



IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 15.12.2025

PRONOUNCED ON : 06.01.2026

CORAM:

THE HONOURABLE MR. JUSTICE C.V.KARTHIKEYAN
AND
THE HONOURABLE MR. JUSTICE K.KUMARESH BABU

A.S.No. 98 of 2018
And
C.M.P.No. 18398 of 2021

1. Sri Mahaveer Textile Industries
A registered firm rep., b y
Managing Partner
A.Chandrasekar
S.F.No. 28, Pollachi Main Road,
Vadugapalayam,
Palladam – 641 664.
Coimbatore District.
2. A.Chandrasekar
S/o. M.Arunachalam ... Appellants/Defendants 1 & 2

Vs

1. M.Manickam (died)
S/o. Nallanamudaliar
2. P.S.Sivakumar



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3. Sarathambal
W/o. Late Manickam
4. A.Ramalakshmi
D/o. Late Manickam
5. M.Shivaram,
S/o. Late Manickam ... Respondents/Defendants

[R1 died, R3 to R5 are brought on record as LRS of deceased R1, vide order of Court dated 03.12.2024 made in C.M.P.Nos. 23677, 23679 and 23680/2024 in AS.No. 98/2018 (RSMJ and CKJ)]

PRAYER: Appeal filed under Section 96 of CPC, read with Order 41 Rule 1 CPC against the Judgment and Decree passed in O.S.No. 257 of 2013 on the file of the 2nd Additional District Judge, Erode, dated 06.07.2017.

For Appellant : Mr. S.Mukunth
Senior Counsel
for M/s. S.Kiruthika

For Respondents : Mr.K.Myilsamy

JUDGMENT



(Order of the Court was made by **C.V.KARTHIKEYAN, J.**)

The first and second defendants in O.S.No. 257 of 2013 on the file of the II Additional District Court at Erode, are the appellants herein.

2. O.S.No. 257 of 2013 had been filed by the plaintiff seeking a Judgment and Decree for a sum of Rs.26,67,600/- together with interest and costs. By Judgment dated 06.07.2017 the suit was decreed necessitating filed of the present Appeal.

3. Pending the appeal, the first respondent/plaintiff died and his legal representatives have been brought on record as third to fifth respondents.

4. In the plaint in O.S.No. 257 of 2013, the plaintiff M.Manickam, Proprietor of Balamurugan Textiles contended that he is a dealer in yarns, and that the first defendant is a registered partnership firm also doing business in textiles and the second defendant was the Managing



Partner, the third defendant was the broker and agent of the first and second defendants. It had been further contended that the second defendant approached the plaintiff through the third respondent for supply of yarns on credit agreeing to pay the value of the yarn within 10 days from the date of purchase. Accordingly on 03.11.2010, the plaintiff sold 150 bags of yarn for a sum of Rs.13,57,200/- on credit. There was also delivery of the said 150 bags of yarn and delivery was also taken. Again on 14.11.2010, the second defendant purchased a further 150 bags of yarn for a sum of Rs.13,10,400/-. This was also delivered and delivery was also received. It had been contended that towards the said purchase for a total 300 bags of yarn, the first and second defendants were liable to pay a sum of Rs.26,67,600/-. It had been stated that since they did not pay the amount, the plaintiff issued a notice on 05.04.2011. It was replied on 19.04.2011 raising false allegations. The first defendant contended that 300 bags of yarn were not received. The plaintiff denied that particular statement made by the defendants. It was under those circumstances that the suit was filed seeking recovery of a sum of Rs.26,67,600/- together with interest and costs.

5. In the written statement filed by the first and second defendants,



the entire transaction as alleged by the plaintiff were denied. It had been contended by the said defendants that the said defendants purchased 150 bags of yarn on 03.11.2010 and 14.11.2010 only from their agent / the third defendant. It was also contended that the quality of the yarn was not upto the standard and therefore, the defendants had advised the third defendant to return the 300 bags of yarn. It had been stated that accordingly, the third defendant had taken back 80 bags of yarn on 04.11.2010 and also a further 75 bags of yarn on 16.11.2010. It had been contended that the claim of the plaintiff is false and therefore, it had been stated that the suit should be dismissed.

6. The third defendant had filed a written statement wherein it had been contended that the third respondent had not received any notice as contended by the plaintiff. It had been stated that as required by the first and second defendants, the plaintiff had supplied 150 bags of yarn on 03.11.2010 and another 150 bags of yarn on 14.11.2010. It had been contended that the total cost of the yarn was Rs.26,67,600/-. However, the fact that the amount had not been repaid was not to the knowledge of the third defendant.



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7. The third defendant denied that the third defendant had taken back 80 bags of yarn and another 70 bags of yarn from the first and second defendants. It had been stated that the third defendant was not privy to the contract between the plaintiff on the one hand and the first and second defendants. It was stated that the suit should be dismissed against the third respondent.

8. The first and second defendants filed an additional written statement denying and disputing the contentions in the written statement of the third defendant that the first and second defendants had purchased total 300 bags of yarn. It was contended that the claim in the suit is false and therefore, the suit should be dismissed.

9. The plaintiff filed a reply statement once again reiterating that the first and second defendants had purchased 150 bags of yarn on two separate occasions, totally 300 bags of yarn from the plaintiff and had not paid the amount towards the cost of the said yarn.



10. On the basis of the above pleadings, the following issues were framed for trial:-

“1. Whether 150 bags of yarn was sold the defendants one and two at request of second defendant on 03.11.2010 by the plaintiff which were worth Rs.13,57,200/-?

2. Which 150 bags of yarn was sold the defendants one and two at request of second defendant on 14.11.2010 by the plaintiff which were worth Rs.13,10,500/-?

3. Whether the defendants one and two have not paid the total amount of Rs.26,27,600/- due to the plaintiff?

4. Whether the plaintiff is entitled for the reliefs claimed?; and

5. To What other relief the plaintiff is entitled to?”

11. The plaintiff examined himself as PW-1 and marked Exs. A-1 to A-16. Exs. A-1 and A-3 are the bills dated 03.11.2010 and 14.11.2010. Exs.A-2 and A-4 are the receipts issued by the Gemini Textiles and by the first defendant dated 03.11.2010 and 14.11.2010. Ex.A-5 was the extract of the ledger and Ex.A-6 was the monthly statement of sales tax for November 2010. Exs. A-12 and A-13 were the notices exchanged between the parties. Exs. A-14 to A-16 were the invoices and bills fro the supply of



yarn. The third defendant examined himself as DW-1. The second defendant examined himself as DW-2. Exs. B-1 to B-10 were marked through Court. Exs. B-1 to B-4 were return delivery receipts and Exs. B-5 and B-6 were notices issued between the parties. There were two other witnesses examined as DW-3 and DW-4.

12. On the basis of the above evidence, the learned trial Judge found that the second defendant had admitted in his cross examination that he had facilitated supply of 150 bags of yarn from the plaintiff to Gemini Textiles. It was observed that the statement of DW-1 on 03.11.2010 and 14.11.2010, that goods were delivered but were not all the quality was by him was not stated in his written statement or in the additional written statement. His further evidence that the goods were actually supplied was also noted by the learned Trial Judge. It was also found that Exs. B-1 to B-4 were not original receipts and only carbon copies. DW-1 was not confronted with the said exhibits. It was thus held that there had been delivery of the goods but no payment made for the goods and in view of that particular finding, the suit was decreed as prayed for with costs.



13. In the appeal before this Court, the learned Senior Counsel for the appellant contended that there was no direct contract between the appellants and the first respondent. The learned counsel contended that the second respondent was the agent and it was with him only alone did the appellants had an agreement for supply of yarn. The learned Senior counsel further contended that since the quality of the yarn was not proper, the second respondent had taken delivery of initially 80 bags of yarn and subsequently another 70 bags of yarn and in this connection, drew the notice of this Court to Exs. B-1 to B-4 delivery return challans. The learned Senior Counsel stated that therefore, the reasoning of the learned trial Judge that the suit should be decreed in entirety must be interfered with and the decree and Judgment should be set aside.

14. The learned counsel who appeared for the first respondent and thereafter for the legal representatives of the first / second to fourth respondents however contended that Exs.A-1 to A-3 very clearly showed that goods had been supplied to the first and second defendants. In this connection, the learned counsel also placed reliance on Exs. A-2 and A-4 which were receipts for delivery of the goods. Reliance was also placed on



the monthly statement of Sales Tax for the month of November 2010 under Ex. A-6 and also on the extract of ledger, Ex.A-5 to show that goods had been delivered on instructions of the first and second defendants. The learned counsel therefore insisted that the onus therefore shifting on the defendant to show that there has been discharge of the amounts raised under the bill. It was contended that the appeal should be dismissed.

15. We have considered the arguments advanced and perused the materials available on records.

16. The only point to be considered is whether the first respondent has established sale and delivery of textile yarn as claimed in the plaint and whether there has been discharge of the amounts towards such sale.

17. The first respondent was a dealer in yarn doing business in the name of Balamurugan Textiles. The first appellant is a registered firm. They were also doing business in Textile yarns. The second appellant was the Managing Partner.



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18. It is the case of the first respondent that the appellants herein had sought delivery of 150 bags of yarn on 03.11.2010 and yet another delivery of 150 bags of yarn on 14.11.2010. The bills for the supply of the said yarn were marked as Exs. A-1 and A-3 respectively. The documents very clearly show that the bills had been raised in the name of the first appellant/ Sri Mahaveer Textile Industries. During the trial, the carbon copy of the said bills have been produced. It is clear that the first appellant had purchased 150 bags of cotton yarn on 03.11.2010 and again on 14.11.2010 another 150 bags of cotton yarn from the first respondent herein. Ex.A-1 was for Rs.13,57,200/- and Ex.A-3 was for Rs.13,10,400/-. Both the bills have been counter signed by the second respondent. The goods in Ex.A-1 was to be supplied to Gemini Textiles and the goods in Ex.A-3 was to be supplied to the first appellant. The registration number of the lorry under which the goods were transported was also given. Ex.A-2 is the delivery receipt of the said goods by Gemini Textiles. Ex.A-4 was the delivery receipt of the goods by the first appellant. These four documents, namely, Exs.A-1 to A-4 very clearly show that goods had been sold and delivered. They have been purchased by the first appellant/Sri Mahaveer Textile



Industries. Ex.A-5 is the extract of ledger of the first respondent in the name of the first appellant and again the transactions are very clearly reflected.

Ex.A-6 is the monthly statement for November 2010 forwarded to the commercial taxes Department by the first respondent. The statement shows the transactions of the first respondent and also reflect the transaction to the first appellant. It is thus clear that the bills as reflected under Exs. A-1 to A-3 have again been proved by Exs. A-5 and A-6.

19. The first respondent also issued a legal notice in this regard claiming the amount towards goods supplied. The first and second appellants issued a reply which is marked as Ex.A-13 wherein they had stated that they had privity of contract only with the second respondent and not with the first respondent. This statement is obviously false as reflected by Exs. A-1 and A-3. There had been no documents produced to show that discharge of the amount to the first respondent.

20. It is also to be noted that DW-2, who was examined on behalf of the appellants very categorically admitted that goods had been sold and goods have been delivered and that there are no documents to show that the



amounts had been paid. The learned trial Judge had rejected Exs. B-1 to B-4 on the ground that the originals had not been produced. There is no explanation given as to why the originals had not been produced. Even otherwise, the second respondent had denied that he had taken back the goods as mentioned under Exs. B-1 to B-4. We hold that Exs. B-1 to B-4 had not been proved in manner known to law. It has to be concluded that they have been prepared by the appellants herein to avoid the claim of the first respondent. Since there has been delivery of goods and conversely, since there has been no establishment for payment for the delivery of the goods, the only conclusion which could be reached is that the appellants are liable for the amounts as claimed by the first respondent.

21. We find no reason to differ from the Judgment and Decree of the trial Court. The Appeal Suit stands dismissed with costs. Consequently, connected Miscellaneous Petition stands closed.

[C.V.K., J.]

[K.B., J.]

06.01.2026

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Neutral Citation: Yes/No



To:
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II Additional District Court, Erode

C.V.KARTHIKEYAN, J.
AND
K.KUMARESH BABU, J.

vsg

Pre-Delivery Judgment made in
A.S.No. 98 of 2018
And
C.M.P.No. 18398 of 2021



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