

## Cut And Sew vs M/S Rajputana Clothing on 21 March, 2025

IN THE COURT OF SH. AMIT BANSAL  
DISTRICT JUDGE (COMMERCIAL COURT)-03  
SOUTH-WEST DISTRICT, DWARKA COURTS  
NEW DELHI.

CS (COMM) - 316/2023  
CNR No. DLSW01-005979-2023

M/s Cut & Sew  
Through its proprietor Mohd Arif  
At - A-2/37 Back of Street - 4,  
Near 30 ft Road Chankya Place,  
Opp. C-1 Janak Puri, New Delhi - 110059.

....Plaintiff

VS.

M/s Rajputana Clothing  
Through its proprietor Rajat Chauhan  
R/o - Shop No. 22, Old Delhi,  
Sector - 14, Gurugram,  
Haryana. PIN - 12200.

...Defendant

Date of institution	: 11.07.2023
Date of final arguments	: 12.03.2025
Date of decision	: 21.03.2025

### JUDGMENT

1. The plaintiff has filed the present commercial suit against the defendant for recovery of Rs. 7,34,190/- along with interest @ 18% p.a. since 01.02.2022 till date along with costs of the suit.

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2. The facts in nutshell as averred by the plaintiff in the plaint are that plaintiff is an individual/ proprietorship firm under the name and style of M/s Cut & Sew and is engaged in the business of job work, tailoring and ready made garments of all types of Kurta Payjama, Coat - Pants and Shirts etc. During the course of business with the defendant, an agreement was executed between the plaintiff and the defendant. The plaintiff did the job work as per satisfaction of the defendant. During the business, the plaintiff issued proper bills / invoices to the defendant with GST. The total amount was Rs. 11,89,540/-. The payment received by the plaintiff was Rs. 4,55,350/- whereas the

defendant had deducted a TDS 1% of the credit amount i.e. Rs. 11,895/- under Section 194C of the Income Tax Act but had failed to deposit the said TDS amount. As per the Statement of Account maintained by the plaintiff, the balance amount of Rs. 7,34,190/- was outstanding against the defendant as on 30.06.2022. The plaintiff has averred that the account of the defendant became irregular and in spite of repeated requests and demands, the defendant failed to regularize the account and has also failed to make the payment in time. The plaintiff sent a legal notice dated 29.06.2022 through registered post upon the defendant calling upon it to make the payment of Rs. 7,34,190/- along with interest @ 18% p.a. which was duly received by the defendant. Upon receipt of the said notice, the defendant contacted the plaintiff and demanded some time for making the payment because the defendant was facing financial problems, however, on 09.08.2022 the defendant refused to make any payment to the plaintiff through a reply to the legal notice. The CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 2 of 26 plaintiff averred that the defendant is trying to cheat it. The plaintiff thus prayed for a decree of Rs. 7,34,190/- against the defendant along with interest @ 18 % p.a. since 01.02.2022 till date along costs of the suit.

3. The defendant filed the written statement and submitted that the plaintiff had instituted a pre-mediation application under Section 12A of the Commercial Courts Act, 2015 by basing his claim upon certain extraneous documents pertaining to M/s Sakshem Textiles, which did not have any relevancy to the present matter. It was stated that thereafter the plaintiff had filed an application dated 27.09.2023 before this court whereby the plaintiff had prayed to take on record additional documents claiming the same to be original bills and ledger allegedly pertaining to the purported transaction between the plaintiff and defendant. In paragraph no. 4 of the said application, the plaintiff had categorically acknowledged that the alleged documents were not in his possession at the time of filing of the suit. The defendant averred that therefore the mediation application preferred by the plaintiff in the present matter was/is absolutely sham and bogus. It was stated that plaintiff has failed to comply with the provisions of Section 12A of the Commercial Courts Act, 2015. It was also stated that so called additional documents filed by the plaintiff had been fabricated and manufactured by him to obtain wrongful gain and to cause wrongful loss to the defendant. It was stated that so called additional documents produced by the plaintiff had come to light only after institution of the present suit and further the plaintiff had consciously withheld the original copies of the alleged CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 3 of 26 invoices / bills / ledger etc. and had produced duplicates of the same. It was submitted that the plaintiff had failed to provide any explanation regarding non production of the original copies of the said documents and instead, the plaintiff had alleged that the so called additional documents were original copies which is absolutely false, fraudulent and misleading. It was also averred that the claim of the plaintiff is barred by limitation. In that regard, it was submitted that the documents produced by the plaintiff reflect that the purported work against which the bills had been generated by the plaintiff had been completed in the year 2019 and therefore the present suit was barred by limitation having been filed beyond the prescribed period of 3 years from the day / time when the work was done. It was submitted that the plaintiff in the garb of bringing the original bills and ledger on record has placed completely new set of duplicate documents. The said documents were not in the possession of the plaintiff at the time of the filing of the present suit, however, the plaintiff has failed to allude to the circumstances under which the said documents

came into his possession after filing of the suit. The defendant has averred that the falsity of the case set by the plaintiff is evident from the fact that two completely different ledgers for the same period have been produced by the plaintiff. The supposed ledger produced by the plaintiff does not even indicate the payments made by the defendant which is admitted by the plaintiff himself. The said invoices indicate that the plaintiff has charged CGST and SGST instead of IGST on each supposed bill which is impermissible in law and facts, therefore the said bills / invoices are illegal, invalid and erroneous. The alleged bills / invoices had been generated in a short period of 2- CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 4 of 26 3 days which is absolutely inconceivable and irrational of the facts and circumstances of the case. The alleged bills / invoices do not even contain any acknowledgment from the defendant. The alleged bills / invoices indicate that different charges had been demanded for the same work without any rhyme or reason. The defendant averred that all the aforesaid circumstances, point to the fact that the bills / invoices/ ledger have been unilaterally generated by the plaintiff in order to obtain wrongful gain and cause wrongful loss to the defendant. It was averred that no agreement had been executed between the parties regarding the terms and conditions including the charges for the alleged work purportedly undertaken by the plaintiff at the behest of the defendant and hence the charges unilaterally levied by the plaintiff are unlawful, unwarranted and erroneous. The plaintiff has unilaterally levied exaggerated and inflated prices in the alleged bills / invoices without any cogent or plausible explanation.

3.1. The defendant further averred in the written statement that actually, the plaintiff had approached the defendant at the beginning of the year 2018 and had represented to the defendant that if the defendant proceeded to engage the plaintiff for stitching and related services then the plaintiff would perform the same at prices significantly lower than the prevailing market price. The defendant, however, informed the plaintiff that it already has its own set up , associates and does not require the plaintiff 's services. Nevertheless, the plaintiff kept on requesting the defendant to give some stitching work to it and promised to perform the same with superior workmanship and utmost CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 5 of 26 professionalism. The defendant initially agreed to give some stitching work to the plaintiff subject to usage of fabric and accessories provided by the defendant. The defendant averred that the payments for the assigned work had been paid by the defendant to the plaintiff to his complete satisfaction. The plaintiff however not only failed to complete the given work on time but even failed to meet the required specifications leading to stitching of defective garments. The defendant raised several concerns time and again on account of defects in the garments stitched by the plaintiff but the plaintiff did not pay any heed to the same. Upon receipt of complete payment, the plaintiff developed apathetic attitude towards the defendant and completely ignored its concerns / requests in respect of the disappointing and unprofessional work performed by the plaintiff. The defendant after realizing that the work done by the plaintiff would not meet the standards and requirements , stopped giving any further work to the plaintiff which was not taken by the plaintiff in a professional manner. The defendant averred that prior to putting an end to giving any further work to the plaintiff, the defendant had proceeded to remit complete payments to the plaintiff in respect of the orders placed by him in order to avoid any unnecessary controversy. It was submitted that the defendant had availed the tailoring services offered by the plaintiff upon payment of entire goods and valuable consideration for each order placed by the defendant. No specific terms for performing

the alleged work was arrived at or agreed between the plaintiff and the defendant at any time. The defendant had timely and duly remitted the complete payments at the time of delivering clothes to be stitched or at the time of picking up / delivery of the same.

CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 6 of 26 The alleged invoices supposedly issued by the plaintiff against the defendant had never been shared with the defendant prior to institution of the present suit. The said invoices had never been delivered to the defendant nor these had been acknowledged by the defendant at any time. The alleged invoices had been unilaterally and maliciously prepared by the plaintiff to cause wrongful loss to the defendant. No amount of money is due and payable by the defendant to the plaintiff. The defendant specifically stated that complete payments in respect of stitching work or any other services performed by the plaintiff had been made by the defendant as and when the said work was completed. The defendant specifically denied and disputed authenticity and veracity of the alleged invoices/ ledgers / bills etc. The defendant denied that the plaintiff was engaged in the business of job work, tailoring and ready-made garments of all types of kurta, payjama, coat - pants and shirts etc. He further denied that the plaintiff had performed business/work of Rs.11,89,540/- for the defendant or that any agreement for performing work of Rs. 11,89,540/- had been executed between the plaintiff and the defendant or that the plaintiff had performed any job work for the defendant or that so called job work had been performed by the plaintiff as per the satisfaction of the defendant. It was submitted that the defendant had simply availed of tailoring services offered by the plaintiff upon payment of full and final consideration and the defendant had timely and duly remitted complete payments at the time of delivering clothes to be stitched or at the time of picking up / delivery of the same. It was denied that the plaintiff had raised any proper bills / invoices with GST totaling to Rs. 11,89,540/- in respect of the CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 7 of 26 orders placed by the defendant at any time. It was stated that complete payments of the stitching work or any other services performed by the plaintiff were made by the defendant as and when the said work was completed which was duly accepted by the plaintiff to its full and final satisfaction. It was stated that the alleged invoices / bills were never raised nor delivered nor even shown by the plaintiff to the defendant prior to the institution of the present suit. It was stated that the dealings between the defendant and the plaintiff lasted only a few months on account of disappointing and defective work performed by the plaintiff. It was denied that the defendant had deducted the so called TDS amount @ 1% on the alleged credit amount under Section 194C of the Income Tax Act. The defendant denied that an amount of Rs. 7,34,190/- or any part thereof is due and payable by the defendant to the plaintiff on 30.06.2022. The defendant also denied the correctness, validity and legal acceptability of the Statement of Account maintained by the plaintiff. It was stated that the plaintiff had not even disclosed the so called due date in the entire plaint. The defendant did not deny that a notice dated 29.06.2022 was received by the defendant from M/s Labh Law Firm, however, submitted that the contents of the notice in question are absolutely false. It was denied by the defendant that the defendant had contacted the plaintiff and demanded some time for making the alleged payment or had conveyed to the plaintiff that it was undergoing some financial problems. It denied that the reply dated 09.08.2022 was issued by the defendant to cheat the plaintiff. The defendant thus prayed that the suit of the plaintiff be dismissed.

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4. From the pleadings of the parties following issues were framed on 21.02.2024:

1. Whether the claim of the plaintiff is barred by limitation? OPD
2. Whether the plaintiff is entitled to recover from the defendant a sum of Rs. 7,34,190/- (Rupees Seven lakh thirty four thousand one hundred ninety only), as prayed in the plaint? OPP.
3. If answer to issue no. 2 is in affirmative, whether the plaintiff is entitled to interest ? If so, at what rate and for which period ? OPP.
4. Relief.

No other issue arose or was pressed by the parties.

5. As per record, the plaintiff has examined two witnesses in this case i.e. PW1 Mohd. Arif who is the proprietor of the plaintiff and PW2 Sh. Praveen Kumar, Taxation Inspector, Excise and Taxation Department, Sector 32, Gurugram, Haryana. As per record, Ld. Counsel for the plaintiff vide statement dated 14.02.2025 close the plaintiff evidence, hence, the plaintiff evidence was closed on 14.02.2025.

6. As per record, the defendant has not lead any evidence in this case and vide statement dated 14.02.2025 of Ld. Counsel for the defendant, the defendant 's evidence was closed on 14.02.2025.

7. PW1 Mr. Mohd Arif has tendered his evidence by way of affidavit as Ex. PW1/A and has relied upon the following documents:

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1. GST details (GSTIN/UIN: 07AGRPA2088H1ZA as Ex.

PW1/1 (Colly).

2. A copy of printed ledger of account of Rajputana Clothing (from 01.04.2022 to 23.10.2022) as Mark PW1/2.

3. Original bills of M/s Rajputana Clothing / defendant as Ex.

PW1/3 (colly).

4. Postal receipt of sending legal notice to the defendant as Ex. PW1/4 and its Tracking report as Ex. PW1/5.

5. Non-Starter report, South West-DLSA, Dwarka Courts, New Delhi dated 10.04.2023 as Ex. PW1/6.

6. Legal notice dated 29.06.2022 as Ex. PW1/7.

7. Certificate under Section 63 of Bharatiya Sakshya Adhiniyam, 2023 for admissibility of electronic evidence as Ex. PW1/8.

During cross examination of PW1, an application moved by the plaintiff dated 27.09.2023 under Order XI Rule 1(4) read with Order XI Rule 1(5) CPC seeking leave to file additional documents on record was proved as Ex. PW1/D1. The ledger filed by the plaintiff along with above said application was proved as Ex. PW1/D2. One document of the plaintiff i.e. Outward Taxable Supply (Sales / Sales Return) from 01.05.2022 to 31.05.2022 has been proved as Ex. PW1/D3.

7.1. PW2 Sh. Praveen Kumar, Taxation Inspector was a summoned witness who had brought the record of GST-3B input and ITC (Input Tax Credit) belonging to GST number 06APCPC3600F1ZQ belonging to defendant for the period 2019 to 2023 which also contained Form GSTR-2A pertaining to the month of June, 2022 which showed the Input transaction with GST No. 07AGRPA2088H1ZA belonging to the plaintiff. The record brought by the PW2 was proved as Ex. PW2/A (colly).

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8. I have heard the final arguments and perused the record including the written arguments on behalf of plaintiff and defendant.

9. My findings with respect to the issues as framed in the suit are as under:

Issue No. 1:

Whether the claim of the plaintiff is barred by limitation ? OPD The onus to prove this issue is upon the defendant. The limitation is a mixed question of law and fact. As mentioned above, the defendant has however, not led any evidence in support of this issue and the defendant evidence was closed vide separate statement of Ld. Counsel for the defendant as recorded on 14.02.2025. The Ld. Counsel for the defendant during addressing oral final arguments has also fairly submitted that he is not pressing this issue and this issue may be disposed of as not pressed by the defendant. In view of the said facts and circumstances, it is held that defendant had failed to prove that the present suit is barred by limitation. The said issue no. 1 is accordingly decided in favour of the plaintiff and against the defendant.

10. Issue no. 2:

Whether the plaintiff is entitled to recover from the defendant a sum of Rs. 7,34,190/- (Rupees Seven lakh thirty four thousand one hundred ninety only), as

prayed in the plaint? OPP.

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The onus to prove this issue is upon the plaintiff. The case of the plaintiff in nutshell is that the plaintiff is engaged in the business of job work, tailoring etc. The plaintiff had done work of Rs. 11,89,540/- for the defendant as per satisfaction of the defendant, the plaintiff issued proper bills / invoices to the tune of Rs. 11,89,540/- and as per the Statement of Account maintained by the plaintiff, outstanding amount against the defendant as on 30.06.2022 was Rs. 7,34,190/-. In that regard, the bills have been proved as Ex. PW1/3 (colly), the ledger account of the defendant from 01.04.2022 to 23.10.2022 is Mark PW1/2, another ledger filed by the plaintiff along with an application under Order XI Rule 1(4) read with Order XI Rule 1 (5) CPC seeking leave to file additional documents Ex. PW1/D1 is Ex.PW1/D2 and the plaintiff's Outward Taxable Supplies (Sales / Sales Return) from 01.05.2022 to 31.05.2022 has been proved as Ex.PW1/D3. The case of the plaintiff mainly rests upon the bills Ex.PW1/3 (colly), the ledgers Mark PW1/2, Ex.PW1/D2 and document Ex.PW1/D3. As far as the tax invoice bills issued by the plaintiff for the defendant are concerned, PW1 in his evidence by way of affidavit Ex.PW1/A has deposed that the original bills of the defendant are Ex. PW1/3 (colly). During cross examination, PW1 has inter alia admitted that the said invoices as filed by him on record are pink colour documents, it has been mentioned on the invoices that 'White - Original, Pink - Duplicate, Yellow -

Triplicate', the invoices Ex. PW1/3 (colly) are not original invoices but are duplicate invoices and that the said invoices do not bear any signatures or stamp of any official of the defendant. PW1 also deposed that the GSTIN number of the defendant as mentioned on the invoices was provided by the defendant to him CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 12 of 26 which was mentioned on the said invoices. He deposed that he was not aware that GSTIN number as mentioned on the said invoices was wrong and it did not pertain to the defendant. He deposed that the said invoices are in his hand writing. He admitted that the invoice no. 191 dated 11.05.2022 which is part of Ex. PW1/3 (colly) does not bear his signatures. He admitted that there was a cutting in the invoice no. 196 dated 13.05.2022 and the total amount was also mentioned wrong in it. PW1 volunteered that it was a clerical error. He further admitted that in the invoice no. 198 dated 13.05.2022 the total value in figures is mentioned as Rs. 3,270/- whereas in words it has been wrongly mentioning as thirty two thousand seventy only. He again volunteered that it was a clerical error and that he was 10th fail. He admitted that in the invoice no. 182, the invoice date has been mentioned as 10.05.2021. He deposed that the said invoice date 10.05.2021 has been correctly mentioned on the said invoice. He admitted that in the invoice no. 180 dated 10.05.2022 white fluid had been used at three places. PW1 deposed that he had placed on record all the invoices regarding his work done for the defendant. PW1 did not remember the month but deposed that he had handed over the original invoices to the employees of the defendant in the year 2022 and that he had handed over the said invoices to Sh. Rajat Chauhan, one of the partner of the defendant. He admitted that in paragraph no. 4 of his evidence by way of affidavit Ex.PW1/A, he has mentioned that the original bills of the defendant were Ex.PW1/3 (colly), however, volunteered that Ex.PW1/3

(colly) was the carbon copy of the invoices. PW1 denied the suggestion that he had never handed over the invoices to the defendant or Sh. Rajat Chauhan or that CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 13 of 26 he had fabricated the said false invoices Ex.PW1/3 (colly) or that he had deliberately concealed the original of the said invoices from the court. He also denied the suggestion that the said invoices were never shared by PW1 with the defendant before the institution of the present suit. PW2 Sh. Parveen Kumar, Taxation Inspector was a summoned witness and had brought the records of GST-3B Input and ITC (Input Tax Credit) belonging to GST No. 06APCPC3600F1ZQ belonging to the defendant, proprietor Sh. Rajat Chauhan for the period 2019 to 2023. He deposed that the record brought by him also contained Form GSTR-2A pertaining to month of June, 2022 which showed the input transaction with GST No. 07AGRPA2088H1ZA belonging to the plaintiff. He deposed that the invoices number 168 to 182, 185 to 196, 198, 201, 203 and 204 would have been received by the defendant along with the goods received by them. He deposed that thereafter the plaintiff filed GSTR-1 and thereafter defendant received credit in GSTR-2A. He deposed that the defendant had filed their GSTR-3B and taken total input credit of Rs.89,758/- from all the parties including the plaintiff for the period of June, 2022. He deposed that the defendant was aware of all the bills filed as reflected on their portal and had taken input credit. He deposed that the plaintiff had deposited IGST for the month of June, 2022 and the defendant had taken input credit for IGST for the said period. He deposed that the Counter Party Filing Status of Form GSTR-2A showed that GSTR-3B had been filed by the plaintiff which would mean that the plaintiff had completed their liability for GST qua the part of defendant for the period of June, 2022. He deposed that as the debit and credit note records were not summoned hence he had not brought CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 14 of 26 the record to show if the payment was credited back by the defendant. The record brought by PW2 was proved as Ex.PW2/A. PW2 in his cross-examination inter-alia deposed that GSTR-2A form is a system generated form in the sense that after a seller files GSTR-1 then GSTR-2A is automatically generated/reflected in the GST portal of the purchaser. He admitted that the purchaser has no control in the generation of GSTR-2A form. He deposed that the purchaser could not see the complete actual tax invoice mentioned in GSTR-2A form and could only see the invoice number as mentioned in it. He specifically deposed that the generation of GSTR-2A form does not mean the purchaser had received the goods/services from the seller. He did not know as to what services were provided by the plaintiff to the defendant and if the services were actually delivered to the defendant. He admitted that GSTIN number on the tax invoice should match the GSTIN number on GSTR-2A . He admitted that the tax invoice should properly indicate the tax levied therein whether it is IGST /CGST/SGST. He deposed that the tax invoice should be raised at the moment the subject services are provided to the recipient. He deposed that the record brought by him i.e. Ex. PW2/A (Colly) did not bear the signature of any official as it was GST portal generated record and it did not require the signature of any official. He deposed that he had not filed any certificate under Section 63 of Bhartiya Sakshya Adhiniyam, 2023. He specifically deposed in his cross- examination that if an input tax credit is inadvertently availed of by purchaser then the same can be debited back to the seller through GST portal by issuing a debit note.

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11. As mentioned above, the onus to prove issue no. 2 is on the plaintiff. It is the case of the plaintiff and the plaintiff has to stand on its own legs. The case of the plaintiff mainly rests upon the bills Ex.PW1/3 (Colly), copy of ledger of accounts of defendant from 01.04.2022 to 23.10.2022 as maintained by the plaintiff Mark PW1/2 and the ledger filed by the plaintiff i.e. Ex.PW1/D2 along with his application Ex.PW1/D1. As discussed above, PW1 has specifically deposed in his cross-examination that the ledger Ex.PW1/D2 was correct. He admitted that the invoices Ex.PW1/3(Colly) were not original invoices but were duplicate invoices. He further admitted that the said invoices Ex.PW1/3(Colly) did not bear any signatures or stamp of any official of the defendant. It is thus an admitted position that the invoices Ex.PW1/3(Colly) filed by the plaintiff on record are the duplicate invoices and these do not bear any signatures or stamp of any official of the defendant. It is very surprising that the plaintiff had supplied the original invoices to the defendant while giving services, however, did not receive any receiving or stamp or other signatures etc. of any official of the defendant on the same. It raises a strong doubt on the veracity of the said tax invoices Ex.PW1/3(Colly). Further, PW1 during his cross-examination was not aware that the GSTIN number as mentioned on the said invoices was wrong and it did not pertain to the defendant. He volunteered that he had mentioned the GSTIN Number on the invoices as was given to him by the defendant. In that regard it is pertinent to note that in the said tax invoices Ex.PW1/3 (Colly), the GSTIN number of the defendant has been mentioned by the plaintiff as '06APCPC3600F1Z6' whereas the testimony of PW2 would show that the correct GST CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 16 of 26 number of the defendant was '06APCPC3600F1ZQ.' It would show that the plaintiff has mentioned wrong GST number of the defendant on the tax invoices Ex.PW1/3 (Colly). It further raises doubt on the correctness of invoices Ex.PW1/3 (Colly). Further, PW1 admitted that there was a cutting in the invoice no. 196 dated 13.05.2022 and the total amount was also mentioned wrong in it. In that regard perusal of invoice no. 196, which is part of Ex.PW1/3 (Colly), would show that earlier total invoice value in it in figures was mentioned as Rs.3,495/- which was subsequently cut and the total amount of Rs.24,464/- was mentioned on it whereas Rupees in words in it have been mentioned as Thirty four thousand Ninety Five only. The said invoice no. 196 would further show that the remaining entries are carbon copy entries whereas 24464 was subsequently mentioned with ball point pen i.e. it is not a carbon copy entry. It raises a very strong doubt on the authenticity of said invoice no. 196 and in turn raises a strong doubt on the case of the plaintiff as well as the ledgers Mark PW1/2 and Ex.PW1/D2. Moreover, invoice no. 203 would show that Invoice Value in figures is mentioned as Rs.2,465/- whereas Rupees in words have been mentioned as Twenty Four Thousand Four Hundred Sixty Five only. It would also show that remaining entries are carbon copy entries whereas 'Four Hundrid' was subsequently inserted/mentioned with black ball point pen. It also raises a very strong doubt on the authenticity of said invoice no. 203 and in turn also a strong doubt on the case of plaintiff as well as ledgers Mark PW1/2 and Ex. PW1/D2. Further, PW1 admitted in his cross-examination that in invoice no.198 dated 13.05.2022 the total value in figures was mentioned as Rs.3,270/- whereas in words it has been CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 17 of 26 wrongly mentioned as thirty two thousand seventy only. In that regard, the ledger entries in ledgers Mark PW1/2 and Ex.PW1/D2 with respect to invoice no. 198 is Rs. 22,890/- which does not match either with Rs. 3,270/- or Rupees Thirty Two thousand seventy only as mentioned in the said invoice no. 198. The mere explanation that it was a clerical error or that PW1 was 10th fail would not help the plaintiff in any manner. It also adversely reflects on the

authenticity and genuineness of the said invoice and the above said ledgers which would be fatal to the case of the plaintiff. Moreover, PW1 further admitted in his cross-examination that in the invoice no. 182, the invoice date has been mentioned as 10.05.2021 and further deposed that the said invoice date 10.05.2021 was correctly mentioned on the said invoice. The numbering of the said invoice along with other invoices would show that the said date should be 10.05.2022 and not 10.05.2021 whereas PW1 has categorically stated that the said invoice date has been correctly mentioned. The date regarding the said invoice no. 182 in the ledger Mark PW1/2 and Ex.PW1/D2 is in fact 10.05.2022. It also adversely reflects upon the said invoices raised by the plaintiff against the defendant. Further, PW1 admitted in his cross-examination that in the ledger Mark PW1/2, the opening balance with respect to the defendant has been shown by the plaintiff as Rs.52,500/-. He deposed that he had filed on record the invoices to show that the opening balance with respect to defendant was Rs. 52,500/-. A question was put to PW1 in cross-examination to the effect that in the ledger Mark PW1/2, he had shown the opening balance of Rs.52,500/- with respect to the defendant, in his earlier part of testimony he had deposed that he had filed on record invoices to CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 18 of 26 show that the opening balance with respect to the defendant was Rs.52,500/- and if he could show the said invoices from the record. PW1 replied that it was a common practice that the opening balance was carried forward from the last year. He specifically deposed that he could not show any particular invoice or invoices regarding which opening balance was shown as Rs.52,500/- and that he had already handed over all the original invoices with respect to the defendant to the employees of the defendant. In that regard, the ledger Mark PW1/2 and also Ex.PW1/D2 would show an opening balance of Rs. 52,500/-. PW1 in view of the above said answer had failed to show any particular invoice or invoices regarding which opening balance was shown as Rs.52,500/-. In the said circumstances also a strong suspicion is raised on the authenticity of both the said ledgers i.e. Mark PW1/2 and Ex.PW1/D2. These are material documents on which the suit of the plaintiff rests and in the said circumstances, the suit of the plaintiff is liable to fail. Further, PW1 has deposed in his cross-examination that the documents Mark PW1/2, Ex.PW1/D2 and Ex.PW1/D3 were prepared by his Chartered Accountant (CA), however, he did not remember the date and month as to when these were prepared. He deposed that the name of his CA was Mr.Vishnu Kant, however, he did not know his address. He also admitted that the ledger Mark PW1/2 and Ex.PW1/D2 and also the document Ex.PW1/D3 did not contain the signature, seal and stamp of his CA. He also admitted that the amount mentioned in tax invoices nos. 170, 179, 188, 196 and 198 which are part of Ex.PW1/3 (Colly) do not match with the ledger accounts Mark PW1/2, Ex.PW1/D2 and the document Ex.PW1/D3 and volunteered that it was a mistake.

CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 19 of 26 He specifically admitted that he could not say if the contents of the documents Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 were correct or not. PW1 thus could not tell the date or month as to when Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 were prepared by his CA, he did not know the address of his CA, he admitted that these documents did not contain the signature, seal and stamp of his CA and further admitted that he could not say if the contents of the documents Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 were correct or not. It would show that the plaintiff while relying upon the said documents is not sure whether the contents of these documents are correct or not and has deposed that although the said documents were prepared by his CA but did not contain the signature, seal and

stamp of his CA. It is pertinent to note that plaintiff has also not examined his CA who had allegedly prepared these material documents. The contents of these documents Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 thus become highly doubtful raising a strong adverse inference against the suit of the plaintiff. Moreover, PW1 admitted during his cross-examination that legal notice dated 29.06.2022 already Ex. PW1/7 was sent by his Id. Counsel upon his instructions and he had disclosed all the relevant facts to his Id. Counsel. He deposed that at that time he had also shown all the relevant documents including the invoices to his Id. Counsel. He, however, admitted that in the said legal notice, the invoices no.194, 195, 196, 198, 201, 203 and 204 which are part of Ex.PW1/3 (Colly) and also reflected in Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 have not been mentioned. No reason whatsoever has been explained by PW1 as to why the above said invoices which although are part of Ex.PW1/3 (Colly) and are CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 20 of 26 also reflected in Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 have not been mentioned in the legal notice Ex.PW1/7. Further, PW1 admitted that in the ledger Mark PW1/2, the amount as received from the defendant has not been shown. He denied the suggestion that he had got prepared the manipulated ledgers Mark PW1/2, Ex. PW1/D2 and Ex. PW1/D3 to support his case or that all the said three ledgers were prepared on a single day. He was not aware if he was not updating his ledger in regular course of business transactions. The above said discussion and the cross-examination of PW1 would thus show that no reliance can be placed upon the invoices Ex.PW1/3 (Colly) and also the ledgers Mark PW1/2 and Ex.PW1/D2 and also the document Ex. PW1/D3. The plaintiff in the absence of reliance upon the said material documents has even failed to prove that the plaintiff in fact provided the services to the defendant as mentioned in the said invoices. It is also pertinent to note that PW1 in his cross- examination has also inter-alia admitted that no separate written agreement was entered into between the plaintiff and the defendant. If no reliance can be placed upon the above said invoices of the plaintiff including his ledger documents then it is absolutely fatal to the suit of the plaintiff. Further, the invoices/bills Ex.PW1/3 (Colly) and the ledgers Mark PW1/2 and Ex. PW1/D2 do not bear endorsement of the defendant to show that he acknowledged correctness of the same and/or that he had received any services from the plaintiff. The said documents were plaintiff's own documents. Merely on the basis of these documents, it could not be said even on preponderance of possibilities that plaintiff had supplied any services to the defendant. Further when the plaintiff has failed to adduce any CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 21 of 26 cogent evidence to prove any business transaction between parties, there was no need for the defendant to lead any evidence. My views are substantiated by the latest judgment of Hon'ble Delhi High Court in the case titled as M/s Jainsons Lights (Pvt) Ltd. vs. Ashraf, RFA 150 of 2020, date of decision 03.10.2024, as relied upon by Id. Counsel for the defendant, wherein it was inter-alia held as under:

"7. In that regard, the appellant relies upon the copies of bills/invoices Ex.PW1/3 (Colly) and the copy of ledger account Ex.PW1/4. Admittedly, neither the alleged bills/invoices nor the alleged ledger account bear endorsement of the respondent to show that he acknowledged correctness of the same and/or that he had received any goods from the appellant. All the said documents are appellant's own documents. Merely on the basis of those documents, it cannot be said even on preponderance of possibilities that appellant had supplied any goods to the respondent, much less from Delhi to Ernakulam, Kerala.

.....

13. In the present case, when the appellant failed to adduce any cogent evidence to prove any business transaction between the parties, there was no need for the respondent to lead any evidence. ...."

It is absolutely fatal to the suit of the plaintiff.

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12. The testimony of PW2 as noted above would also not help the plaintiff firstly because it was the case of the plaintiff and the plaintiff has to stand on its own legs which the plaintiff has failed to do so as no reliance can be placed on his material documents and secondly PW2 has specifically deposed in his cross-examination to the effect that GSTR-2A form is a system generated form in the sense that after a seller fills GSTR-1 then GSTR-2A is automatically generated/reflected in the GST portal of the purchaser and that purchaser has no control in the generation of GSTR-2A form. PW2 further deposed that the purchaser cannot see the complete actual tax invoice mentioned in GSTR-2A form and can only see the invoice number as mentioned in it. PW2 further deposed that the generation of GSTR-2A form does not mean that the purchaser has received the goods/services from the seller. He did not know as to what services were provided by the plaintiff to the defendant or if the services were actually delivered to the defendant. PW2 also deposed that if an input tax credit is inadvertently availed of by a purchaser, the same can be debited back to the seller through GST portal by issuing a debit note. PW2 has thus deposed to the effect that the purchaser i.e. defendant herein has no control in the generation of GSTR-2A form and even the defendant could not see the complete actual tax invoice mentioned in GSTR-2A form and can only see the invoice number as mentioned in it. He has also deposed to the effect that the generation of GSTR-2A form does not mean that the purchaser i.e. the defendant herein had received the goods/services from the seller i.e. the plaintiff herein. He has also deposed to the effect that if an input tax credit is inadvertently availed of by a purchaser i.e. the defendant CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 23 of 26 herein then the same can be debited back to the seller i.e. the plaintiff herein through GST portal by issuing a debit note. In the said circumstances, it is evident from the testimony of PW2 that the mere generation of GSTR-2A form would not mean that the defendant herein had received the goods/services from the plaintiff. In the said circumstances, Section 16 of The Central Goods and Services Tax Act, 2017, as sought to be relied upon by the plaintiff, would also not help the plaintiff.

13. The plaintiff has relied upon the judgment of Hon'ble Delhi High Court in the case of M/s Group Interiors vs. Subhash Chachra, RFA No. 556/2003, date of decision 02.01.2012 and judgment of Hon'ble Supreme Court of India in the case Iswar Bhai C. Patel and Bachu Bhai Patel vs. Harihar Behera & Anr., 1999 (3) SCC 457 and argued that the defendant has not led any evidence in this case and hence the presumption should be drawn against the defendant. There cannot be any doubt on the law as laid down in these judgments, however, these judgments are distinguishable on the facts of the present case as in the present case the plaintiff has firstly utterly failed to prove its case and secondly it has already been held that no reliance whatsoever can be placed upon the material

documents of the plaintiff including the bills/invoices Ex.PW1/3 (Colly), the ledgers Mark PW1/2, the ledger Ex.PW1/D2 and the document Ex. PW1/D3. In view of above said discussion in this judgment, these judgments would thus not help the plaintiff in the present case.

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14. In view of the above said discussion and totality of the facts & circumstances of the case, it is held that the plaintiff has failed to discharge the onus of proof qua issue no. 2 and as such the plaintiff has failed to prove that it is entitled to recover from the defendant a sum of Rs.7,34,190/- as prayed in the plaint. Issue no. 2 is thus decided against the plaintiff and in favour of the defendant.

If answer to issue no. 2 is in affirmative, whether the plaintiff is entitled to interest? If so, at what rate and for which period? OPP In view of the fact that issue no. 2 has been decided against the plaintiff, hence it is held that the plaintiff is not entitled to any interest. Issue no. 3 is thus decided against the plaintiff and in favour of the defendant.

16. Relief.

In view of my above said discussion, it is held that the plaintiff has failed to prove its case against the defendant. The suit of the plaintiff is thus dismissed.

17. Parties to bear their own costs.

18. Decree sheet be drawn accordingly.

19. A copy of this judgment be issued to all the parties to the dispute through electronic mail, if the particulars of the same have been furnished, or otherwise, in terms of Order XX CS(COMM) 316/2023 M/s Cut & Sew Vs. M/s Rajputana Clothing Page No. 25 of 26 Rule 1 of the Code of Civil Procedure, 1908 (as amended by the Commercial Courts Act, 2015).

20. File be consigned to the record room.

Announced in open Court

on 21.03.2025

AMIT  
BANSAL

Digitally  
signed by  
AMIT

BANSAL  
Date:  
2025.03.21

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(Amit Bansal)  
District Judge (Commercial Court)-03

Cut And Sew vs M/S Rajputana Clothing on 21 March, 2025

South-West, Dwarka Courts, New Delhi  
21.03.2025

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