06,00,000/- and there is an outstanding of Rs.80,00,000/-, including GST. The e-mails stated *"we assure you that the payment will be cleared by 30th December..."*
- iii. WhatsApp communication between the respondent/plaintiff and appellant no.2/defendant no.2 (*Mr. Raj Roy*) between 5th January 2023 and 22nd January 2023. These messages *ex facie* bear out that the demand made by respondent/plaintiff for payment of outstanding amount as committed by appellant no.2/defendant no.2 on 7th January 2023, to which appellant no.2's/defendant no.2's response was that he is receiving funds and *'will clear the amount as soon as it comes anytime'*. There are other messages that show commitment to paying the outstanding amount by appellant



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no.2/defendant no.2, while respondent/plaintiff continues to complain about the failure to comply with the commitment. One of the WhatsApp messages relates to stopping of payment made *via* the cheque, where appellant no.2/defendant no.2 states '*Rajesh Bhai the stop payment is not for anything else. It is because of signature missing of our investing partners.*'

- iv. Letter dated 19th January 2023 issued on the letterhead of Walnut Pictures to the Manager, Axis Bank for stopping the payment of cheque issued in favour of Darpan Productions for Rs.80,00,000/- due to a missing signature.
- v. Signed acknowledgment by appellant no.1/defendant no.1 on 3rd February 2023, stating that Darpan Productions and Darpan Travels have undertaken the line production on behalf of Walnut Pictures for the web series '*Front Page*' and the total invoices received for the above are Rs. 3,28,76,035/- plus GST.
- vi. On 4th February 2023, appellant no.2/defendant no.2 issues a confirmation on the letterhead of Walnut Pictures that an approximate amount of Rs.32,00,000/- payable as GST towards the invoice generated by Darpan Productions will be cleared before the GST due date for February 2023 and the approximate balance amount of Rs.33,00,000/- towards the invoice for the month of March 2023, will also be cleared before its due date.



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- vii. Another e-mail dated 13th February 2023 from appellant no.2/defendant no.2 to respondent/plaintiff stating “*we confirm that we will clear all outstanding payments as mutually agreed on 26th December 2022 (Monday)*”.
- viii. An undated invoice with a grand total of Rs.3,87,79,010.33/- was raised showing the payment with an adjustment of Rs. 3,23,00,000/- and, therefore, a demand for balance amount of Rs. 64,79,010.33/-.
- ix. Legal Notice dated 18th February 2023 sent by respondent/plaintiff to appellants/defendants which was not responded to.

38. A bare perusal of the above exchanges would indubitably and incontrovertibly bear out that the appellants/defendants had consistently acknowledged their liability to pay the respondent/plaintiff and at no stage whatsoever, have they mentioned that their budgetary cap of Rs.2,50,00,000/- had been agreed to and had been overshoot by the demand of respondent/plaintiff, nor did they have any justification for negotiating a discount on the demand so made. Communication between the parties shows that it is an outright admission of the outstanding liability towards the respondent/plaintiff. Appellants/defendants have not presented any such document along with their written statement, which would be able to present a different picture or would counter the documentation as listed above.

39. The assertion of appellants/defendants that *Shri Aditya Singh* misrepresented and defrauded them does not help them in any way, as regards defending the suit against the respondent/plaintiff. Furthermore,



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upon being queried by the Court regarding communications *inter se* the appellants/defendants and *Shri Aditya Singh*, counsel for appellants/defendants replied in negative to that effect. Whether the appellants/defendants have a claim, if any, against *Shri Aditya Singh* or even *Zee TV*, it would be appropriate for them to pursue a claim against the said parties. Indeed, appellants/defendants state that they have filed a claim before the IMPAA against *Shri Aditya Singh*, and needless to say they are free to proceed against the said parties, in accordance with law.

40. However, *qua* the respondent/plaintiff, no evidence has been presented by the appellants/defendants which would controvert the clear admissions of liability made and evidenced in the communications listed above in paragraph no. 37.

41. As regards the allegation of coercion exercised by respondent/plaintiff during the last few days of the shoot in Delhi NCR, it is an admitted position that no FIR was registered nor was any complaint filed. Moreover, no communication has been made either through e-mail or WhatsApp to state that they had indeed been coerced in this manner. Appellants/Defendants have mounted a case before the Commercial Court, as well as, before this Appellate Court based on the allegation of coercion, which has not been substantiated in the documents filed in the suit.

42. Moreover, the dates on which such coercion is alleged is around 27th December 2022, however, confirmation of payments were made on 3rd February 2023 and 4th February 2023, as per the letters which have been referred to above in paragraph no. 37. Even as regards the dishonour of cheque, when the respondent/plaintiff confronted the appellants/defendants



regarding stopping of payment in the WhatsApp communication, there was still no assertion of coercion or being forced to pay excessive amounts, but instead, the statement made was that the cheque was stopped due to missing investor's signatures.

43. The documents filed by respondent/plaintiff have been denied by the appellant/defendant on the grounds of being false, fabricated, misleading or self-serving. This nature of denial does not comply with the provisions of the CC Act which amends the relevant provisions of CPC by inserting Order XI Rule 4, which provides the requisites of a denial required to be followed by the parties. Relevant provisions are extracted as under:

“4. Admission and denial of documents

(2) The statement of admissions and denials shall set out explicitly, whether such party was admitting or denying:—

- (a) correctness of contents of a document;*
- (b) existence of a document;*
- (c) execution of a document;*
- (d) issuance or receipt of a document;*
- (e) custody of a document.*

Explanation.—A statement of admission or denial of the existence of a document made in accordance with sub-rule (2) (b) shall include the admission or denial of the contents of a document.

(3) Each party shall set out reasons for denying a document under any of the above grounds and bare and unsupported denials shall not be deemed to be denials of a document and proof of such documents may then be dispensed with at the discretion of the Court.”

44. Single Judge of this Court while deciding an application under Order XI Rule 1, 3 & 5 of CPC in **CS(COMM) 1683/2016** titled “***Unilin Beheer***



B.V. v. Balaji Action Buildwell” articulated the requirement for amending the provisions on admission and denial of documents. Relevant observations are extracted as under:

“28. With the experience of over fifty years of working of the 1967 Rules, attempt was made in the 2018 Rules to do away with the bottlenecks in the proceedings in the suits on the Original Side of this Court. One of such bottlenecks was the stage of admission / denial of documents, at which the suits remained pending, in large number of cases, for years and thereafter also not serving any purpose of expediting trial, with vague denials being made, putting the opposite party to proof of documents at the cost of consequent delays....

This resulted in suits, most of evidence wherein was documentary, also being not decided expeditiously owing to delays in proof of documents. To eliminate such malady, in the new Rules provisions aforesaid were incorporated, making affidavit of admission/denial of documents mandatory and providing stringent consequences of non-filing of affidavit of admission / denial of documents to prevent a party from abusing the process of Courts, to its own advantage and to the prejudice of opposite parties.”

(emphasis added)

45. Counsel for appellant/defendant mounted their appeal predominantly on the issue that the Commercial Court ought to have given them a trial, rather than decreeing the suit on the basis of Order XIII-A of CPC. For this, the decisions as cited in paragraph 24 above have been relied upon by the counsel for appellant/defendant which must be assessed.

46. In order to facilitate that, Order XIII-A Rule 3 of CPC is being extracted for ready reference:



“3. Grounds for summary judgment

The Court may give a summary judgment against a plaintiff or defendant on a claim if it considers that—

(a) the plaintiff has no real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim, as the case may be; and

(b) there is no other compelling reason why the claim should not be disposed of before recording of oral evidence.”

47. To buttress his claim, counsel for appellants/defendants has relied upon decisions in ***IDBI Trusteeship Services*** (*supra*), ***M/s Bright Enterprises*** (*supra*), ***Su-Kam Power Systems*** (*supra*), ***Brijesh Kumar Agarwal*** (*supra*).

48. ***IDBI Trusteeship Services*** (*supra*) dealt with the parameters of leave to defend under Order XXXVII of CPC. Quite succinctly, the Supreme Court lays down the principles, in this context, as under:

“17. Accordingly, the principles stated in para 8 of Mechelec case [Mechelec Engineers & Manufacturers v. Basic Equipment Corpn., (1976) 4 SCC 687] will now stand superseded, given the amendment of Order 37 Rule 3 and the binding decision of four Judges in Milkhiram case [Milkhiram (India) (P) Ltd. v. Chamanlal Bros., AIR 1965 SC 1698 : (1966) 68 Bom LR 36], as follows:

17.1. If the defendant satisfies the court that he has a substantial defence, that is, a defence that is likely to succeed, the plaintiff is not entitled to leave to sign judgment, and the defendant is entitled to unconditional leave to defend the suit.

17.2. If the defendant raises triable issues indicating that he has a fair or reasonable defence, although not a



positively good defence, the plaintiff is not entitled to sign judgment, and the defendant is ordinarily entitled to unconditional leave to defend.

17.3. Even if the defendant raises triable issues, if a doubt is left with the trial Judge about the defendant's good faith, or the genuineness of the triable issues, the trial Judge may impose conditions both as to time or mode of trial, as well as payment into court or furnishing security. Care must be taken to see that the object of the provisions to assist expeditious disposal of commercial causes is not defeated. Care must also be taken to see that such triable issues are not shut out by unduly severe orders as to deposit or security.

17.4. If the defendant raises a defence which is plausible but improbable, the trial Judge may impose conditions as to time or mode of trial, as well as payment into court, or furnishing security. As such a defence does not raise triable issues, conditions as to deposit or security or both can extend to the entire principal sum together with such interest as the court feels the justice of the case requires.

17.5. If the defendant has no substantial defence and/or raises no genuine triable issues, and the court finds such defence to be frivolous or vexatious, then leave to defend the suit shall be refused, and the plaintiff is entitled to judgment forthwith.

17.6. If any part of the amount claimed by the plaintiff is admitted by the defendant to be due from him, leave to defend the suit, (even if triable issues or a substantial defence is raised), shall not be granted unless the amount so admitted to be due is deposited by the defendant in court.”

(emphasis added)

49. While the counsel for appellants/defendants relies upon this decision to state that they had a substantial defence and, therefore, a triable issue, it



may be noted that *IDBI Trusteeship Services (supra)* applies to aspects of leave to defend under Order XXXVII of CPC. Further, as per *paragraph 17.5* extracted above, the Supreme Court has stated that if the defendant has no substantial defence or raises no genuine triable issues, and the Court finds such defence to be frivolous or vexatious, then leave to defend could be refused and respondent/plaintiff would be entitled to judgment forthwith.

50. Counsel for appellants/defendants cannot selectively read these principles in his favour, particularly when, no genuine triable issue arises on application of the facts, as assessed above, and the defence of the appellant seems to be frivolous and vexatious. Moreover, the admissions of outstanding liability by appellants/defendants are clear and categorical, and in this light, the Commercial Court was right in decreeing the suit.

51. As regards *M/s Bright Enterprises (supra)*, the provisions of Order XIII-A of CPC were analyzed. Though, the Division Bench of this Court had set aside the Single Judge's decision in dismissing the appellant's suit under Order XIII-A of CPC and deliberated upon the scope of the provision, the decision had been rendered without issuing any summons to the defendants. This Court, therefore, stated that proceedings under Order XIII-A of CPC are adversarial in nature and are not inquisitorial, and the summary judgment cannot be rendered in absence of an adversary and merely upon an inquisition by the Court. It was in this context that the provisions of Order XIII-A of CPC were reiterated, and the matter before us hardly presents a similar situation.

52. In *Su-Kam Power Systems (supra)*, Single Judge of this Court while deciding an application under Order XIII-A of CPC noted that it was



identical to Rule 24.2 of Civil Procedure Rules in England which are extracted as under:

“43. Rule 24.2 of Civil Procedure Rules in England is identical to Rule 3 of Order XIII A of CPC. It refers to the words ‘no real prospect’ of being successful or succeeding. Rule 24.2 of Civil Procedure Rules in England is reproduced hereinbelow: —

24.2 The court may give summary judgment against a claimant or defendant on the whole of a claim or on a particular issue if—

(a) it considers that-

(i) that claimant has no real prospect of succeeding on the claim or issue; or

(ii) that defendant has no real prospect of successfully defending the claim or issue;’ and

(b) there is no other reason why the case or issue should be disposed of at a trial.”

(emphasis added)

53. In this context, the Court noted as under:

“49. Consequently, this Court is of the view that when a summary judgment application allows the Court to find the necessary facts and resolve the dispute, proceeding to trial would generally not be proportionate, timely or cost effective. It bears reiteration that the standard for fairness is not whether the procedure is as exhaustive as a trial, but whether it gives the Court the confidence that it can find the necessary facts and apply the relevant legal principles so as to resolve the dispute as held in Robert Hryniak (supra) .

50. In fact, the legislative intent behind introducing summary judgment under Order XIII A of CPC is to provide a remedy independent, separate and distinct from judgment on admissions and summary judgment under Order XXXVII of CPC.

52. Consequently, this Court is of the opinion that there



will be 'no real prospect of successfully defending the claim' when the Court is able to reach a fair and just determination on the merits of the application for summary judgment. This will be the case when the process allows the court to make the necessary finding of fact, apply the law to the facts, and the same is a proportionate, more expeditious and less expensive means to achieve a fair and just result."

(emphasis added)

54. The Court, in fact, decreed the suit in favour of the plaintiff noting as under:

"99. Consequently, the admissions of defendant no. 1 in documents and pleadings prevent him from taking factual positions to the contrary and leading evidence to the contrary. Further from the pleadings and material on record, it is apparent that the defendants have no real prospect of defending the allegations made by the plaintiff and there is no compelling reason for trial."

55. This decision, therefore, does not help the appellants/defendants at all, particularly since a similar situation arises in the case before us, where basis the admissions of appellant/defendant, they have no real prospect of succeeding.

56. In **Brijesh Kumar Agarwal** (*supra*), the Court on the facts of the case stated as under:

"23. This Court is also of the view that clearly there were disputes of facts that also arose in the suit. As pointed out by the learned counsel for the appellants, the appellants had denied the amount claimed by IFL and it was, thus, necessary for IFL to prove the same. As noted above, the impugned judgment was rendered before the parties had completed the admission and



denial of the documents of the other party to the suit. It is necessary for the courts to strike the issues, as required under Order XIV of the CPC, before proceeding further to decide the same. It is clearly not open for the court to avoid the said procedure.”

(emphasis added)

57. It is quite clear from the paragraph extracted above that there were clear denials of the amounts claimed and, therefore, it was necessary for the plaintiff therein to prove the same. Further, the impugned judgment was rendered before the process of admission and denial of documents had been completed, which is not the case in the dispute at hand.

58. In *Anil Goel (supra)*, the discussion was on the law of admissions under Order XII Rule 6 of CPC and that the admission should be unambiguous, further relying upon *Uttam Singh Duggal (supra)*. Reliance in this regard has also been placed on *Tani Sandhu (supra)*. While there cannot be any dissonance with the above proposition, it does not help the appellants/respondents, since their admissions are unambiguous and there is no reason for the Commercial Court to go through the procedure of trial, when these admissions made through written communications cannot be explained by appellants/defendants.

59. Mere assertion that there was coercion or misrepresentation and fraud, as stated above, cannot dilute their admission of outstanding liability throughout their transaction with the respondent/plaintiff.

60. In this context, examining the other ancillary submissions made by the appellants/defendants may not be necessary. Before closing this opinion, reliance of the respondent/plaintiff on *Ambalal Sarabhai Enterprises*



Limited (*supra*) by submitting that Order XIII-A of CPC has been inserted as a mechanism to eliminate sham defences, corresponds to the comprehensive view taken by the Apex Court regarding expeditious resolution of commercial disputes under the CC Act, may be considered. Relevant paragraphs are extracted as under:

“36. A perusal of the Statement of Objects and Reasons of the Commercial Courts Act, 2015 and the various amendments to the Civil Procedure Code and insertion of new rules to the Code applicable to suits of commercial disputes show that it has been enacted for the purpose of providing an early disposal of high value commercial disputes. A purposive interpretation of the Statement of Objects and Reasons and various amendments to the Civil Procedure Code leaves no room for doubt that the provisions of the Act require to be strictly construed. If the provisions are given a liberal interpretation, the object behind constitution of Commercial Division of Courts viz. putting the matter on fast track and speedy resolution of commercial disputes, will be defeated. If we take a closer look at the Statement of Objects and Reasons, words such as “early” and “speedy” have been incorporated and reiterated. The object shall be fulfilled only if the provisions of the Act are interpreted in a narrow sense and not hampered by the usual procedural delays plaguing our traditional legal system.

.....
42. The object and purpose of the establishment of Commercial Courts, Commercial Divisions and Commercial Appellate Divisions of the High Court is to ensure that the cases involved in commercial disputes are disposed of expeditiously, fairly and at reasonable cost to the litigants. Keeping in view the object and purpose of the establishment of the Commercial Courts



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and fast tracking procedure provided under the Act, the statutory provisions of the Act and the words incorporated thereon are to be meaningfully interpreted for quick disposal of commercial litigations so as to benefit the litigants especially those who are engaged in trade and commerce which in turn will further economic growth of the country.....”

(emphasis added)

61. Accordingly, the appeal stands dismissed. Pending applications are rendered infructuous.

62. Judgment be uploaded on the website of this Court.

ANISH DAYAL, J

NITIN WASUDEO SAMBRE, J

NOVEMBER 20, 2025/ak/sp