

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

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

**Monday, the 23rd Day of March 2026**

**C.O.S.No.52 of 2025**  
(CNR No.TNCB22-000113-2025)

M/s. Sri Amman Textiles,  
Rep. by its Partner Mr.Gokul Parthiban .... Plaintiff

**// Vs //**

M/s. KG Denim Ltd.,  
Rep. by its Whole-Time Director Mr.R.Selvakumar .... Defendant

This suit came up for final hearing before me on 16.03.2026 in the presence of Mr.N.Boobalan, Advocate for the plaintiff and Mr.M.Mithun, Advocate for the defendant and upon perusing the records and mediation report and hearing both sides and having stood over for consideration till this date, this court doth passed the following:-

**JUDGEMENT**

The suit has been filed by the plaintiff for the relief directing the defendant to pay a sum of Rs.31,46,402/- together with interest at the rate of 18% per annum for the principal sum of Rs.24,74,119/- from the date of suit till the date of realization to the plaintiff and for costs.

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

The plaintiff is the partnership firm and manufacturer of Fabric. The defendant is the public limited company and carrying out the Textile business. The plaintiff submit that during the month of April 2022, the defendant has approached the plaintiff to supply cotton and yarn fabrics on credit basis and accordingly the plaintiff has supplied the goods to the tune of Rs.1,06,85,924/- between the period from 19.04.2022 to 20.12.2022 under twelve invoices including TDS claim amount of Rs.3,537/- and submit that the defendant totally has paid only a sum of Rs.82,11,805/- under various dates as mentioned in the plaint at paragraph No.3 including TDS claim amount of Rs.3,537/- and hence the defendant is liable to pay the balance outstanding amount of Rs.24,74,119/- to the plaintiff. The plaintiff submit that the defendant has made their last payment on 03.04.2024 and thereafter the defendant has not made any payment. Since the said transaction between the plaintiff and the defendant is for business and so the defendant is liable to pay the due amount with interest at the rate of 18% per annum. The plaintiff further submit that in-spite of repeated demand made by the plaintiff, the defendant has not come forward to settle the amount and prolonged the same with one pretext or other. Therefore, the plaintiff has filed a pre institution mediation in PIM No.148 of 2025 under Section 12A of the Commercial Court Act before the District Legal Service Authority,

Coimbatore, but the defendant has failed to appear before DLSA even after receiving notice and hence the proceedings was closed and non starter was issued on 13.03.2025. The plaintiff submit that as on 05.10.2025 the defendant is liable to pay a sum of Rs.31,46,402/- towards principal and interest. Hence, the plaintiff has filed this suit for the aforementioned relief against the defendant and sought for to decree the suit.

**3. By denying the plaint averments the defendant 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:-**

a) The suit is false and frivolous and not maintainable either in law or on facts of the case. The defendant denied the entire plaint averments except that are specifically admitted by the defendant. The defendant submit that the plaintiff has not approached this Court with clean hands and suppressed very many facts in filing the present suit. The defendant is a public limited company, incorporated under the Companies Act, 1956 and has been carrying business in the manufacturing of Denim Fabric and its allied products. The defendant further submit that the plaintiff has deliberately evaded to produce the entire statement of accounts along with the plaint with an ill-motive to enrich unjustly and submit that several payments made by the defendant every now and then are not reflected in the statement of accounts relied by the plaintiff. The defendant has denied the outstanding amount of Rs.31,46,402/- as alleged by the plaintiff.

The defendant submit that the plaintiff has suppressed several business transactions and has filed this present suit and sought for to dismiss the suit for suppression of facts. Further, it is the contention of the defendant that there is no cause or agreement between the plaintiff and the defendant for seeking interest and submit that the plaintiff is not entitled for any interest.

b) The defendant submit that the plaintiff has not filed all invoices, delivery challan, lorry receipts and entire statement of accounts along with the plaint and submit that the plaintiff has failed to prove their case with appropriate piece of evidence and submit that the defendant is not liable to pay any amount or interest to the plaintiff as claimed by the plaintiff and submit that the plaintiff has concealed the truth as against the Order VI Rule 16 of C.P.C. and thereby the pleadings of the plaintiff has to be struck off. The defendant further submit that the plaintiff has not added necessary parties in the present suit and hence the suit is also liable to be dismissed for non joinder of necessary parties. The defendant submit that there is no cause of action for filing this suit and the suit is not maintainable and the defendant has sought for to dismiss the suit.

**4.** At the stage of case management hearing and for framing of issues both parties appeared before this court through their counsel and filed the joint memo on 07.02.2026 to refer the suit for mediation by seeking recourse to settle the dispute and accordingly the suit was referred to Mediation. No oral and documentary evidence was adduced on both sides.

5. On behalf of the plaintiff partnership firm, one of the partner Mr.Gokul Parthiban has entered into the compromise before the Mediation and in this regard the plaintiff has filed the Registration Certificate - Form GST REG-06 with Annexure A and B. This Court would consider that the Registration Certificate filed by the plaintiff with Annexure A & B 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 defendant, Mr.R.Selvakumar has entered into the compromise in the mediation and in this regard the defendant has filed the Board Resolution dated 07.11.2023 authorizing him to enter into the compromise on behalf of the defendant company. This Court has carefully verified the said documents that one of the partner of the plaintiff firm Mr.Gokul Parthiban and the defendant who has also given authority to its Whole time Director Mr.R.Selvakumar, respectively to enter into the compromise in the suit proceedings.

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

6. The suit was referred to mediation and the parties agreed for mediation in the presence of Advocate Mr. T.A.Selvaraj, as mediator. On 09.03.2026 the parties with the assistance of the mediator voluntarily arrived with amicable settlement and entered into a settlement agreement dated

09.03.2026 along with Joint Compromise Memo dated 09.03.2026 in the presence of mediator.

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

7. The plaintiff and the defendant have entered into the settlement agreement dated 09.03.2026 with following terms of settlement in Joint Compromise and the defendant has agreed to pay a sum of Rs.24,74,119/- to the plaintiff in full and final settlement of this suit claim :-

(i) It is agreed that the settlement amount of Rs.24,74,119/- (Rupees Twenty Four Lakhs Seventy Four Thousand One Hundred and Nineteen only) shall be paid by the defendant company to the plaintiff in four installments in the following manner

S.No.	Month	Due Date	Amount Payable
1	May - 2026	On or before 10.05.2026	Rs. 6,00,000/-
2	June - 2026	On or before 10.06.2026	Rs. 6,00,000/-
3	July - 2026	On or before 10.07.2026	Rs. 6,00,000/-
4	Aug - 2026	On or before 10.08.2026	Rs. 6,74,119/-
		Total	Rs.24,74,119/-

(ii) It is further agreed that the defendant shall make earnest and bona fide efforts to settle and discharge the entire settlement amount prior to the month of 10th August 2026 and any such early or accelerated payment shall be accepted by the plaintiff without objection.

(iii) The parties expressly agree that time is the essence of this Compromise, and in the event of default in payment of even a single installment on the due date, the plaintiff shall be entitled to directly initiate execution proceedings based on this compromise and the Award passed thereon.

(iv) Upon such default, the plaintiff shall be at full liberty to file an Execution Petition for recovery of the entire suit claim amount of Rs.31,46,402/- (Rupees Thirty One Lakhs Forty Six Thousand Four Hundred and Two only) together with interest at the rate of 18% per annum from the date of the suit to till its realization, by execution of award, after giving credit to any amount already paid, without any further notice or reference to the defendant.

(v) It is agreed that all payments made under this compromise shall be treated as part-payments, and full satisfaction of the suit claim shall be recorded only upon complete and punctual payment of the entire settlement amount as agreed herein.

**8.** 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.

**9. In the result, the suit is decreed as per the terms of the Settlement agreement and joint compromise memo entered between the parties on 09.03.2026 in the mediation process. Thereby the Settlement Agreement and Joint Compromise Memo dated 09.03.2026 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.**

Dictated to the Steno-Typist, directly computerized by him, Corrected and Pronounced by me, on the **23rd Day of March, 2026.**

Judge,  
Commercial Court,  
(District Judge Cadre)  
Coimbatore

**List of witnesses examined on both sides: - Nil**

**List of documents marked on both sides:- Nil**

Judge,  
Commercial Court,  
(District Judge Cadre)  
Coimbatore