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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Judgment Pronounced on: 30.10.2025

+ **RFA(COMM)109/2024**

PATANJALI AYURVED LIMITED

..... APPELLANT

Versus

UJALA GOEL PROPRIETOR OF R.U. OVERSEAS

..... RESPONDENT

Advocates who appeared in this case

For the Appellant : Mr. Sachin Jain, Mr. Ajay Agarwal,
Mr. Shobhit Jain, Advocates

For the Respondent : Mr. Kailash Chand Goel, Ms. Rashmi Verma,
Ms. Shweta Singh, Advocates

CORAM:

HON'BLE MR. JUSTICE V. KAMESWAR RAO

HON'BLE MR. JUSTICE VINOD KUMAR

JUDGMENT

VINOD KUMAR, J.

1. This Regular First Appeal filed under Section 13 (1A) of The Commercial Courts Act, 2015 is directed against a judgment and decree dated 31.01.2024 passed by learned District Judge (Commercial Court-10), Central District, Delhi in civil suit CS (COMM.) No. 3436/2021. The suit



was decreed in favour of the respondent and against the appellant for a sum of Rs.38,94,070/- with *pendente lite* and future interest at the rate of 15 percent per annum and costs.

2. Notice of this appeal was issued to respondent, who contested the appeal. For the sake of convenience, the appellant would also be referred to as 'defendant' and respondent as 'plaintiff'.

3. The plaintiff had filed civil suit no. 3436/2021 pleading that he is in business of trading various chemicals and the defendant is a leading manufacturer and dealer of herbal medicines under its trademark 'Patanjali'. The plaintiff had been supplying various chemicals to the defendant since 2014. The details of the invoices of goods supplied to the defendant from 12.04.2020 till 20.08.2020 and the details of payments received from the defendant against the said invoices have been given in para 7 and 9 of the plaint. Dispute arose when the defendant withheld an amount of Rs.38,94,070/- by raising a debit note on the ground that material supplied by plaintiff was substandard. Therefore, the plaintiff claimed recovery of Rs.38,94,070/- being the principal amount plus Rs.9,55,272/- being the interest calculated at the rate of 18 percent per annum till filing of the suit. Thus total amount of Rs.48,49,342/- was claimed in the suit along with *pendente lite* and future interest at the rate of 18 percent per annum.



4. The defendant filed written statement objecting to territorial jurisdiction of Delhi Courts and claiming that the plaintiff was required to supply ordered chemicals with 99 percent purity, whereas the purity of the material was found to be only 35.54 percent and therefore the defendant imposed a penalty of Rs.38,94,070/- by raising a debit note. Plea of the defendant is that the plaintiff accepted this debit note vide email dated 18.09.2020.

5. In replication, plaintiff denied that he supplied substandard material or that accepted the debit note of Rs.38,94,070/- sent through email dated 18.09.2020. However in affidavit of Admission and Denial, the plaintiff stated that he had only accepted debit note of Rs.1,26,602/-.

6. The issues framed by the Trial Court are as under:

1. *Whether this court has no territorial jurisdiction to decide the present suit? OPD*
- 1A. *Whether the material was not pure as per agreed terms? OPD*
- 1B. *Whether the penalty charges amounting to Rs.38,94,070/- of debit note was accepted/admitted by the plaintiff vide email dated 18.09.2020? OPD*
2. *Whether the plaintiff is entitled to the recovery of Rs.48,49,342/-? OPP*
3. *Whether the plaintiff is entitled to any interest on the said amount? If so, at what rate and for which period? OPP*
4. *Relief.*

7. Plaintiff (Mr. Ujala Goel) examined himself as PW1 and defendant examined its authorised representative Mr. Mayank Bahuguna as DW1.



8. Trial Court held that Delhi Courts have jurisdiction to try the suit and that the defendant could not prove any impurity in purchased chemicals. Trial Court further held that the plaintiff had not accepted the debit note of Rs.38,94,070/-, rather this acceptance in his email dated 18.09.2020 was only in respect of another debit note of Rs.1,26,602/-. Accordingly, the Trial Court decreed the suit. Aggrieved by this judgment and decree, the appellant is in appeal before this court.

Points for Determination

9. The defendant had raised a preliminary issue regarding jurisdiction before the Trial Court. The defendant relied upon his purchase orders Ex. DW1/2, in which it was specified that jurisdiction of disputes would be of Haridwar. Countering this submission, the plaintiff had pleaded Delhi jurisdiction on the basis of invoices issued by him (Ex. PW1/13 to Ex. PW1/48) to the defendant in which it was mentioned that the dispute is subject to Delhi jurisdiction only. After perusing the aforesaid documents i.e. purchase orders issued by the defendant and the tax invoices issued by the plaintiff, the Trial Court held that there was no agreement on the issue of jurisdiction between the parties. Relying upon a judgment of this Court cited as **Empee Distilleries Ltd. vs S.S. Enterprises Pvt Ltd.** in RFA no. 534/2004 decided on 25.07.2011, the Trial Court held that Delhi courts have the jurisdiction to try the suit as part of cause of action has arisen in Delhi. Though the issue of jurisdiction has been raised in the appeal by learned Counsel for the appellant, he was unable to show any fact or case



law to buttress his arguments. Therefore, we find no substance in the jurisdictional issue raised by appellant. Hence, it is held that Trial Court rightly decided issue no. 1 in favour of the plaintiff-respondent herein. Learned Counsel for the appellant has not able to point out any infirmity in the finding of the Trial Court that there is no evidence to support case of appellant-defendant regarding chemicals being substandard. Hence we hold that Trial Court has rightly decided issue no. 1A against the appellant-defendant.

10. Consequently, only following questions call for determination by this court:

- (i) Whether by sending an email dated 18.09.2020, the plaintiff had accepted the debit note of Rs.38,94,070/-, (as claimed by defendant) or the plaintiff accepted the debit note of Rs.1,26,602/- (as claimed by plaintiff).
- (ii) If stand of defendant is accepted, whether the acceptance of debit note of Rs.38,94,070/- through email dated 18.09.2020 would amount to an admission of debt of the aforesaid amount.

11. Answers to the aforesaid questions would decide issue no. 1B, onus of which was on appellant-defendant.

12. Trial Court dealt with point (i) as above in detail in para 36 to para 44 of the impugned judgment. We would like to reproduce the relevant portion i.e. only para 38 to para 41 as under:

“38. Defendant cleverly stated in his written statement that he raised



invoice of penalty charges amounting to Rs.38,94,070/- after meeting held with plaintiff on 12.09.2020 and the said invoice of Rs.38,94,070/- was sent to the plaintiff vide email dated 17.09.2020 which was duly accepted by the plaintiff vide email dated 18.09.2020. Defendant however did not mention about the issuance of invoice no.10020240 dated 12.09.2020, copy of the same is however available on record being filed by defendant himself. Plaintiff has exhibited the said invoice as Ex.PW1/56A deposing that on 12.09.2020 and through email dated 18.09.2020 only penalty charges of Rs.1,26,602/- for delayed supply of material were accepted by him and not the penalty charges of Rs.38,94,070/- for invoice no.100202395.

39. Court finds substance in the submissions of learned counsels for plaintiff. In his written statement defendant clearly stated that after the meeting on 12.09.2020 defendant raised invoice against the plaintiff and sent the same through email to the plaintiff on 17.09.2020. Two invoices of penalty both dated 12.09.2020 one for Rs.1,26,602/- and another for Rs.38,94,070/- have been filed by defendant. Considering that defendant has not stated that he has not sent any other email for these invoices except email dated 17.09.2020, it is to be presumed that either the defendant sent only the invoice for Rs.1,26,602/-, or both these invoices were sent to the plaintiff vide email dated 17.09.2020. Email/reply of the plaintiff to the email dated 17.09.2020 is heavily relied by learned Sh. Mittal. Subject of the said email is "Intimation of the issuance of debit note for INR 33 lacs + GST f/o M/s R U Overseas, Vendorcode-2065." Contents of the reply are as under:-

"OM

DEAR RAJNISH JI

WE ARE ACCEPTING DEBIT NOTE WE REQUEST
YOU TO KINDLY RELEASE OUR OUTSTANDING
PAYMENTS AFTER DEBIT NOTE."

40. It is rightly argued on behalf of plaintiff that contents of the reply/email dated 18.09.2020 suggest that plaintiff accepted, only one debit note. When two debit notes were sent by the defendant vide email dated 17.09.2020, court cannot presume that plaintiff had accepted debit note no.100202395 for Rs.38,94,070/-. Rather preponderance of probabilities suggest that the plaintiff had accepted another debit note no.10020240 Ex.PW1/56A for Rs.1,26,602/- only.



41. It is rightly submitted by learned counsels for plaintiff that no presumption can be drawn just from the subject of email/reply dated 18.09.2020 "Intimation of the issuance of debit note for INR 33 lacs + GST f/o M/s RU Overseas, Vendor code-2065." In the contents of the same, as already observed, plaintiff seems to be accepting only one debit note. It is rightly submitted that in his email dated 17.09.2020 defendant had mentioned the same subject. While replying the email, plaintiff did not change the subject. The plaintiff might have clicked merely on the reply button of email. In such case the Subject of the email would remain unchanged. Debit note dated 12.09.2020 for an amount of Rs.1,26,602/- was annexed with the email dated 17.09.2020 of the defendant. Plaintiff has fairly admitted that he had accepted the said debit note. Even in his plaint in the table in para no.9 at Sl. no.11, the plaintiff has given due credit to the said debit note of Rs.1,26,602/- on 12.09.2020. Even in the statement of account Ex.PW1/49 there is corresponding entry dated 12.09.2020 for amount of Rs.1,26,602/- through which account statement of defendant was credited with the said amount under the heading "discount and rebate". The meeting dated 12.09.2020 is admitted by both the parties. The debit note dated 12.09.2020 for Rs.1,26,602/- is admitted by plaintiff. Defendant in his written statement did not specify that he sent the said debit note for Rs.1,26,602/- along with email dated 17.09.2020, but the said debit note has been duly filed by the defendant. In the facts and circumstances, this court is of the opinion that preponderance of probabilities lies in favour of plaintiff to suggest that in his reply/email dated 18.09.2020 plaintiff had accepted the said debit note of Rs.1,26,602/- only and not the another debit note for Rs.38,94,070/-. This is also reflected from perusal of emails Ex.DW1/5 dated 15.09.2020 and 17.09.2020 exchanged between the parties. After meeting on 12.09.2020, as per Ex.DW1/5, plaintiff sent an email to defendant on 15.09.2020 requesting the defendant to send the debit note for reconciliation on urgent basis. These email suggest that by that time no final debit note was produced before the plaintiff in or after the meeting dated 12.09.2020. Again in the same exhibit DW1/5 plaintiff sent email dated 17.09.2020 at 12:28:50 hours requesting the defendant to send him debit note "FOR RECONCILIATION BASIS". Subject of the email dated 17.09.2020 is the same as is the subject of the reply/email dated 18.09.2020, through which it is alleged that plaintiff had accepted the impugned debit note for Rs.38,94,070/-. Hence, it can be easily inferred that plaintiff had replied the emails of the defendant with subject "Intimation of the issuance of debit note for INR 33 lacs + GST f/o M/s R U Overseas, Vendor code- 2065." Without changing the subject,



defendant did send the debit note dated 12.09.2020 to the plaintiff for an amount of Rs.1,26,602/-which was duly accepted by the plaintiff. Plaintiff could not have sensed intentions of the defendant that just by referring to the subject of the email, which was chosen by the defendant himself, defendant would attempt to wipe out the liability due towards the plaintiff. Hence, this court is of the opinion that defendant has failed to discharge his onus to prove that plaintiff had accepted/admitted the penalty charges amounting to Rs.38,94,070/- of the debit note no. 100202395.”

13. The above quoted conclusion is based upon two presumptions raised by the Trial Court. First, two invoices both dated 12.09.2020, one for Rs.1,26,602/- and another for Rs.38,94,070/- were sent by the defendant vide email dated 17.09.2020 to the plaintiff. It was inferred by the Trial Court that plaintiff actually accepted only one debit note out of those two and probabilized that by sending email dated 18.09.2020 plaintiff had accepted debit note no. 10020240 Ex. PW1/56A for Rs.1,26,602/- only. On the point of the heading “Re: Intimation of the issuance of debit note for INR 33 lacs + GST f/o M/s RU Overseas, Vendor code-2062” appearing in his reply email dated 18.09.2020, it was presumed that it was due to the reason that the defendant had mentioned the same subject in his email dated 17.09.2020 and while replying the said email, the plaintiff inadvertently did not change the subject. Therefore, it was held that subject of the email remained unchanged and that the contents of email accepting debit note have no connection with above subject/heading.

14. The defendant had proved entire mail trail between the plaintiff and representatives of defendant as Ex. DW1/3 (colly) which is supported with



a certificate under Section 65 B of the Indian Evidence Act 1872. We have perused this mail trail which shows that vide email dated 12.09.2020, one Rajnish Kumar Rana on behalf of defendant had sent an email which is reproduced as under:

“On 12-Sep-2020, at 10:17 AM, Rajnish Kumar Rana <rajnish.rana@patanjaliayurved.org> wrote:

OM!

Ujala Ji,

Based on your personal meeting yesterday with top Management and respected Bharat Sir accepted your request and finally, as mutually agreed after your consent ; we are raising debit note for INR 33 lacs + GST as 33 lacs difference was only for price and GST amount was not including in that hence you will get the debit not accordingly.

If you have any query concern, please coordinate with Mr. Amit Bhagat and MR. Nitin Garg (Finance team), the details are as follows :

nitin.garg@patanjaliayurved.org

amit.bhagat@patanjaliayurved.org

@Nitin/Amit – Pls do the needful for ...

In addition:- Management gave instruction to legal team to hold to initiate legal notice in f/o R U Overseas

Regards

Rajnish Rana”

15. In this email Sh. Rajnish Kumar Rana on behalf of the defendant has specifically mentioned that a meeting had taken place between the plaintiff and management of plaintiff and as per agreement reached, the defendant was raising debit note of Rs.33 lacs+GST (total Rs.38,94,070/-). This email does not contain any subject. In response to the aforesaid email, the plaintiff sent an email dated 14.09.2020 with the subject “Re: Intimation of



the issuance of debit note for INR 33 lacs + GST f/o M/s RU Overseas, Vendor code-2065” and requested the defendant to send the current ledger up to the date. Subsequent emails sent by plaintiff to defendant also mention this very subject.

16. Perusal of the entire mail trail reveals that on 12.09.2020, the defendant raised debit note of Rs.33 lacs+ GST (total Rs.38,94,070/-). Plaintiff had been interacting with the very same subject in his emails and vide email dated 18.09.2020, he intimated the defendant that he was accepting the debit note and made a request for release of the outstanding payments. Thus the entire correspondence is in respect of debit note of Rs.33 lacs+GST and not in respect of another debit note of Rs.1,26,602/-. Therefore, we disagree with the inference drawn by the Trial Court that the plaintiff had only accepted the debit note of Rs.1,26,602/- and not the debit note of Rs.33 lacs+ GST. We also disagree with the inference drawn by the Trial Court that the plaintiff mistakenly sent the email dated 18.09.2020 without changing the subject. The aforesaid inferences are not borne out from record. It is interesting to note that while the defendant has proved the entire mail trail of communications between both the parties, the plaintiff refrained from doing so and selectively placed on record a print out of email dated 08.09.2020 sent by the defendant which is the first debit note for Rs.43,33,277/- and his own reply of the same date. The relevant trail mail was suppressed by him. By bringing on record the mail trail from his own email address, he could have proved that the email was sent by defendant with aforesaid subject. It is to be noted that in mail trail proved



by defendant, the aforesaid subject is not seen. If defendant's email did not contain any subject, it is not possible that such subject would appear automatically in the reply mail of plaintiff. By proving on record printouts of mail trail from his own email address, the plaintiff could have also proved his stand. It is clear that plaintiff deliberately suppressed the relevant mail trail and therefore his plea on this point cannot be accepted. The printout of mail trail as proved by the defendant shows that discussion is only with respect to the debit note of Rs.33 lacs+ GST i.e. Rs.38,94,070/-

17. In view of the above discussion, we are left in no confusion that in email dated 18.09.2020 the plaintiff referred to the debit note of Rs. 33 lacs + GST i.e. Rs.38,94,070/- and not the debit note of Rs.1,26,602/-. Point No. (i) above is therefore determined in favour of appellant.

18. Now we take up point No. (ii) and this issue is required to be probed deeper. When it has been held above that the plaintiff accepted the debit note of Rs.38,94,070/- (and not the debit note of Rs.1,26,602/-) through email dated 18.09.2020, it should be seen in what circumstances the plaintiff accepted this debit note. This court takes judicial notice of the fact that the dispute arose in 2020 during the prevalence of COVID-19 epidemic which led to a severe crunch in business activities and the businessmen were in dire need of money. In such situation, it was not unnatural for plaintiff to have accepted the debit note with sole intention to get the remaining outstanding amounts released from the defendant. It is an admitted fact that after this acceptance, the defendant made payments of



various outstanding amounts, last one being on 22.10.2020. Normally the acceptance of debit note should amount to acknowledgement of debt but the courts cannot be oblivious of the situation arising out of COVID-19 pandemic. It must be kept in mind that it is not a simple straight admission of his liability by the plaintiff. Vide email dated 08.09.2020, the defendant issued a debit note of Rs.43,33,277/- against the plaintiff for supply of sub standard material. The plaintiff immediately responded on 08.09.2020 itself objecting to the debit note of such a huge amount. The aforesaid email is reproduced as under:

“DEAR RAJNISH JI

*FIRSTLY WE LIKE TO INFORM YOU THAT WE HAVE SUPPLIED
YOU TI02 FROM 20/08/17 NOT FROM YEAR 2014 FOR UR REF.
HOW COULD YOU DEBIT SUCH A HUGE AMOUNT ON WHAT
BASIS ?
WE HAVE ALSO ACCEPTED THE REJECTED MATERIAL OF NOV
2019. JAN & APRIL 2020
KINDLY PROOF US THAT ALL MATERIAL WHICH WE HAVE
SUPPLIED YOU FROM 2017 TO 2019 IS 35%?
THIS DEBIT NOTE IS NOT ACCEPTABLE AT ANY COST.
KINDLY ARRANGE OUR MEETING WITH SHRI RAM BHARAT JI
FOR THIS CASE.*

*BEST REGARDS
MR UJALA GOEL
RU OVERSEAS
274, 1ST FLOOR KATRA PERAN TILAK BAZAR DELHI 06
MOB; 09818335257”*

19. This email shows how strongly plaintiff reacted to the debit note of Rs.43,33,277/-, which was reduced to Rs.33 lacs +GST = Rs.38,94,070/- after a meeting later on. It appears that acceptance of debit note vide email



dated 18.09.2020 is not an admission of his liability by the plaintiff rather was a tactical acceptance so that he gets some of the remaining outstanding amount against previous supplies. Admittedly, after this acceptance, the defendant released other outstanding payments after 18.09.2020, which is visible from the following table drawn in the plaint:

Sl. No.	DATE	PARTICULAR	AMOUNT
1 to 11.			
12.	22.09.2020	RTGS	19,90,071.00
13.	01.10.2020	CR-3/20-21 (Against our Invoice No. GST-12/20-21 dated 05.05.2020)	3,92,704.00
14.	01.10.2020	CR-4/20-21 (Against our Invoice No. GST-734 dated 19.11.2019)	4,05,616.54
15.	01.10.2020	CR-5/20-21 (Against our Invoice No. GST-725 dated 17.10.2019)	3,12,966.68
16.	16.10.2020	RTGS	2,83,200.00
17.	22.10.2020	RTGS	89,250.00

20. Just after two days of receiving last payment on 22.10.2020, the plaintiff sent a legal notice dated 24.10.2020 claiming the disputed amount of Rs.38,940,70/-. Thus it is obvious that soon before and soon after the acceptance of debit note, the plaintiff had objected to the debit note.



Therefore, the acceptance of debit note through email dated 18.09.2020 cannot be termed to be an acknowledgment of debt rather the relevant email is issued by the plaintiff out of the practicalities of the business. We would like to refer to a judgment of Supreme Court of India in ***Khan Bahadur Shapoor Fredoom Mazda vs. Durga Prasad Chamaria and Others, AIR 1961 SC 1236***, wherein it is held as under:

“6..... In construing words used in the statements made in writing on which a plea of acknowledgement rests oral evidence has been expressly excluded but surrounding circumstances can always be considered. Stated generally courts lean in favour of a liberal construction of such statements though it does not mean that where no admission is made one should be inferred, or where a statement was made clearly without intending to admit the existence of jural relationship such intension could be fastened on the maker of the statement by an involved or far-fetched process of reasoning.”

7.

8. The question as to what is an acknowledgement has been answered by Fry, L.J. as early as 1884 AD in Green v. Humphreys¹. This answer is often quoted with approval. “What is an acknowledgement”, asked Fry, L.J., and he proceeded, “in my view an acknowledgement is an admission by the writer that there is a debt owing by him, either to the receiver of the letter or to some other person on whose behalf the letter is received but it is not enough that he refers to a debt as being due from somebody. In order to take the case out of the statute there must upon the fair construction of the letter, read by the light of the surrounding circumstances, be an admission that the writer owes the debt”. With respect, it may be added, that this statement succinctly and tersely gives the substance of the provisions contained in Section 19 of the Limitation Act.”

21. In the aforesaid judgment, the Supreme Court of India held that although oral evidence about the intention of maker of statement cannot be accepted for the purpose construing meaning of statement, it would be



legitimate for the court to read a particular statement/letter in the light of surrounding circumstances. The Supreme Court was dealing with a question as to a particular letter should be accepted as an acknowledgement of debt. The Supreme Court took into consideration the circumstances preceding the letter claiming to contain admission of debt.

22. In ***Lakshmirattan Cotton Mills Co. Ltd. and M/s. Behari Lal Ram Charan v. Aluminium Corporation of India Ltd.*** (1971) 1 SCC 67, the Supreme Court examined the correspondence which previously ensued between the parties as well as the surrounding circumstances which led to letter which allegedly contained admission of liability/debt.

23. The Supreme Court of India relied upon these judgments with approval in ***IL & FS Financial Services Limited v. Adhunik Meghalaya Steels Private Limited, Civil Appeal No. 5787 of 2025 dated 30th July, 2025.***

24. We would like to refer to a judgment of a Single Judge of this court in ***Hansa Industries (P) Limited v. M/s. MMTC Ltd. & Anr.***, 113 (2004) Delhi Law Times 474. Learned Single Judge, while referring to ***Khan Bahadur Shapoor*** (Supra) and ***Lakshmirattan Cotton Mills*** (Supra) deduced the principles which are required to be applied in a given case to ascertain as to whether a writing should be construed as an acknowledgement. As we fully agree with the principles culled by Learned



Single Judge from the aforesaid judgments of Supreme Court, we reproduce the relevant portion from the said judgment as under:

- (a) Acknowledgment means an admission by the writer that there is a debt owed by him either to the receiver of the letter or to some other person on whose behalf it is received. It is not enough if he refers to a debt as being due from somebody. He must admit that he owes the debt.*
- (b) The statement on which a plea of acknowledgment is based must relate to a present subsisting liability though the exact nature of the specific character of the said liability may not be indicated in words.*
- (c) Words used in the acknowledgment indicate the circumstances of jural relationship between the parties such as that of debtor and creditors.*
- (d) It must appear that statement is made with the intention to admit such jural relationship.*
- (e) Such intention can be implied and need not be expressed in words. In construing the words used in the statement, surrounding circumstances can be considered although oral evidence is excluded.*
- (f) Although liberal construction is to be given to such statement but where a statement was made without intending to admit the existence of jural relationship, the court cannot fasten such intention on the maker by an involved or far-fetched process of reasoning.*
- (g) In deciding the question in a particular case, it is not useful to refer to judicial decision and one has to inevitably depend upon the context in which words are used.*



25. In light of the law discussed above, we shall analyse the relevant email, which is proved by appellant-defendant as an acknowledgement of debt by the respondent-plaintiff, in context of previous emails and attending circumstances. The relevant email dated 18.09.2020 is reproduced as under:

*“Subject: Re: Intimation of the issuance of debit note for
INR 33 lacs+GST f/o M/s R U Overseas, Vendor code –
2065*

OM

DEAR RAJNISH JI

*WE ARE ACCEPTING DEBIT NOTE. WE REQUEST YOU
TO KINDLY RELEASE OUR OUTSTANDING PAYMENTS
AFTER DEBIT NOTE.*

BEST REGARDS

MR UJALA GOEL

RU OVERSEAS

274, 1ST FLOOR KATRA PERAN TILAK BAZAR DELHI 06

MOB: 09818335257”

26. We have already discussed that on receiving of a debit note of Rs.43,33,277/- vide email dated 08.09.2020, the plaintiff immediately rejected it through his email dated 08.09.2020. As per the defendant, some discussions took place and thereafter a debit note of Rs.38,94,070/- (Rs.33 lacs +GST) was issued by the defendant vide email dated 17.09.2020. The plaintiff responded through email dated 18.09.2020 (reproduced above) stating that he is accepting the debit note and requested the defendant to release the outstanding payment after subtracting the amount mentioned in debit note. Admittedly after the said email of plaintiff, various payments



were made by the defendant after 18.09.2020, last payment being on 22.10.2020. These circumstances lead us to reach to a conclusion that the email dated 17.09.2020 should be read to mean that the plaintiff accepted the debit note for the time being only reserving his right to challenge it later. This is the reason that plaintiff requested the defendant in his email dated 18.09.2020 to clear the outstanding amount after deduction of the debit amount. As soon as last payment of remaining outstanding amount was received on 22.10.2020, the plaintiff issued a legal notice just two days thereafter i.e. on 24.10.2020. Therefore, we hold that in the email dated 18.09.2020 plaintiff intended to get remaining part of his outstanding amount and he did not intend to admit his liability of Rs.38,94,070/-. Therefore said email dated 18.09.2020 cannot be accepted as admission of debt by the plaintiff.

27. In view of this discussion, we hold that the email dated 08.09.2020 sent by plaintiff cannot come to aid of appellant-defendant. Accordingly Point No. (ii) is decided against the appellant-defendant and in favour of the respondent-plaintiff. Consequently, issue No. 1B is decided in favour of the respondent-plaintiff and against the appellant-defendant, though we have disagreed with the reasoning of the Trial Court.

28. When the defendant's stand on the issue of acknowledgement/admission of the debt has been rejected, it is to be seen as to whether the defendant has proved that material supplied was impure and what is the evidence in support of the sub standardness of the



chemicals delivered. Admittedly, no evidence has been led by defendant in support of his stand of impurity. Further, as per the written statement and evidence affidavit Ex. DW1/A, only oral testimony has been made to the effect that the chemicals supplied were of poor quality. DW1 Mr. Mayank Bahuguna, AR of the defendant company testified in cross-examination that after receipt of supply, goods are checked on quality parameters but he could not tell as to whether any quality check report was prepared in respect of the goods/chemicals supplied by plaintiff. We may mention here that the onus to prove impurity of chemicals was upon defendant (issue no.1A). The Trial Court has rightly held that no such evidence was led by the plaintiff on the issue no. 1A.

29. In view of aforesaid discussion, we hold that the acceptance of debit note through email dated 18.09.2020 does not amount to admission by the plaintiff of his liability of Rs.38,94,070/-. Further this debit note/invoice shows that 18 percent penalty has been charged by the defendant on the purchases since 2014. No evidence has been led by defendant as to whether same was charged as per any term of the agreement. No such agreement has been proved on record. This charge of penalty appears to be unilateral. Therefore, we find no reason to disagree with Trial Court on this issue.

Conclusion

30. To sum up, the entire case of the appellant-defendant is dependent upon the acceptance of debit note by the plaintiff vide email dated 18.09.2020. As already discussed, the said acceptance cannot be taken to be



an admission of a debt or liability by the respondent-plaintiff. Therefore the appellant-defendant cannot withhold the amount of Rs.38,94,070/-. Hence the respondent-plaintiff must succeed in his suit. However, we are of the opinion that rate of interest awarded by Trial Court is on the higher side. We deem it appropriate to reduce it to 9 percent per annum from filing of the suit till its recovery. Except this modification in the impugned judgment and decree, the appeal is dismissed. No order as to costs of appeal.

31. Hence the judgment and decree shall be read as 'suit is decreed with costs for a sum of Rs.38,94,070/- along with interest at the rate of 9 percent per annum from filing of the suit till its recovery'.

32. Decree sheet be drawn accordingly.

VINOD KUMAR, J

V. KAMESWAR RAO, J

October 30, 2025

V/B