

**THE HONOURABLE SRI JUSTICE M.LAXMAN**

**CITY CIVIL COURT APPEAL No.42 of 1999**

**JUDGMENT:**

1. The present appeal has been filed challenging the judgment and decree dated 05.10.1998 in O.S.No.909 of 1988 on the file of the V Senior Civil Judge, City Civil Court at Hyderabad, wherein and whereby, the suit filed by the respondent herein for recovery of amount of Rs.2,53,764/- was decreed with costs.

2. The appellants herein are the defendants and the respondent herein is the plaintiff in the said suit. For the sake of convenience, the parties hereinafter are referred to as they are arrayed in the suit.

3. The sum and substance of the case of the plaintiff is that the plaintiff is the manufacturer and exporter of basic bulk drugs, drug intermediates and chemicals. The plaintiff supplied chemicals worth of Rs.7,42,568/- to the defendant company on credit basis. After giving deductions to the payments already made, a sum of Rs.2,01,680/- was due to the plaintiff as on 30.04.1986 payable by the defendants. The defendants confirmed the statement of balance amount by letter dated 22.10.1986.

Later, through letter dated 01.11.1986, the defendants promised the plaintiff to clear the balance amount by January, 1987, but did not keep up their promise. In the said circumstances, the present suit is filed.

4. It is the case of the defendants that they denied the liability and claimed that the suit is barred by limitation and Courts in Hyderabad have no jurisdiction to entertain the suit and prayed to dismiss the suit.

5. On the basis of the above pleadings, the trial Court has framed the following issues:

“1. Whether the plaintiff is entitled for the suit amount with future interest as prayed for?

2. Whether this Court has no jurisdiction to try the suit?

3. Whether the suit is barred by time?

4. To what relief?”

6. The plaintiff, to support its case, examined P.Ws.1 and 2 and relied upon Exs.A-1 to A-16. The defendants, to support their case, examined D.W.1, but did not rely upon any documents.

7. The trial Court, after appreciating the evidence on record found that suit is within limitation; Courts in

Hyderabad had jurisdiction and the liability of the defendants is proved. Consequently, the suit was decreed with costs as prayed for.

8. Heard both sides.

9. The points emerging for consideration in this appeal are as follows:

“1. Whether the suit is barred by limitation?

2. Whether the Courts in Hyderabad have jurisdiction?; and

3. Whether the plaintiff is entitled for amounts claimed by him in the suit?”

**Point No.1:**

10. The evidence and pleadings show that the plaintiff supplied chemicals to the defendant company under Exs.A-11 to A-16 invoices. The first invoice under Ex.A-11 is dated 20.05.1985, which was on credit account. The balance amount which was due as on 30.04.1986 was Rs.2,01,680/- and this balance due has been confirmed by the defendant through its letter dated 22.10.1986 (Ex.A-2) and further, through letter dated 01.11.1986 (Ex.A-3).

11. The plaintiff filed the suit on 21.06.1988. The period of limitation for filing the suit is three years from the date

of credit due. If March-April, 1985 is taken into account, the period of limitation expires in February-March, 1988. Hence, if there is no acknowledgment, the suit is barred by limitation. But, in the present case, under Exs.A-2 and A-3, there was acknowledgment on the part of the defendants with regard to liability, which was within period of limitation. The fresh limitation commences from such date. The trial Court noted this fact and found the suit was within period of limitation. Such finding of the trial Court requires no interference.

**Point No.2:**

12. So far as the contention with regard to jurisdiction is concerned, the supplies were made by the plaintiff company from its Hyderabad branch and the branch office of the defendants company is also situated in Hyderabad. The cause of action also arose in Hyderabad. The head office of the plaintiff is in Calcutta. Hence, the Courts in Calcutta, as well as the Hyderabad have jurisdiction to entertain the suit. This aspect was also considered by the trial Court fully and held that suit is properly laid. This finding also requires no interference by this Court.

**Point No.3:**

13. There is no dispute regarding the purchase and supply of goods between the plaintiff and the defendants. The evidence shows that there is running credit account and out of settlement of running credit account, the balance payable was Rs.2,01,680/- as on 30.04.1986. The plaintiff also filed invoices and purchase orders showing the existence of sale and purchase dealings in between the plaintiff and the defendants. The goods supplied were chemicals which were basic products for manufacturing of pharmaceuticals by the defendants company and the balance liability was acknowledged by the defendants through letters which were signed by defendant No.3, who was the Director of the defendant No.1 company. In order to deny his signatures on the said acknowledgements, defendant No.3 did not enter into the witness box. This aspect was taken note by the trial Court and found that there is liability by the defendants to the plaintiff.

14. The evidence clingingly establishes that the amounts claimed are based on credit balance in respect of goods supplied by the plaintiff. The trial Court had rightly appreciated all the aspects before passing the judgment

and decree and such findings require no interference by this Court.

15. In the result, this appeal is dismissed with costs confirming the judgment and decree in O.S.No.909 of 1988 on the file of V Senior Civil Judge, City Civil Court, Hyderabad dated 05.10.1998. Miscellaneous petitions, if any, pending, shall stand closed.

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**M.LAXMAN, J**

Date: 04.11.2022  
GVR/TJMR