IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[1993] SGHC 321

Suit 1440/1993, RA 166/1993

Between

Crabtree Electrical Industries Ltd

… *Plaintiff*

And

Himac Trading Pte Ltd

… *Defendant*

GROUNDS OF DECISION

Version No 1: 29 Oct 2026 (23:45 hrs)

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Crabtree Electrical Industries Ltd v Himac Trading Pte Ltd

[1993] SGHC 321

Suit 1440/1993, RA 166/1993
G P Selvam J
31 December 1993

1 **JUDGMENT:**

2 The plaintiffs in this case claimed $855,769.04 as the balance of the price of goods sold and delivered to the defendants and interest on the amount.

3 Asst. Registrar Mr Tham Kong Tong gave judgment to the plaintiffs for the amount claimed and interest at the annual rate of 6% from 2 July 1993 up to the date of judgment and fixed the costs at $4,000. The defendants appealed against that decision. I dismissed the appeal as I was convinced that the points raised by the defendants had no substance or merit. I shall now explain my decision.

4 The plaintiffs in support of their claim submitted a summary statement of invoices showing a debit balance of $970,449.04. Credit was given for two items totalling $114,680 received under two letters of credit. This showed the balance amount claimed : $855,769.04.

5 The defendants did not dispute the correctness of contents of the summary. In fact, in a fax transmission dated 12 June 1993 the defendants made the following admission: "Today the debt is down to S$855,000."

6 The plaintiffs showed that earlier to the invoices in question they had supplied goods on credit. This was not denied by the defendants. That the defendants were liable to the plaintiffs was indisputable. Even though the goods were invoiced to the defendants who in turn invoiced a Sri Lankan company for a higher amount to factor in their profits, the defendants said they were not liable on those invoices and that the Sri Lankan company was liable on them. In law this was untenable as the defendants clearly entered into those transactions as principals. The defendants and the Sri Lankan company were part of the same stable. In any event the defendants had been collecting the invoices on the Sri Lankan company without paying the plaintiffs. Be that as it may the defendants entered into a compromise to settle all invoices and opened letters of credit to discharge their obligation under the compromise. In order to encash the letters of credit the plaintiffs used second invoices for actual supply of goods which were the subject matter of this action. There was nothing sinister in the second invoices for which there was no supply as they were necessary for the operation of the letters of credit. It was done with the knowledge and approval of the defendants. The defendants, under the second invoices tendered against the letters of credit established by them, paid nothing over and above what they had agreed to pay for the goods received by them. What mattered there was that the moneys the plaintiffs had received and were claiming in this action were for goods admittedly received by the defendants. There was therefore no merit or substance in the points raised by them. They must pay for what they received and resold. In the last resort the defendants' position was that they were not in funds as the Sri Lankan company had not paid. In so far as the plaintiffs were

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concerned it was res inter alios. They were accordingly entitled to judgment for the amount claimed.

G P Selvam J

Christopher Chuah for the plaintiffs
Andre Yeap for the defendants

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