

**IN THE COURT OF JUDGE, COMMERCIAL COURT  
(DISTRICT JUDGE CADRE), COIMBATORE**

**Present: Thiru. K.Hariharan, M.L.,**  
Judge,  
Commercial Court (District Judge Cadre),  
Coimbatore

**Friday, the 27th day of March 2026**

**C.O.S. No.31 of 2025**  
[CNR No.TNCB22-000065-2025]

**M/s Arav Trading Corporation**

Rep. by its Partner Mr.S.David Raja Christoper.

... Plaintiff

**// Vs //**

**1. Mr. Krishnan,**

Director of M/s Sree Mangalambigai Cotton Mills Pvt Ltd.,

**2. Mr. Viswanathan Krishnan**

Director of M/s Sree Mangalambigai Cotton Mills Pvt Ltd.,

**3. Mrs. Krishnan Kalarani**

Director of M/s Sree Mangalambigai Cotton Mills Pvt Ltd.,

**4. M/s. Sree Mangalambigai Cotton Mills Pvt Ltd.,**

Represented by its Managing Director

.... Defendants

[The defendants 1 and 2 are the same persons. The 4th defendant has impladed in this suit as per order dated 18.10.2025 passed in I.A.No.6 of 2025]

This suit came up for final hearing before me on 19.02.2026 in the presence of **Mr.S.Karuppuswamy, Advocates** for the plaintiff and **Mr.D.M.Senthil Kumaar, Advocate** for the defendants and upon perusing the

records and mediation Report and hearing arguments on both sides and having stood over for consideration till this date, this Court passes the following:-

### **JUDGMENT**

The suit has been filed by the plaintiff for the relief seeking to direct the defendants to pay a sum of **Rs.45,08,015/-** along with interest at the rate of **10.08%** per annum with monthly rests from the date of suit till the date of realization along with cost and also by creating charge over the suit schedule mentioned property for the above said sum of Rs.45,08,015/-.

**2. The Plaint averments which are found essential for the disposal of the suit is that:-**

a) The plaintiff is a partnership firm and they are engaging in the business of trading yarns and doing the act of distributing the textile raw materials. The defendants are the customers of the plaintiff. At the request of the defendants, the plaintiff had the business transactions with the defendants from 04.05.2024 towards supplying of raw materials for yarns and the transaction had taken place between the plaintiff and the defendants for the period from 04.05.2024 to 22.02.2025. The plaintiff and the defendants had the several business transactions and it is confirmed on the basis of the ledger account. There was the total due to the plaintiff from the defendants as on 01.03.2025 is Rs.76,88,074/- and the defendants have settled the part amount to the plaintiff by

disposing their machine to the plaintiff. There is an outstanding due amount of Rs.42,98,170/- from 03.03.2025 to 10.06.2025 and the plaintiff has also claimed the interest at the rate of 18% per annum for the outstanding sum which comes around Rs.2,09,845/-. Hence claiming the total outstanding sum of **Rs.45,08,015/-** as on 10.06.2025 the present suit has been filed by the plaintiff against the defendants. The plaintiff had also made several demands to the defendants over phone and in person to repay the balance due amount, but the defendants have not come forward to settle the outstanding amount. Now the defendants also have shutdown their business and also planing to sell their place of Mill to the third party. Since the defendants have not come forward to make the payment, the plaintiff has filed the present suit after complying the provision under Section 12A of the Commercial Courts Act for the aforementioned relief and sought for to decree the suit as prayed for.

**3. By denying the plaint averments the defendants have filed the written statement. The sum and substance of the written statement averments which are found essential for the disposal of the suit is that:-**

The defendants admit that the plaintiff and the defendants had the business transactions for a total sum of Rs.76,88,074/- from 04.05.2024. The defendants had paid the entire money due under the transactions and submit that the plaintiff had received the entire outstanding amount and assured to issue a full satisfaction receipt in due course. The defendants did not ask for any receipt

after making the payment. But, the plaintiff was postponing days for issuing the discharge receipts with the malafide intention to deceive the defendants. It is the submission of the defendants that the defendants have not closed down their business. It is mentioned that the plaintiff had filed the present suit only against the individuals with whom no business transaction have taken place. It is mentioned that the **Sree Mangalambigai Cotton Mills Pvt Ltd.**, had the business transaction with the plaintiff and submit that the said Sree Mangalambigai Cotton Mills Pvt Ltd., have not been added as party to the present suit and submit that the present suit is not maintainable for non joinder of necessary party and submit that the plaintiff had the transaction with the said company and not with the individual as alleged by the plaintiff. Further it is mentioned that the plaintiff have not filed any documentary proof to establish their claim and state that the accounts are not correct and submitted that the accounts are manipulated only for the purpose of this suit. Further it is mentioned by the defendants that the defendants 1 and 2 are the same person. Mentioning that there is no merit in the present suit and the defendants have sought for to dismiss the suit.

4. After the pleadings, the plaintiff and the defendants were given with opportunity to file the admission and denial of documents statement. Both parties have filed the admission and denial of documents statement along with affidavit. Further, prior to the case management hearing, parties were called upon to respond as to the possibility of settlement of the suit dispute. Since the

parties have not come forward for settlement, the case management hearing in this suit has been commenced.

5. At the commencement of the case management hearing the following issues have been framed by this Court on 07.10.2025:-

- 1) Whether the defendant has settled the entire due amount to the plaintiff?**
- 2) Whether the plaintiff is entitled for suit relief as prayed for?**
- 3) To what other relief?**

6. During the trial on the side of the plaintiff, the Partner of the plaintiff firm Mr.S.David Raja Christoper was examined and Ex.A1 to Ex.A8 were marked and the Assistant Manager of the plaintiff firm Ms.A.K.Sindhu was examined as PW.2 and on the side of the defendants no oral and documentary evidence has been adduced.

### **Issue No.1 to 3**

7. The suit has been filed by the plaintiff for the relief of recovery of sum of **Rs.45,08,015/-** with future interest at the rate of 10.08% per annum with monthly rests from the date of suit till the date of realization and by creating charge over the suit schedule mentioned property along with cost. The plaintiff has filed the suit claiming the said sum of **Rs.45,08,015/-** from the defendants as

the defendants had left to pay a sum of **Rs.45,08,015/-**. The defendants in their written statement have admitted the transaction that had taken place between the plaintiff and the defendants. But it is the contention of the defendants that the defendants have settled the entire due amount to the plaintiff. To show that the entire due amount has been settled by the defendants to the plaintiff, no documents have been filed on the side of the defendants nor the witnesses on the side of the defendants were examined.

8. On the side of the plaintiff Ex.A1 to Ex.A8 documents were filed in which Ex.A3 and Ex.A4 are the true account, which are the account statement and the GST 3(B) Returns Statement are filed to show the transaction had taken place between the plaintiff and the defendants. The entry for the receipt of goods is also found in the GST Returns for which the input credit ought to have been taken by the defendants. It is the contention of the defendants that the defendants have settled the due amount to the plaintiff. Now the burden lies on the defendants to establish that the defendants have settled the due amount to the plaintiff. To show that no document have been filed by the defendants in the present suit. Since the transactions had been admitted and the Ex.A3 account statement also tallied with Ex.A4 GST Statement, this Court would consider that the plaintiff seeking for the relief of recovery of sum of **Rs.45,08,015/-** is not in dispute.

**9.** The learned counsel for the defendants have appeared before this Court on 09.03.2026 and filed the memo and represented that on 23.01.2026 the plaintiff has issued the e-mail to the defendants to square of the principal amount of sum of Rs.35,98,394/- and submit that at present the defendants have deposited a sum of Rs.36,17,981/- to the plaintiff to settle the entire account. Hence it is submitted by the learned counsel for the defendants that the outstanding due amount have been settled to the plaintiff by the defendants as per the email dated 23.01.2026.

**10.** Subsequently both parties appeared before this Court through their counsel and filed the joint memo on 10.03.2026 to refer the suit for mediation by seeking recourse to settle the dispute and accordingly the suit was referred to mediation.

**11.** Before the Mediation on behalf of the plaintiff partnership firm, one of the partner Mr.S.David Raja Chrishtopher has entered into the compromise and in this regard the plaintiff has filed the Form A certificate issued by the Registrar of Firm. This Court would consider that the Form A filed by the plaintiff reflects that the plaintiff firm is a Registered Partnership Firm and also consider that the person representing plaintiff is also a registered partner of the plaintiff firm. Like wise on behalf of the defendants, the Director of the defendant Mr.Krishnan has entered into the compromise before the mediation.

This Court has carefully verified the Form A registration certificate of the plaintiff partnership firm and the memo filed the defendants and would consider that one of the partner Mr.S.David Raja Chrishtopher of the plaintiff firm and one of the director Mr.Krishnan of the defendant company have entered into the compromise in the suit proceedings.

**The Substance of the Mediation Settlement are as follows:-**

12. The suit was referred to mediation and the parties agreed for mediation in the presence of Advocate Mr.M.J.Salahudeen, as Mediator. On 17.03.2026 the parties with the assistance of the mediator voluntarily arrived with amicable settlement and entered into a settlement agreement dated 17.03.2026 in the presence of mediator.

**The terms of Settlement entered between the parties is as follows:-**

13. The plaintiff and the defendants have entered into the settlement agreement dated 17.03.2026 with following terms of settlement:-

(i) The plaintiff has agreed to settle the matter after receipt of **Rs.39,67,981/-** instead of amount claim mentioned in the suit.

(ii) The defendant has paid the entier amount to the plaintiff by way of RTGS at various dates i.e., 17.02.2026, 04.03.2026, 10.03.2026 a sum of Rs.10,00,000/,

Rs.26,17,981/-, Rs.2,00,000/- and Rs.1,50,000/-  
respectively.

(iii) the plaintiff endorsed the receipt of payment from the  
defendants.

14. From the settlement arrived between the parties as above this Court is of the considered view that, there is no other issues left to be decided in this suit. Hence this Court is of considered stand that the suit has to be decreed as per the terms of settlement entered between the parties and the proceedings has to be closed.

15. **In the result, the suit is decreed as per the terms of the Settlement agreement entered between the parties on 17.03.2026 in the mediation. Thereby the Settlement Agreement dated 17.03.2026 shall form part of the decree. Since there is no other issues left to be decided in this suit, the proceeding in this suit is closed. The parties are directed to bear their own costs. The plaintiff is entitled for refund of Court fees as per rules.**

Directly dictated to the Steno-Typist, Transcribed and Computerized by him,  
Corrected and Pronounced by me, on the **27th day of March, 2026.**

Judge,  
Commercial Court,  
(District Judge Cadre)  
Coimbatore

**List of witnesses examined on the side of plaintiff:-**

PW.1 - Mr.S.David Raja Christoper  
PW.2 - Ms.A.K.Sindhu

**List of Witnesses examined on the side of defendants:- NIL**

**List of documents marked on the side of the plaintiff:-**

<b>Exhibits</b>	<b>Date</b>	<b>Description of documents</b>
Ex.A1	14.07.2025	Copy of Partnership Registration Certificate of the plaintiff firm.
Ex.A2	22.10.2024	Authorization Letter
Ex.A3	--	Ledger Account statement for the period from 01.04.2024 to 10.06.2025
Ex.A4	07.12.2020	GST Registration Certificate of the defendants and details of GST claimed by the defendants
Ex.A5	--	Copy of Title deed dated 04.10.2018 and MOD dated 22.03.2024
Ex.A6	01.07.2025	Copy of Encumbrance Certificate
Ex.A7	16.06.2025	Letter from Sub Registrar
Ex.A8	15.07.2025	Non Starter Report

**List of documents marked on the side of the defendants:- Nil**

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