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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of decision: 16.12.2025

+ **O.M.P.(I) (COMM.) 114/2025 & I.A. 29823/2025**

ARYAN JANGHU & ANR.Petitioners

Through: Mr. S.D. Singh, Mr. Kamla Prasad,
Advts.

versus

MR SAT NARAIN JANGHU & ANR.Respondents

Through: Mr. Gaurav Gupta, Ms. Rupal Gupta,
Advts.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

: **JASMEET SINGH, J (ORAL)**

1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 (*"the Act"*) seeking the following reliefs:

"a. restrain the respondents herein from issuing any cheque or cheques for and on behalf of the Petitioner no. 2 for both the accounts viz Account No. 0047197053 with Kotak Mahindra Bank and Account No. 00049612684 (Escrow Account), with Kotak Mahindra Bank and Account No. 62230200001350 with Bank of Baroda without signature of the Petitioner no. 1; and

b. restrain the respondents from executing the lease deed with



the Beyond Sqfeet Supply Chain Solutions Pvt. Ltd. with respect to the Warehouse - 2 or with any other agency/firm/company or individual without the consent and signature of the Petitioner no. 1;

c. issue directions to the respondents herein to join the Petitioner no. 1 in writing the letter to Kotak Mahindra Bank Ltd. for receiving the amount in the account of the Petitioner no. 2 towards the rental and amount which are receivable in the account of Petitioner no. 2 from other resources and further to sign the letter by the respondents alongwith the Petitioner no. 1 for issuing the instructions to the Kotak Mahindra Bank Ltd to debit the installment amount of Rs. 27,52,378.5 per month payable to the bank towards the repayment of the loan amount on each and every month till the entire loan is repaid to the bank;

d. restrain the respondents herein from creating any liability upon the Petitioner no. 2 without the consent, concurrence and signature of the Petitioner no. 1 on the relevant documents whatsoever.

e. issue directions to the respondents herein to take appropriate steps with the consent and concurrence of the Petitioner no. 1 for deposit of the GST on behalf of the Petitioner no. 2 and further to deposit the TDS amount in accordance with law timely to avoid any liability of the Petitioner no. 2 and on Petitioner no. 1 as one of the partner;

f. restrain the respondents herein from doing any business



on behalf of the partnership without the consent and concurrence of the Petitioner no, 1 and they be further restrained from taking any action in contravention of the partnership deed till the arbitration proceeding is concluded by passing an award.

g. pass such further order or orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case."

2. The brief facts of the case are that the petitioner No. 1 is the partner of the petitioner No. 2 firm and the respondent Nos. 1 and 2 are also partners of the petitioner No. 2. The parties are in the business of real estate consulting and other allied activities.
3. For the purpose of the business, they entered into a Partnership Deed dated 11.11.2020. The said Deed contains an arbitration clause being Clause No. 18, which reads as under:

"18. Any dispute of difference, which may arise between the partners or their representatives with regards to the constitution, or the liabilities of the partnership under this deed or dissolution or shall winding up of the partnership business or any other matters relating to the firm, shall be referred to arbitrators, appointed by mutual consent of the partners. In case of difference of opinion between the partners and arbitrator, the matter shall referred to an umpire whose ruling shall be final and binding upon parties."



4. The petitioner No.1 is stated to be adopted son of the respondent No. 1 through registered Adoption Deed dated 16.10.2007.
5. Since there were disputes regarding the running and operation of the petitioner No. 2, the petitioner No. 1, being the partner has filed the present petition seeking the relief stated above.
6. At the outset, Mr. Gupta, learned counsel for the respondents, has raised a preliminary objection regarding the territorial jurisdiction of this Court to entertain the present petition. He states since there is no seat and venue mentioned in the arbitration clause and there is no exclusive jurisdiction clause in the said partnership deed, the same shall be governed by the CPC, 1908 and more specifically Section 16. He further states that this Court does not have jurisdiction as the cause of action arose in Gurugram, Haryana. He places reliance on ***ACME Papers Ltd. v. Chintaman Developers (P) Ltd., 2024 SCC OnLine SC 376*** and more particularly para No. 6, which reads as under:

“6. It is an admitted fact that the suit property is situated in Sehore, Madhya Pradesh. Section 16, CPC inter alia provides that suits for the determination of any other right to or interest in immovable property shall be instituted in the Court within the local limits of whose jurisdiction the property is situate. Thus, the petitioner's reliance on the cause of action arising in Calcutta due to the MoU being executed at Calcutta is completely erroneous in view of Section 20, CPC, which provides that a suit can be initiated where the defendant resides or cause of action arises is a residuary provision only applicable to cases beyond those in



Section 15 to 19, CPC. Thus, this Section has no application in this case as when the subject matter of the MoU is the suit property located at Sehore. This Court in Harshad Chiman Lal Modi v. DLF Universal Ltd., (2005) 7 SCC 791 held the following:

“21. A plain reading of Section 20 of the Code leaves no room for doubt that it is a residuary provision and covers those cases not falling within the limitations of Sections 15 to 19. The opening words of the section, “subject to the limitations aforesaid” are significant and make it abundantly clear that the section takes within its sweep all personal actions...”

7. He further places reliance on ***Faith Constructions v. N.W.G.E.L Church, 2025 SCC OnLine Del 1746*** wherein the coordinate bench of this Court has held that the mere execution of a contract, by itself, does not automatically give rise to a cause of action. The relevant paragraphs read as under:

“10. Territorial jurisdiction of a Court is ascertained having regard to the place of accrual of cause of action. Some of the relevant principles that have developed in this area of jurisprudence are, including but not limited to, that making and signing of a contract constitutes cause of action; that facts which are necessary to decide the lis between the parties must have wholly or at least in part, arisen within the territorial jurisdiction of the Court; that each fact pleaded in the petition would not ipso facto be considered relevant



while determining cause of action and that they must have a nexus with the issues involved in the matter; and importantly, that an insignificant or trivial part of cause of action would not be sufficient to confer territorial jurisdiction, even if incidentally forming a part of cause of action.

11. Having discussed the prevalent legal position as to determination of accrual of cause of action, it is evident that for a fact to form part of the cause of action, it must be material and substantial in nature, in such a way that it effects the rights or obligations of the parties, and not incidental or remote thereto. Keeping in view the above, the factual position of the present case may be analysed.

12. In the present case, the subject agreement was indisputably executed and notarized in Odisha. The construction work under the said agreement also took place in Odisha. In fact, as noted before, even the respondent's principal place of business is in Odisha. Considering the aforesaid, this Court is of the considered opinion that the material part of cause of action has arisen outside the territorial jurisdiction of this Court.

Insofar as the petitioner's contention as to the part payment being received in Delhi is concerned, it is noted that merely having its bank account branch in Delhi wherein part payment might be received, is not sufficient cause of action to give rise to this Court's jurisdiction. In fact, the payments so



received are through cheques issued by the respondent from its bank account having its branch in Rajgangpur, Odisha. Mere depositing of said cheques in an account in Delhi cannot amount to payment being made in Delhi, especially in the absence of any 'payment clause' specifying where the payment is to be made and received, within the subject agreement. Notably, even though the bill may have been generated from the petitioner's address in Delhi, neither does it expressly or implicitly provide for place of payment, nor does it subject the disputes arising out of lack of payments regarding the said bills to the jurisdiction of Delhi. There is nothing to indicate, nor is it averred by the petitioner, that payment had to necessarily be made/received in Delhi. In such a case, having a bank account in Delhi where the petitioner may deposit the cheque issued to make payments, is a factum of no material consideration so as to justify accrual of cause of action. Therefore, it is wholly misconceived to rest the argument of accrual of cause of action on the strength of this singular fact, when the entire bundle of facts constituting the substantial and integral cause of action rests in Odisha."

8. Mr. Singh, learned counsel for the petitioners, draws my attention to the Partnership Deed and states that the same has been executed at New Delhi and therefore this Court is well within the jurisdiction to entertain the present petition.
9. He further states that making of the Partnership Deed is part of the



cause of action. Therefore, a part of cause of action has arisen within the territorial jurisdiction of this court. Thus, this Court can entertain and try the present petition.

10. He submits that since the arbitration clause does not contemplate a venue or seat nor there is an exclusive jurisdiction clause in the partnership deed, therefore, the making of the partnership deed would fall under Section 20 of the CPC, 1908 and therefore, this Court has the jurisdiction to entertain the present petition.
11. He places reliance on the judgment of ***A.B.C. Laminart (P) Ltd. v. A.P. Agencies, (1989) 2 SCC 163*** and more particularly paragraph Nos. 11, 12 and 15, which read as under:

“11. The jurisdiction of the court in the matter of a contract will depend on the situs of the contract and the cause of action arising through connecting factors.

12. A cause of action means every fact, which if traversed, it would be necessary for the plaintiff to prove in order to support his right to a judgment of the court. In other words, it is a bundle of facts which taken with the law applicable to them gives the plaintiff a right to relief against the defendant. It must include some act done by the defendant since in the absence of such an act no cause of action can possibly accrue. It is not limited to the actual infringement of the right sued on but includes all the material facts on which it is founded. It does not comprise evidence necessary to prove such facts, but every fact necessary for the plaintiff to prove to enable him to obtain a decree. Everything which if not



proved would give the defendant a right to immediate judgment must be part of the cause of action. But it has no relation whatever to the defence which may be set up by the defendant nor does it depend upon the character of the relief prayed for by the plaintiff.

15. In the matter of a contract there may arise causes of action of various kinds. In a suit for damages for breach of contract the cause of action consists of the making of the contract, and of its breach, so that the suit may be filed either at the place where the contract was made or at the place where it should have been performed and the breach occurred. The making of the contract is part of the cause of action. A suit on a contract, therefore, can be filed at the place where it was made. The determination of the place where the contract was made is part of the law of contract. But making of an offer on a particular place does not form cause of action in a suit for damages for breach of contract. Ordinarily, acceptance of an offer and its intimation result in a contract and hence a suit can be filed in a court within whose jurisdiction the acceptance was communicated. The performance of a contract is part of cause of action and a suit in respect of the breach can always be filed at the place where the contract should have been performed or its performance completed. If the contract is to be performed at the place where it is made, the suit on the contract is to be filed there and nowhere else. In suits for agency actions the



cause of action arises at the place where the contract of agency was made or the place where actions are to be rendered and payment is to be made by the agent. Part of cause of action arises where money is expressly or impliedly payable under a contract. In cases of repudiation of a contract, the place where repudiation is received is the place where the suit would lie. If a contract is pleaded as part of the cause of action giving jurisdiction to the court where the suit is filed and that contract is found to be invalid, such part of cause of the action disappears. The above are some of the connecting factors.

12. He also relies on the judgment of **BGS SGS SOMA JV v. NHPC, (2020) 4 SCC 234**, and more particularly para No. 59, which reads as under:

59. Equally incorrect is the finding in AntrixCorpn. Ltd. [AntrixCorpn. Ltd. v. Devas Multimedia (P) Ltd., 2018 SCC OnLine Del 9338] that Section 42 of the Arbitration Act, 1996 would be rendered ineffective and useless. Section 42 is meant to avoid conflicts in jurisdiction of courts by placing the supervisory jurisdiction over all arbitral proceedings in connection with the arbitration in one court exclusively. This is why the section begins with a non obstante clause, and then goes on to state “...where with respect to an arbitration agreement any application under this part has been made in a court...” It is obvious that the application made under this part to a court must be a court which has jurisdiction to



decide such application. The subsequent holdings of this court, that where a seat is designated in an agreement, the courts of the seat alone have jurisdiction, would require that all applications under Part I be made only in the court where the seat is located, and that court alone then has jurisdiction over the arbitral proceedings and all subsequent applications arising out of the arbitral agreement. So read, Section 42 is not rendered ineffective or useless. Also, where it is found on the facts of a particular case that either no “seat” is designated by agreement, or the so-called “seat” is only a convenient “venue”, then there may be several courts where a part of the cause of action arises that may have jurisdiction. Again, an application under Section 9 of the Arbitration Act, 1996 may be preferred before a court in which part of the cause of action arises in a case where parties have not agreed on the “seat” of arbitration, and before such “seat” may have been determined, on the facts of a particular case, by the Arbitral Tribunal under Section 20(2) of the Arbitration Act, 1996. In both these situations, the earliest application having been made to a court in which a part of the cause of action arises would then be the exclusive court under Section 42, which would have control over the arbitral proceedings. For all these reasons, the law stated by the Bombay and Delhi High Courts in this regard is incorrect and is overruled.”

13. He further relies on the judgment of **Subodh Kumar Gupta v. Shrikant**



Gupta, (1993) 4 SCC 1. The relevant paragraphs read as under:

2. The first defendant Shrikant Gupta entered an appearance and raised a preliminary contention that on the averments in the plaint the court at Chandigarh had no jurisdiction to entertain and decide the suit. He contended that from the averments in the plaint it is manifest that the head office of the firm was situated at Bombay, that none of the defendants was residing or carrying on business within the territorial jurisdiction of the Chandigarh Court and that no part of the cause of action had arisen therein. The learned trial Judge dismissed the application holding that a part of the cause of action had arisen within the territorial limits of the Chandigarh Court. However, on revision, a learned Single Judge of the High Court after carefully analysing the averments in the plaint came to the conclusion that on the mere allegation that the firm had a branch office at Chandigarh, the court at Chandigarh could not be invested with jurisdiction since no part of the cause of action had arisen within its jurisdiction.

“With regard to the allegation made by the plaintiff that the firm has its branch office at Chandigarh, suffice it to say that apart from the bald allegation made in the plaint, there is nothing on record to prove that the firm has any regular branch office at Chandigarh. Moreover, the fact that the firm has a branch office at Chandigarh is also not sufficient enough to confer



jurisdiction on a court at Chandigarh unless it is established that cause of action, on the basis of which relief is being claimed, has arisen within the territorial jurisdiction of that court. In the present case, apart from other, the factory of the firm as well as the assets of the firm are also situated outside the territorial jurisdiction of court at Chandigarh. The relief sought in the suit is the dissolution of the firm and rendition of accounts of a firm which has its factory at Mandsaur and Head Office at Bombay. In this view of the matter, I am of the considered view that the court at Chandigarh has no jurisdiction to entertain the suit.”

On this line of reasoning, the learned Judge in the High Court set aside the order of the trial court and directed that the plaint be returned to the plaintiff for presentation in a competent court. It is this order of the learned Single Judge which is assailed before us.”

14. I have heard learned counsels for the parties.
15. Mr. Gupta, learned counsel, has raised a preliminary objection as to the maintainability of the present petition, which is required to be examined at the threshold.
16. The perusal of the partnership deed shows that the petitioner No. 1 and all the respondent are residing at Gurugram, Haryana. My attention has been drawn to Uddyam Registration Certificate dated 17.11.2023, wherein the address of petitioner No. 2 is shown as E-2364, Gurugram, Haryana. It is no doubt that the firm is also registered at Gurugram,



Haryana as Micro, Small, and Medium Enterprise.

17. Additionally, the relief sought by the petitioner regarding the operation of bank account, executing of lease deed, receiving of rentals are all regarding properties which are situated within the jurisdiction of Haryana.
18. It is a settled position of law that where the seat, venue or exclusive jurisdiction of the Court is not defined, the referral court has to rely on Sections 16 to 20 of the CPC, 1908.
19. The sections are in a hierarchical order and it is only where a cause of action will not fall within Section 16, 17, 18 and 19, the residual clause of section 20 of the CPC would apply. The Section 20 of the CPC starts with “other suits”, meaning thereby that suits which are not governed under Sections 16 to 19 would be governed by Section 20. The same was approved by the Hon’ble Supreme Court in *ACME Papers Ltd. (supra)*.
20. In the present case, the nature of the reliefs sought and the dispute between the parties squarely falls under Section 16 of CPC, 1908, i.e. where the subject-matter is situated. The subject-matter is situated in Gurugram, Haryana. Therefore, I am of the view that the jurisdiction does not lie with this Court as the subject matter is not situated within the territorial jurisdiction of this Court.
21. The learned counsel for the petitioner has placed reliance on the judgment of *A.B.C. Laminart (supra)* to contend that this Court has territorial jurisdiction solely on the ground that the Partnership Deed was executed in Delhi. However, in my considered view, the said judgment is clearly distinguishable on facts and does not advance the



case of the petitioner. In *A.B.C. Laminart (supra)*, the dispute arose in the context of competing jurisdictions of two civil courts where the agreement contained a specific clause conferring jurisdiction on one court, while substantial contractual communications, including acceptance, were exchanged at another place. The Hon'ble Supreme Court, in those circumstances, held that the making of the contract could form part of the cause of action. In the present case, however, there is no exclusive jurisdiction clause in the Partnership Deed. The firm is registered at Gurugram Haryana, all the partners admittedly reside at Gurugram, and the business operations as well as the subject-matter of the reliefs sought are entirely situated in Haryana. Mere execution of the Partnership Deed at Delhi, without anything more, cannot be treated as a material or substantial part of the cause of action so as to confer territorial jurisdiction upon this Court.

22. The reliance placed on *BGS SGS SOMA JV(supra)* is also misplaced. The Hon'ble Supreme Court has observed that in the absence of a designated seat or venue, a court where part of the cause of action arises may entertain a petition under Section 9 of the Act, the said principle is subject to the requirement that a real, substantial, and integral part of the cause of action must have arisen within the territorial jurisdiction of the court to bring in the jurisdiction. In the present case, the petitioner has failed to demonstrate any such connecting factor with Delhi, except the execution of the Partnership Deed.
23. As held by the Supreme Court in *ACME Papers Ltd. (supra)*, Section 20 of the CPC is a residuary provision and applies only where the suit



does not fall within Sections 16 to 19 of the CPC. The present dispute squarely falls within the ambit of Section 16 of the CPC, as the reliefs sought pertain to rights, liabilities, and business operations linked to properties and transactions situated in Gurugram, Haryana.

24. Further, as observed by the Coordinate Bench of this Court in ***Faith Constructions(supra)***, an insignificant or incidental fact such as the place of execution of an agreement, unaccompanied by any substantive performance or breach within the jurisdiction, cannot confer territorial jurisdiction. Therefore, the mere signing of the Partnership Deed in Delhi does not constitute accrual of cause of action sufficient to invoke the jurisdiction of this Court.
25. In this view of the aforesaid discussion, the petition is dismissed with the liberty to the petitioner to avail jurisdiction before the competent court.
26. Needless to state that this court has only dismissed the petition on the jurisdiction and has not adverted anything on the merits of the case.

JASMEET SINGH, J

DECEMBER 16, 2025/sp

(Corrected and released on 22.12.2025.)