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DISTRICT JUDGE TEO GUAN KEE
25 SEPTEMBER 2025

IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2025] SGDC 256

District Court Originating Claim No 875 of 2023

Between

RVG Consulting
International Pte. Ltd.

... Claimant

And

Shanti Overseas Pte.
Ltd.

... Defendant

JUDGMENT

Debt and Recovery – right of set-off – contractual

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RVG Consulting International Pte. Ltd.

v

Shanti Overseas Pte. Ltd.

[2025] SGDC 256

District Court Originating Claim No 875 of 2023

District Judge Teo Guan Kee

13 March 2025, 30 April 2025

25 September 2025

Judgment reserved.

District Judge Teo Guan Kee:

Facts

The parties

1 The Claimant is a company incorporated in Singapore, reportedly carrying on business, *inter alia*, in the wholesale trade of a variety of goods. At all material times, its sole director was one Mr Rohit Goyal.

2 The Defendant is also a company and its director was one Mr Manoj Banwari Pasari. Based on Mr Pasari's affidavit of evidence-in-chief ("AEIC"), at all material times, the Defendant carried on a business in "agro-commodities"

which involved buying raw goods such as turmeric and cloves from sellers located in Southeast Asia and reselling them to buyers in India.¹

Background to the dispute

3 The Claimant commenced this action against the Defendant to seek the return of the balance principal sum and interest due under a loan of USD 100,000 which the Claimant alleges it extended to the Defendant on 5 November 2018.

4 It is not disputed, in this regard, that on 5 November 2018, a sum of USD 100,000 (the “**Claim Sum**”) was transferred by the Claimant to the Defendant.²

The parties’ cases

The Claimant’s position

5 The Claimant has averred, in its Statement of Claim (the “**SOC**”), that the Claim Sum was a loan extended by the Claimant to the Defendant. This alleged short-term loan was to carry interest computed at 3% per annum and be repayable by 30 November 2018.³

6 The Claimant has also averred that on 29 November 2018, the Defendant made part payment of the loan of the Claim Sum, amounting to USD 50,000.⁴

7 The Claimant further accepts that another sum of USD 6,000 was paid by the Defendant sometime in July 2020 but avers in the SOC that this was

¹ Mr Pasari’s AEIC at paragraph 7.

² Defence (Amendment No.2, “**DA2**”) at paragraph 4(b).

³ SOC at paragraph 2.

⁴ SOC at paragraph 3.

meant to cover the interest on the loan, with any surplus to be applied towards the principal loan amount.⁵

8 In the SOC, the Claimant has sought repayment of a sum of USD 50,758 from the Defendant, being the balance amount due under the purported loan of the Claim Sum, taking into account both accrued interest as well as the Defendant's payment of an aggregate sum of USD 56,000, or alternatively a sum of USD 44,000 should this Court find that the Claimant has not proved its entitlement to interest.

Defendant's position

9 The Defendant's position, however, is that the Claim Sum had not been extended as a loan at all.

10 Instead, the Defendant avers that it and the Claimant had, at the material time, a business relationship extending back to 2017 and that the two companies intended to work together on purchasing goods from Indonesia to be resold in India. With this in mind, the Claimant had transferred the Claim Sum to the Defendant for the purpose of procuring cargo from Indonesia.⁶

11 Alternatively, the Defendant pleads that it had *fully* repaid the Claim Sum by reason of the following:

- (a) The Defendant had made partial payments amounting to USD 56,000, corresponding to the aggregate of the two payments recognised by the Claimant as mentioned earlier; and

⁵ SOC at paragraph 4.

⁶ DA2 at paragraph 4(b).

(b) the Claimant and the Defendant had reached an agreement (the “**Set-off Agreement**”) to “set-off the remaining USD\$ 44,000 against a transaction involving a sale of cloves from the Defendant to Aarel Import Export Pvt Ltd, which was at the request of the Claimant’s director Mr Rohit Goyal, on-sold to Vardhaman Trading Company”.⁷

The Issues to be decided

12 Based on the foregoing, the first issue to be resolved would be whether the Claim Sum was a loan, as the Claimant asserts, or an advance for joint investments between the parties, as the Defendant asserts. I will refer to this as the **Primary Issue**.

13 Assuming the Claim Sum had been extended as a loan, a secondary disagreement arises over what the terms of the loan were, in particular, over the agreed repayment date for such a loan as well as whether the alleged loan carried interest at 3% per annum. I will refer to this as the **Secondary Issue**.

14 Beyond this, and assuming a loan had indeed been made of the Claim Sum by the Claimant to the Defendant, it is necessary to consider the Defendant’s submission that the parties had agreed to set-off amounts due under such a loan against other monies due from the Claimant. I will refer to this as the **Set-Off Argument**.

⁷ DA2 at paragraph 4(b).

Primary Issue: The existence of a loan

Claimant's evidence

15 It is the Claimant's case that the Claim Sum was extended as a loan to the Defendant following a request made by the Defendant's director, Mr Pasari, to the Claimant's director, Mr Goyal.

16 In this regard, Mr Goyal has exhibited, in his AEIC, an exchange of WhatsApp messages on, inter alia, 5 November 2018, in which Mr Pasari stated, inter alia,

Need 100k **loan** in Shanti Investments⁸
(Emphasis added)

17 The Claimant's counsel have highlighted that Mr Pasari's use of the word "loan" had not been prompted by the Claimant in any way and, having regard to the exchange exhibited in Mr Goyal's AEIC, I agree with this submission.

18 Apart from the WhatsApp message highlighted above, the Defendant had also booked, in its own internal ledger, the receipt of the Claim Sum as a loan from the Claimant.⁹ Under cross-examination, Mr Pasari confirmed that the extract of a document recording this, contained in the bundle of documents ("BD"), was indeed one of the Defendant's documents.¹⁰

⁸ Mr Goyal's AEIC at page 18.

⁹ BD at page 34.

¹⁰ NE 13 March 2025 65/8-12.

19 That being said, it also bears highlighting that there is nothing in the WhatsApp exchange exhibited by Mr Goyal that reveals any terms relating to the purported loan, apart from its supposed quantum (USD 100,000).

20 In this regard, the Claimant asserts, in its Closing Submissions dated 30 April 2025 (the “CCS”), that the repayment date for the alleged loan and the interest rate payable on the loan (alleged to be 3% per annum) were terms “agreed orally” between Mr Pasari and Mr Goyal on 5 November 2018.¹¹

21 With respect, this assertion is unsupported, as it is not mentioned anywhere in Mr Goyal’s AEIC.

22 On the question of how the interest payable on the alleged loan was agreed, Mr Goyal states only that he acceded to the Defendant’s request “on the basis that a small interest of 3% per annum on the loan amount be provided”.¹²

23 As for the supposed repayment date of 30 November 2018, which was pleaded in the Statement of Claim (“SOC”), Mr Goyal’s AEIC does not mention this at all. Mr Goyal was the sole witness for the Claimant at trial.

24 I do not, however, think that the absence of documentary evidence as to the repayment date and interest rate is fatal to the Claimant’s claim.

25 At the end of the trial before me, I directed both parties to address the question of whether this Court could, based on the evidence, make a finding affirming the existence of the loan but not that it carried interest at 3% per annum.

¹¹ CCS at paragraph 8.

¹² Mr Goyal’s AEIC at paragraph 13.

26 Based on the CCS and the Defendant’s Closing Submissions dated 30 April 2025 (the “DCS”), both counsel for the Claimant and the Defendant are in agreement that, *in principle*, a loan is a contract where there is an expectation that the money advanced will be repaid upon demand or at a fixed date and there is no requirement that repayment be coupled with interest.¹³

27 The Defendant has submitted that to allow the claim even when the Claimant is unable to prove the interest pleaded would be tantamount to the Court re-writing the Claimant’s pleaded case.¹⁴ With respect, I do not agree. The effect of the Defendant’s submission is that unless a party is able to prove *all* the terms of an alleged contract, a Court is obliged to find that no contract existed at all, regardless of the evidence available to prove the existence of other terms pertaining to such a contract.

28 Ultimately, the Claimant’s case is that it has made a loan to the Defendant, and it is for the Court to ascertain the *existence* of a contract of loan on an objective basis. Given the parties’ acceptance that the legal existence of a loan is not precluded by the absence of an agreement as to interest, in my view it is open to this Court to allow the claim for a loan even if the Claimant is unable to *prove* the interest rate agreed for the loan, *assuming always* that there is otherwise sufficient evidence to show that the parties did enter into a loan agreement.

Defendant’s evidence

29 For the Defendant, Mr Pasari’s evidence was that the transfer of the Claim Sum was the outcome of a meeting between himself and Mr Goyal on 5

¹³ CCS at paragraph 26 and DCS at paragraph 12.

¹⁴ DCS at paragraphs 13 and 17.

November 2018 (the day the Claim Sum was transferred to the Defendant) during which sums owed by the Defendant to third party suppliers were discussed and following which it was supposedly agreed that the Claimant would contribute to payments to the aforesaid suppliers by putting the Defendant in funds of USD 100,000.¹⁵

30 According to the Defendant, the Claim Sum had been provided by the Claimant without any discussion as to how or when it would be repaid, but with the expectation that the parties would split the profits for deals jointly carried out by the parties herein, once goods bought from third party suppliers had been sold to buyers in India.¹⁶

31 Apart from the assertions contained in Mr Pasari's AEIC, however, there is no objective evidence of what was discussed between Mr Goyal and Mr Pasari on 5 November 2018.

32 I would like to highlight another WhatsApp exchange between Mr Goyal and Mr Pasari which sheds light on the nature of the Claim Sum.

33 This exchange took place on 25 October 2019, about a year after the Claim Sum was transferred to the Defendant. It proceeded as follows:

Manoj: Last year I got usd 100k from you this day

Rohit: Thank you for your acknowledgment. Hopefully I will be able to get it back this year!!

Manoj: Bahiya it's stuck in clothes which you have in Jaipur. Once it's sold you will materialize it.

Rest is only an entry

¹⁵ Mr Pasari's AEIC at paragraph 16.

¹⁶ Mr Pasari's AEIC at paragraph 17.

You will pay Aarel

Aarel to Shanti

Shanti to RVG

Trust this is clear!

Thank you.

Rohit: ? Are you saying this is how you wish to clear my account? With cloves?

Manoj: Any other way you have in mind than let me know...

34 The significance of this exchange lies, in my view, in Mr Pasari’s response to Mr Goyal’s message stating that he hoped to “get [the Claim Sum] back this year!!”¹⁷

35 To begin, Mr Pasari conspicuously did not deny that Mr Goyal was entitled to the return of the Claim Sum.

36 Instead, Mr Pasari asserted that the Claim Sum was “stuck” in cloves which, when sold, would “materialise” the Claim Sum, although it is apparent that this idea of returning the Claim Sum to the Claimant through the sale of cloves was somewhat illusory, involving, as set out in the exchange above, a circular financial arrangement starting with a payment by either Mr Goyal or the Claimant and ending in a payment to the Claimant.

37 Perhaps unsurprisingly, Mr Goyal took issue with this proposal in his reply asking Mr Pasari if this was how the latter wished to “clear my account”, to which Mr Pasari acquiescently asked Mr Goyal if he had any “other way in mind”. To my mind, this is yet another example of Mr Pasari tacitly

¹⁷ Mr Goyal’s AEIC at page 21.

acknowledging that the Claim Sum had, all along, been transferred to the Defendant on the understanding that it was to be repaid.

38 The tenor of the evidence reviewed thus far amply demonstrates, in my view, that the parties’ understanding of the Claim Sum was that it had to be repaid by the Defendant to the Claimant. This would mean that it had indeed been extended as a loan.

39 The Defendant has tried to argue that the Claim Sum had not been transferred as a loan by linking it to other business ventures undertaken jointly by the Claimant and the Defendant, in particular, what was described by Mr Pasari as a scheme to buy, essentially commodities such as nuts and cloves in Indonesia and re-sell the same at higher prices (the “**Commodities**”).¹⁸

40 In Mr Pasari’s telling, the Claim Sum had been remitted to allow the Defendant to pay amounts outstanding to suppliers of the Commodities.¹⁹

41 The Defendant has tried to link the Claim Sum to the joint ventures between the Claimant and the Defendant in two ways.

42 First, Mr Pasari claimed that the transfer of USD 50,000 to the Claimant on 29 November 2018 had in fact been a transfer back to the Claimant for the purpose of allowing it to pay one Ms Sharly, a supplier of Commodities in Indonesia.²⁰

¹⁸ Mr Pasari’s AEIC at paragraph 13.

¹⁹ Mr Pasari’s AEIC at paragraph 17.

²⁰ Mr Pasari’s AEIC at paragraphs 20 and 21.

43 With respect, even if the transfer of USD 50,000 from the Defendant to the Claimant had been carried out to allow the Claimant to meet its obligations to a third party, this does not preclude the possibility that the initial transfer of the Claim Sum had been a loan. This is because an assertion as to the reason why the transfer of USD 50,000 was made speaks at best to the parties’ understanding as to the *motivation* for making that transfer at that time, and not to the parties’ entitlement to treat that transfer as having the nature of a repayment of a loan due to the Claimant.

44 Put differently, the motivation for the transfer on 29 November 2018 need not preclude it from being a part payment of a loan. The question of what the Claimant intended to do with the USD 50,000 after this sum had been received from the Defendant is not one that has to impinge on the nature of this transfer.

45 Secondly, the Defendant suggests in the DCS that the Claim Sum had been transferred by the Claimant so that the latter would “have skin in the purchase transaction” because otherwise the Defendant would be the party which “took all the financial burden and exposure in connection with making the purchases and sales”.²¹

46 I have a number of difficulties with this reasoning. First, there is an absence of evidence as to the precise terms of the joint ventures between the Claimant and the Defendant, to support the Defendant’s allegation that it took “all the financial burden and exposure” in its joint dealings with the Claimant. In particular, no evidence was adduced as to how the Claimant and the

²¹ DCS at paragraphs 28 and 29.

Defendant had agreed to allocate the profits and losses associated with such ventures.

47 Accordingly, I am unable to find that existing arrangements between the parties were “lopsided”,²² as suggested in the DCS, or that such imbalance had to be redressed by the transfer of the Claim Sum from the Claimant to the Defendant.

48 I should also add that whilst the Defendant has, in the DCS, complained about the “lopsided” nature of the business arrangements between them, no expression of such dissatisfaction is to be found in the messages exchanged between Mr Goyal and Mr Pasari in the period leading up to the transfer of the Claim Sum, despite the very substantial amount of communications taking place between the two relating to the commercial cooperation between them, as recorded in the WhatsApp messages exhibited in Mr Pasari’s AEIC.

49 In light of this, both Mr Pasari’s assertion that he had made the point, at his meeting with Mr Goyal on 5 November 2018, that sums payable to third parties should not all be paid by the Defendant as well as the allegation that the business arrangements between the Claimant and the Defendant were imbalanced, give the impression of being afterthoughts devised by the Defendant to defeat the Claimant’s claim herein.

50 Separately, Mr Pasari also claimed that there was no reason for the Defendant to take a loan from the Claimant during the material period as it had “substantial banking lines” amounting to USD 4.85 million at the time.²³

²² DCS at paragraph 28.

²³ Mr Pasari’s AEIC at paragraph 18.

51 The evidence adduced in support of this assertion is not sufficiently weighty to overcome the evidence available to this Court specifically supporting the Claimant’s averment that the Defendant had requested and obtained a loan of the Claim Sum from the Claimant.

52 First, whilst there is some evidence of various credit facilities extended by Indian Overseas Bank (“IOB”) to the Defendant,²⁴ there was no evidence as to the *extent* to which these facilities had been drawn down at the time the Claim Sum was made available to the Defendant by the Claimant.

53 Secondly, whilst Mr Pasari claimed that the Defendant had credit lines extended by banks apart from IOB, specifically naming DBS Bank and Citibank,²⁵ no documentary evidence was adduced of the facilities extended by these latter two banks in November 2018. The only documents available to this Court concerning the Defendant’s dealings with DBS Bank and Citibank were dated 11 November 2019 and appeared to describe the Defendant’s financial position vis-à-vis these two banks as at 31 August 2019,²⁶ well after the Claim Sum had been transferred by the Claimant to the Defendant.

54 On the whole, I am satisfied, on balance of probabilities, that the parties had understood and agreed, on 5 November 2018, that the Claim Sum was being extended as a loan from the Claimant to the Defendant.

²⁴ Mr Pasari’s AEIC at page 78 and BD103 to 112.

²⁵ Mr Pasari’s AEIC at paragraph 18.

²⁶ BD180 and 183.

Secondary Issue

55 In view of my finding above, it is necessary to consider the secondary issue of what the terms of the loan of the Claim Sum were. In these proceedings, the parties have focussed on two aspects of such a loan, being its repayment date and whether any interest is payable.

Repayment date

56 The Defendant has submitted that the evidence does not support the Claimant's case that the loan was to have been repaid by 30 November 2018.²⁷

57 As mentioned earlier, there is no documentary evidence which supports the Claimant's averment that the loan was payable on 30 November 2018.

58 Notwithstanding the absence of a documented agreement on a specific repayment date, there is in my view sufficient evidence to show that, at least by the time the proceedings herein were commenced, both parties understood that the time for repaying the Claim Sum had passed.

59 The determinative piece of evidence, in this regard, is the parties' exchange of messages on or around 25 October 2019.²⁸

60 This exchange of messages commenced with an acknowledgement by Mr Pasari that the previous year, he "got usd 100k" from Mr Goyal. When Mr Goyal then responded to thank Mr Pasari for his "acknowledgement" and said that "hopefully" he would "get it back this year", there was no demurral from

²⁷ DCS at paragraph 36.

²⁸ Mr Pasari's AEIC at page 58.

Mr Pasari. Instead, he suggested a means by which Mr Goyal could “materialise” the amount owing.

61 Given the substantial amount involved (USD 100,000 in total), it is hard to countenance that Mr Pasari would so blithely have accepted an obligation to repay had he not actually believed that the Defendant was under such an obligation.

62 As such, I am satisfied that the loan of the Claim Sum was due and payable by the time the Claimant commenced the action herein against the Defendant.

Interest rate

63 I have already mentioned that evidence as to the existence of a supposed interest rate of 3% per annum on the Claimant’s loan of the Claim Sum is limited to an unsupported assertion in Mr Goyal’s AEIC.²⁹

64 As Mr Goyal claims that he acceded to Mr Pasari’s loan request on the “basis that a small interest of 3% per annum” be provided,³⁰ this must mean that, on the Claimant’s case, this term was in place by 5 November 2018, when the Claim Sum was transferred.

65 However, this singular reference to interest in Mr Goyal’s AEIC is wholly inadequate as support for the submission, made in the CCS, that the 3%

²⁹ See paragraph 19 to 22 above.

³⁰ Mr Goyal’s AEIC at paragraph 13.

per annum interest had been “agreed orally” between Mr Pasari and Mr Goyal on 5 November 2018.³¹

66 I should also note that in Mr Goyal’s exchange with Mr Pasari on 25 October 2019, in which Mr Pasari acknowledged the receipt of USD 100,000, there was no reference to interest either.

67 I have not been pointed to any recorded exchange between Mr Goyal and Mr Pasari in which interest pertaining to the conveyance of the Claim Sum to the Defendant has been discussed. Indeed, it is telling that in the CCS the claim for interest is characterised as a “subsidiary issue”³² which does not affect the validity of the Claimant’s claim for the loan of the Claim Sum, which was characterised as the Claimant’s “primary claim”.³³

68 In summary, I am of the view that the Claimant has not adduced sufficient evidence to demonstrate that the loan of the Claim Sum had been made on the understanding that interest would be payable thereon at 3% per annum.

69 The corollary of this finding is that I am not satisfied that the payment of USD 6,000 by the Defendant to the Claimant on 6 July 2020, which was a conveyance of funds whose existence was not disputed by either party, should be treated as having been applied to pay interest on the loan. As Mr Goyal himself accepts in his AEIC³⁴ that this sum was transferred by the Defendant in

³¹ CCS at paragraph 8.

³² CCS at paragraph 22.

³³ CCS at paragraph 39.

³⁴ Mr Goyal’s AEIC at paragraph 21.

part payment of the loan of the Claim Sum, it should be applied in reduction of the principal sum due to the Claimant.

Conclusion: Primary and Secondary Issues

70 By virtue of the foregoing, I find that:

- (a) The Claimant made a loan of the Claim Sum (the “**Loan**”) to the Defendant.
- (b) The Loan was due and repayable by the time these proceedings were commenced.
- (c) The Claimant has not proven that interest at 3% per annum or at any other rate was to be paid on the Loan. The sum of USD 6,000 paid by the Defendant on or around 6 July 2020 will be applied in reduction of the principal Loan amount of USD 100,000, in addition to the repayment of USD 50,000 on 29 November 2018 (which is undisputed).

71 This leaves me to consider the Set-Off Argument.

Set-off Argument

72 The primary averments pertaining to the Set-off Argument are found at paragraph 4 of the Defence (Amendment No.2, “**DA2**”). In summary, as an alternative to its argument that the Claim Sum had not been intended as a loan, the Defendant has averred that even if it was a loan, it had been repaid in full by:

- (a) partial payments of USD 56,000 from the Defendant to the Claimant; and

(b) the Set-off Agreement.³⁵

73 It is important to appreciate that the Defendant’s case, as pleaded, is *not* that the parties had agreed to set off the entire Loan amount due to the Claimant pursuant to the Set-off Agreement. Instead, only the “remaining” sum of USD 44,000 (after deducting the partial payments of USD 56,000) was to have been subject to the Set-off Agreement.

74 That being said, even on this limited view of the Set-off Agreement, I am unable to accept the Defendant’s submissions on this issue.

75 To explain why, it is necessary to appreciate how the Set-off Argument is supposed to operate, *as described by the Defendant*.

76 In the DCS, the Defendant starts by referring to shipments of cloves (also referred to in the DCS as cargo) that the Claimant and Defendant had, apparently jointly, agreed to ship to India. The intention was initially for the cargo to be sold by Aarel Import Export Pvt Ltd (“**Aarel**”) to third parties, with the proceeds of sale then transferred to the Defendant and in turn to the Claimant.³⁶

77 The idea was that third party buyers of the cargo would make payment to Aarel, which would in turn make payments (less a commission) to the Defendant, which the latter would then use to repay the Claimant for its loan of the Claim Sum.³⁷ I will refer to this putative arrangement as the **initial plan**.

³⁵ DA2 at paragraph 4(b).

³⁶ DCS at paragraph 60.

³⁷ DCS at paragraph 61 and Mr Pasari’s AEIC at paragraph 25.

78 The Defendant asserts that Mr Goyal subsequently departed from this initial plan and, essentially, interjected himself into the payments process by supposedly collecting 6.6 metric tonnes of cloves from Aarel and selling it to third party buyers. It is further alleged that Mr Goyal then took it upon himself to collect payment from these buyers and that he did not remit the monies collected from these third parties to Aarel in accordance with the initial plan, thereby keeping Aarel from receiving the monies which it was supposed to send on to the Defendant.³⁸

79 According to the DCS, it was in these circumstances that Mr Goyal and Mr Pasari agreed, in a telephone call on 1 October 2020, that:

- (a) “the Defendant is entitled to the monies that Mr Goyal had to pay to Aarel”; and
- (b) “if Mr Goyal did not pay the monies owed, then the Defendant would set off this debt against the balance of the Sum that the Defendant had in its possession”.³⁹

80 These two propositions form the basis for the Set-Off Argument but are in my view fatally flawed.

81 To begin, the Defendant has not identified any legal principle that would permit, much less require, this Court to give effect to an agreement that “the Defendant is entitled to the monies that Mr Goyal had to pay to Aarel” when there is no evidence before this Court that *Aarel* has agreed to give up, in favour of the Defendant, Aarel’s entitlement to the third party payments supposedly

³⁸ DCS at paragraphs 62 to 67.

³⁹ DCS at paragraph 79.

collected by Mr Goyal. Indeed, the Defendant has not, in the DA2, the DCS or Mr Pasari's AEIC, identified the nature of the set-off which it asserts in this case.

82 As the Claimant's counsel have highlighted, there was a lack of mutuality in the debts which the Defendant was trying to set-off against one another, these being, on the one hand, the debt owed by the Defendant to the Claimant pursuant to the Loan and, on the other, a debt due from the Claimant (*assuming* Mr Goyal was its agent for the moneys collected from third party buyers of the cloves) to Aarel, because the parties to those two debts were not the same.⁴⁰

83 As explained by Lai Siu Chiu J in the decision of *Cooperatieve Centrale Raiffeisen-Boerenleenbank BA (trading as Rabobank International), Singapore Branch v Motorola Electronics Pte Ltd* [2010] 3 SLR 48 ("**Raiffeisen**") at [82]:

As a general rule, there must be mutuality between the two claims to be set off. For example, a debt owed by B to A cannot be set off against a debt owed by A to C, even if B and C are related companies...

84 The Claimant's counsel then went on to highlight that the requirement of mutuality can be overridden by the existence of a contractual set-off agreement (*vide Raiffeisen* at [84]) but submitted that in this case an argument founded upon such a contractual set-off agreement could not succeed in the absence of evidence as to Aarel's accession to such an arrangement.

85 I accept this submission.

⁴⁰ CCS at paragraph 89.

86 In *Raiffeisen*, Lai J was able to imply a “tripartite” contractual set-off agreement based on the totality of the evidence before Her Honour.⁴¹ Having regard to the state of the evidence available to me, I am unable to make the same finding in this case.

87 No representative from Aarel was called to give evidence that it had agreed that the Defendant (and not Aarel) was entitled to monies that Mr Goyal had to pay to Aarel. The Defendant also did not adduce evidence of any communication *involving* Aarel which recorded that company’s acceptance of or agreement to such a position. Any representation that Aarel took such a position contained in messages sent by Mr Pasari to Mr Goyal was at best inadmissible hearsay.

88 In summary, the absence of evidence as to Aarel’s position in relation to the so-called Set-off Agreement fatally undermines the Set-off Argument in two ways.

89 First, if the Court is unable to equate a debt due from Mr Goyal (or the Claimant) to Aarel as being one due from the Claimant to the *Defendant* (whether by reason of assignment of Aarel’s right to the sums due from Mr Goyal/the Claimant or otherwise), then there is simply no debt due from the Claimant to the Defendant, which can be set-off against the Loan due from Defendant to the Claimant.

90 Secondly, the absence of evidence from Aarel means that there is no basis for the Court to find that a tripartite contractual set-off arrangement, of the

⁴¹ *Raiffeisen* at [78].

type found to be present in *Raiffeisen*, existed among Aarel, the Claimant and the Defendant here.

91 The Set-off Argument must therefore be rejected.

Judgment

92 By virtue of the foregoing, I grant final judgment in the following terms:

(i) The Defendant is to pay the Claimant the sum of USD 44,000.

(ii) The Defendant is to pay the Claimant interest on the sum of USD 44,000 at 5.33% per annum from the date of the Originating Claim until payment.

93 The costs and disbursements of this suit are to be fixed by this Court if the parties are unable to agree on the same. The parties are to file and exchange their respective written submissions on costs and disbursements within 14 days hereof, limited to six pages, if required.

Teo Guan Kee
District Judge

RVG Consulting International Pte. Ltd. v Shanti Overseas Pte. Ltd. [2025] SGDC
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Mr Namazie Mirza Mohamed, Mr Chua Boon Beng, Ms Cheryl Tan [Messrs Mallal
& Namazie] for the claimant;
Mr Prakaash s/o Paniar Silvam, Mr Shehzadul Haq, Mr Ahvineesh s/o Nanoo
Nagendradas [Messrs Oon & Bazul LLP] for the defendant.