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EMPLOYEE DEFAMATION CLAIMS

The Delhi High Court (**HC**), in March 2026 in the in the *Roban Book Company* case,¹ has clarified the high threshold required to sustain a defamation suit arising out of an employment relationship. It ruled that vague and general allegations of defamatory statements made by an employee, without specific particulars of the words used or their publication, do not disclose a cause of action. The HC reinforced that clever drafting cannot be used to cloth a purely contractual or employment dispute as a claim for defamation to avoid the rejection of a plaint.

Brief Facts

Sachin Tyagi (**Tyagi**) was appointed as a Zonal Sales Manager on probation by Rohan Book Company (**RBC**) in August 2019. During his employment tenure, RBC alleged that Tyagi's performance declined and he was confronted regarding misbehaviour with female employees and the disclosure of confidential information to competitors.

Following a dispute over pending salary and dues during the Covid-19 pandemic, Tyagi allegedly began communicating with other RBC employees to mislead and influence them and he filed complaints with the District Magistrate and Labour Authorities. RBC filed a civil suit before the Trial Court (**TC**) seeking damages for defamation, claiming these actions damaged its corporate reputation.

The TC rejected the plaint under Order VII Rule 11(a) of the CPC², holding that the averments did not disclose a cause of action for defamation and that the suit was an abuse of the process of law. Aggrieved by this, RBC approached the HC.

HC's Judgement & Reasoning

The HC analysed the intersection of employment misconduct and the law of defamation as per the below key principles:

- **Employment Misconduct vs. Defamation:**³ It distinguished between contractual breaches and reputational injury. It held that allegations regarding a decline in work performance or the disclosure of confidential information to competitors pertain strictly to the *inter se* employment relationship. Such

¹ *Roban Book Company Private Limited v. Sachin Tyagi*, 2026 LiveLaw (Del) 299.

² Order VII Rule 11(a) of the CPC lays down six grounds for rejection of plaint, which include non-disclosure of cause of action.

³ Paragraphs 39 to 42 of the Judgement.

assertions, even if true, do not inherently constitute defamatory imputations capable of lowering a company's reputation in the eyes of third parties.

- **The Requirement of Precise Particulars:**⁴ It observed that for a defamation claim to survive, the plaintiff must reproduce the specific words or statements alleged to be defamatory. RBC's plaint was found wanting as it failed to disclose what was communicated, to whom, or the specific context of the alleged statements. Bare assertions of derogatory remarks without reproducing the substance of the communication are insufficient to sustain a cause of action.
- **Qualified Privilege of Complaints to Authorities:**⁵ Regarding the complaints Tyagi made to the Labour Authorities and the District Magistrate, the HC held that communications made to lawful authorities for the redressal of grievances ordinarily enjoy qualified privilege. Such communications cannot be deemed defamatory unless specific malice is pleaded and proven. RBC failed to plead malice or demonstrate how these complaints *per se* constituted defamatory imputations.
- **Nipping Vexatious Litigation In the Bud:**⁶ Citing the precedent of *T. Arivandandam* case,⁷ the HC emphasized that TCs must perform a meaningful reading of the plaint. It affirmed that clever drafting designed to create an illusion of a cause of action should not prevent the rejection of a vexatious suit. Since RBC provided no factual foundation for actual financial or reputational harm, the TC's rejection was upheld.

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⁴ Paragraphs 42 to 52 of the Judgement.

⁵ Paragraph 53 of the Judgement.

⁶ Paragraph 59 of the Judgement.

⁷ *T. Arivandandam v. T.V. Satyapal*, (1977) 4 SCC 467.