<u>Witness duly sworn on 15.07.2026</u>

<u>Further cross Examination by Sri.SKU, Advocate for Plaintiff</u>:

Apart from Ex.D.1, there is no other agreement between the plaintiff and defendants. I have not issued any notice based on Ex.D.1 to the plaintiff for termination of Ex.D.1 agreement. There is no fixed monthly remuneration to be made by the plaintiff to the defendants as per the terms of Ex.D.1. It is true that, as per condition No.17 of Ex.D.1, payments were to be made through NEFT/RTGS in advance for goods ordered. All payments were made only through NEFT/RTGS to the plaintiff.

2. The entries found in the ledger account marked as Ex.P.2 is correct. The ledger account in the said Ex.P.2 pertaining to GRS Marketing Bangalore, Padubidri branch, Padubidri Van Sales, Bangalore General Trade, Bantwal Van Sales, Shimoga, Mysore, Hubli, Padubidri is also correct. All these accounts are consolidated in Ex.P.2 Ledger. As per the closing balance in Ex.P.2, the amount is Rs.1,06,66,395/-. As per Ex.P.2, defendants are liable to pay the said amount to the plaintiff. Witness volunteers that, the credit notes and unsold stock is not adjusted in the said figure.

3. I cannot exactly recollect the breakup of unsold stock in various Districts and branches, but in my opinion the total value was about more than Rs.2 crores. I had knowledge that all the goods received by us was capable of being sold within a span of about 2 months. The expiry period for the goods normally range between 6 to 12 months depending on the product. The witness volunteers that, in order to have continuity in supply, approximately one months stock will be ordered in advance which is the above said Rs.2 crores.

4. The above said unsold stock of about Rs.2 crores was as on August- September 2022. The last purchase made by us was on 27.07.2022 for Mysore branch, on 05.07.2022 for Bangalore branch, on 22.10.2022 for Padubidri branch, on 24.09.2022 for Hubli branch, on 31.10.2022 for Bangalore GT branch, on 25.06.2022 for Shimogga branch.

5. After October 2022 there was no further transactions between the plaintiff and defendants. It was our responsibility to sell the stocks purchased. For a few stock that was returned by us, credit was given by the plaintiff. Witness volunteers that, in respect of other stocks, no credit was given and the plaintiff also refused to take back the unsold goods and to give credit. The refused goods was pertaining to Bangalore, Mysore and Hubli branches. We have not issued any legal notice in 2022 after the alleged refusal by plaintiff. The witness however volunteers that, he had sent E-mails requesting the plaintiff to take back their goods and also eventually legal notice was issued by us.

6. We have got issued legal notice marked as Ex.P.7 through our counsel Sri.Narayana V.Y., Dharwad. It is true that, in Para 5 of the said legal notice, it is mentioned that, we have received margin of 22.5% upto June 2022. Witness volunteers that, out of 22.5%, he would receive 15% in the invoice and balance 7.5% by way of raising credit note.

7. It is true that, I was residing at N.R. Eminence, Aradhana Apartment, 2nd Floor, Flat No.2, No.145 1st Main Road, Kaniyana Colony, Ramachandra Agrahara, Chamarajpet, Bangalore. I am aware of the contents of Ex.P.8/Legal notice.

Further cross examination is deferred.

(Typed to my dictation in the open court.)

R.O.I. & A.C.,

(Sri.Vinay Devaraj)
I Addl. District & Sessions Judge,
Mangaluru, D.K.