



RSA-4285-2000(O&M)

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

(217)

RSA-4285-2000(O&M)
Reserved on : 06.05.2026
Pronounced on : 27.05.2026
Uploaded on : 27.05.2026

M/s Kissan Phawara Agency

.....Appellant

Versus

Bhoruka Aluminium Limited

.....Respondent

CORAM: HON'BLE MR. JUSTICE AMARINDER SINGH GREWAL

Present: Mr. R.A. Sheoran, Advocate,
for the appellant.

Respondent proceeded against *ex parte*
vide order dated 30.03.2026.

AMARINDER SINGH GREWAL, J.

1. The appellant-plaintiff has challenged the judgment and decree dated 27.07.2000 passed by the learned Additional District Judge, Bhiwani, whereby the appeal filed by the respondent-defendant has been accepted, thereby setting aside the judgment and decree dated 06.10.1999, passed by learned Additional Civil Judge (Senior Division), Siwani and dismissed the suit of the appellant-plaintiff.
2. For the sake of convenience, the parties shall be referred to in terms of their status before the trial court.
3. Briefly stated, the facts of the case are that the plaintiff firm is owned and run by sole proprietor Bhalle Singh. The defendant is a private



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limited company with its headquarters at No.1 K.R.S. Road Mettagally Mysore and it can be sued through its Managing Director. The defendant company through one of its agent Shri M.C. Sharma after receiving Rs.50,000/- as security for sprinkles product for Siwani Tehsil gave its agency for the sale of their product for Siwani Tehsil. The terms and conditions of the said agency are within the powers and possession of defendant company. The plaintiff firm has been selling the products of the defendant company from time to time till 17.09.1994. The true and correct account for delivery of items and accounts thereof are also with the defendant company. As a result of sale, purchase and commission as well as security the defendant company sent a cheque of Rs.80,000/- only to which payment was stopped. With it the remaining products were also received by its agent, which were ultimately deposited in Bhiwani godown of defendant company. Thereafter efforts were made to obtain correct and accurate account from the defendant but nothing could be achieved. Subsequently, the plaintiff had filed the suit for rendition of accounts before learned Additional Civil Judge (Senior Division), Siwani and the same stands decreed vide judgment and decree dated 06.10.1999.

4. Upon notice, the defendant appeared and filed their written statement contesting the suit, raising various preliminary objections that the suit of the plaintiff is false and frivolous and made various objections in the suit by way of counter-claim. The plaintiff filed a replication denying the contents of the written statement and reiterating the averments made in the plaint.



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5. On the basis of the pleadings of the parties, the following issues were framed:

1. Whether the defendant company has refused to furnish the true account of the plaintiff regarding the agency in question? OPP

2. If Issue No.1 is proved in affirmative whether the plaintiff is entitled for decree of rendition of accounts and for recovery of money if found due? OPP

3. Whether the suit is not maintainable in the present form? OPP

4. Whether the defendant company is entitled to recover a sum of Rs.93082/52 ps alongwith interest at the rate of 21% per annum with quarterly rasta and costs from the plaintiff company as mentioned in the counter claim pleaded in the written statement? OPD

5. Relief.

6. The parties led evidence in support of their respective cases. After hearing learned counsel for the parties and on appreciation of the evidence on record, the Additional Civil Judge (Senior Division), Siwani, decreed the suit of the plaintiff vide judgment and decree dated 06.10.1999 by giving issue-wise findings. Aggrieved against the said judgment and decree, the defendant preferred an appeal before the learned Additional District Judge, Bhiwani, who, vide judgment and decree dated 27.07.2000, accepted the appeal of the defendants and set aside the judgment and decree dated 06.10.1999.

7. Feeling dissatisfied from the judgment and decree dated



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27.07.2000, the appellant-plaintiff has knocked the door of this Court by way of filing a regular second appeal praying that the same be accepted, the impugned judgment and decree dated 27.07.2000 passed by learned Additional District Judge, Bhiwani be set aside and affirm the judgment and decree dated 06.10.1999, passed by learned Additional Civil Judge (Senior Division), Siwani.

8. Learned counsel for the appellant/plaintiff contended that the judgment and decree passed by the learned First Appellate Court are unsustainable in law and on facts, as while affirming the findings recorded by the learned Trial Court on Issues No.1, 2 and 4 regarding the relationship of agency between the parties, agreed commission at the rate of 12%, return of goods and the plaintiff's entitlement towards commission amount, transport charges and security amount, the learned Appellate Court wrongly dismissed the suit solely on the ground of maintainability under Issue No.3. It is argued that once findings on merits had been affirmed in favour of the plaintiff, relief could not have been denied merely on a technical objection. Learned counsel further submitted that the suit was not a simpliciter suit for rendition of accounts but also involved substantive claims for recovery of commission, security amount and other consequential reliefs arising out of business dealings between the parties. It is further contended that the learned Appellate Court misinterpreted Section 213 of the Contract Act and wrongly applied the precedents relied upon by it, as there exists no absolute bar against an agent seeking appropriate relief against the principal in cases involving determination of financial rights. It is also submitted that Issue No.3 regarding maintainability was not pressed



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before the learned Trial Court and no evidence had been led thereon by the defendant, therefore, the learned First Appellate Court erred in setting aside the decree of the Trial Court despite affirming the material findings recorded in favour of the plaintiff. Accordingly, it is prayed that the judgment and decree passed by the learned First Appellate Court be set aside and the judgment and decree passed by the learned Trial Court be restored.

9. Notice was issued to the respondent-company; however, despite service, none appeared on its behalf, and accordingly, it was proceeded against *ex parte* vide order dated 30.03.2026.

10. I have heard learned counsel for the appellant at length and have carefully perused the judgments and decrees passed by both the Courts below along with the evidence available on record.

11. The present appeal arises out of a suit instituted by the plaintiff seeking rendition of accounts and consequential monetary relief arising from business transactions between the parties. The admitted facts emerging from the record are that the plaintiff was appointed as an agent/dealer of the defendant company for sale of sprinkler products in Siwani Tehsil and a sum of ₹50,000/- was deposited as security amount with the defendant company. It is also not in dispute that goods were supplied by the defendant company to the plaintiff and business transactions continued between the parties from time to time. The case set up by the plaintiff before the learned Trial Court was that the defendant company had failed to furnish true and correct accounts despite repeated requests and that the plaintiff was entitled to commission amount, return of



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security amount, transport charges and other consequential expenses incurred in relation to the business dealings. On the other hand, the defendant company pleaded that goods had been supplied on credit basis and after adjustment of security amount of ₹50,000/-, an amount of ₹90,385.52 remained due against the plaintiff and, accordingly, a counter-claim was also filed. The learned Trial Court, after appreciating the evidence led by both parties, decided Issues No.1, 2 and 4 in favour of the plaintiff and against the defendant and further decided Issue No.3 against the defendant. While recording findings on Issues No.1, 2 and 4, the learned Trial Court observed that certain material facts stood admitted between the parties. It was not disputed that the plaintiff was appointed as agent/dealer of the defendant company, that a sum of ₹50,000/- had been deposited as security and that 66 sprinkler sets had been sold. It was also admitted that the defendant company had issued a cheque of ₹80,000/- in favour of the plaintiff, though payment thereof was subsequently stopped.

12. The learned Trial Court, on the basis of evidence of PW-1 and PW-3 as well as documentary evidence available on record, came to the conclusion that the rate of commission agreed between the parties was 12%. The Trial Court also accepted the plaintiff's plea that certain goods had been returned to the defendant company and transport charges had been incurred by the plaintiff because goods were delivered from Bhiwani instead of Siwani. The learned Trial Court further held that the defendant had failed to substantiate its plea regarding the alleged indemnity bond and the outstanding liability claimed against the plaintiff. The counter-claim raised by the defendant was accordingly dismissed and the plaintiff was



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held entitled to recover commission amount, transport charges, security amount and other incidental expenses. Being dissatisfied with the findings recorded by the learned Trial Court, the defendant preferred an appeal before the learned First Appellate Court.

13. A perusal of the judgment passed by the learned First Appellate Court reveals that while considering the appeal preferred by the defendant, the learned First Appellate Court did not interfere with the findings of fact recorded by the learned Trial Court on Issues No.1, 2 and 4. Rather, the learned First Appellate Court specifically affirmed the findings that commission between the parties had been settled at the rate of 12%, goods had been returned to the defendant company and the plaintiff was entitled to monetary claims determined by the learned Trial Court. The learned First Appellate Court specifically observed that the plaintiff was entitled to receive commission amounting to ₹91,930.12, transport charges of ₹12,000/- and the security amount of ₹50,000/- and further recorded that the findings of the learned Trial Court on Issues No.1, 2 and 4 were based upon evidence and did not require any interference. However, despite affirming the findings on merits, the learned First Appellate Court reversed the judgment of the learned Trial Court solely while deciding Issue No.3 concerning maintainability of the suit.

14. The learned First Appellate Court held that since the plaintiff was admittedly acting as an agent of the defendant company, a suit for rendition of accounts at the instance of an agent against a principal was not maintainable. Reliance was placed upon various judicial pronouncements



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and reference was made to Section 213 of the Contract Act for arriving at such conclusion.

15. Upon careful perusal as well as consideration of the matter, this Court finds itself unable to agree with the reasoning adopted by the learned First Appellate Court. The first aspect which requires consideration is that the learned First Appellate Court itself affirmed all material findings of fact recorded by the learned Trial Court. Once the learned Appellate Court accepted the relationship of agency between the parties, the agreed rate of commission, the return of goods and the plaintiff's entitlement to monetary claims, there remained no justification to deny relief to the plaintiff merely on a technical objection regarding maintainability. The approach adopted by the learned First Appellate Court creates an apparent inconsistency because, on one hand, the plaintiff's entitlement was affirmed on merits and, on the other hand, relief itself was denied.

16. Secondly, the learned First Appellate Court appears to have proceeded on the assumption that the present suit was a simpliciter suit for rendition of accounts alone. A reading of the plaint in its entirety would show that apart from rendition of accounts, the plaintiff had also claimed substantive monetary relief including commission amount, security amount, transport expenses and other incidental claims arising from business dealings between the parties. Therefore, the present suit cannot be construed as a pure suit for rendition of accounts in the strict sense as assumed by the learned First Appellate Court.

17. This Court is further of the considered opinion that the reliance



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placed by the learned First Appellate Court upon Section 213 of the Contract Act for holding the suit to be not maintainable was misconceived. Section 213 of the Contract Act merely casts an obligation upon an agent to render proper accounts to his principal on demand and to make proper disclosures in relation to transactions conducted on behalf of the principal. However, the provision nowhere creates an absolute embargo or statutory prohibition restraining an agent from maintaining a civil action against the principal where determination of rights and liabilities arising from business transactions between the parties becomes necessary. The said provision only prescribes a duty of the agent and cannot be construed to take away an otherwise available civil remedy. In the present case, the plaintiff had not merely sought rendition of accounts in the abstract but had also claimed specific monetary reliefs including commission amount, security amount and consequential expenses arising from admitted business dealings between the parties. Therefore, the learned First Appellate Court erred in treating Section 213 as a complete bar to the maintainability of the suit instituted by the plaintiff.

18. Moreover, the authorities relied upon by the learned First Appellate Court were rendered in cases where the suit was substantially confined to rendition of accounts and did not involve specific monetary claims already determined after appreciation of evidence.

19. In light of the above, the judgment and decree dated 27.07.2000 passed by the learned Additional District Judge are set aside and the judgment and decree dated 06.10.1999 passed by the learned Trial Court are restored.



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20. The appeal stands allowed accordingly.
21. Since the main appeal stands allowed, the miscellaneous application(s), if any, stand disposed of accordingly.

(AMARINDER SINGH GREWAL)
JUDGE

27.05.2026
Shubham

Whether speaking/reasoned:-	Yes/No
Whether Reportable:-	Yes/No