



2025:DHC:10273



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

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Judgment Reserved on: 13th November, 2025
Judgment pronounced on: 21st November, 2025

+ **FAO 453/2019 & CM APPL 49970/2019**

SUNRISE SPORTS (INDIA) PRIVATE LIMITEDAppellant

Through: Mr. Avadh Bihari Kaushik, Mr.
Rishabh Kumar and Ms. Saloni
Mahajan, Advocates

Versus

WHITE OWL SPORTS PRIVATE LIMITEDRespondent

Through: Mr. Rishabh Bansal and Ms.
Sakshi Pareek, Advocates

CORAM:

HON'BLE MS. JUSTICE CHANDRASEKHARAN SUDHA

JUDGMENT

CHANDRASEKHARAN SUDHA, J.

1. The present appeal under Section 104 read with order XLIII Rule 1(a) of the Code of Civil Procedure, 1908 (hereinafter referred as the CPC) has been preferred by the appellant/plaintiff impugning the judgement of the trial court dated 23.09.2019,



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whereby the court held that it lacked territorial jurisdiction to entertain the suit and directed that the plaint be returned to be presented before the court of competent jurisdiction.

2. The facts necessary for the disposal of the present appeal are:- the appellant is an importer and distributor of badminton sports items, namely “Yonex” operating from its registered office at 6th Floor, Salcon Aurum Building, Plot No. 4, District Centre, Jasola Vihar, New Delhi-110025. The defendant is a Company with its registered office at A-1, First Floor, Epsilon, Yemlur Main Road, opposite Hal Airport Road, Bangalore, Karnataka- 560037 engaged in the business of sports goods. The parties were involved in regular course of commercial dealings, wherein the defendant would routinely visit the appellant’s office in New Delhi to place orders for sports goods, which the plaintiff supplied and sold from time to time in their ordinary course of business.

3. While so, a dispute arose when it was found that the last

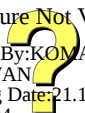


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payment received from the defendant was on 23.12.2016 and a substantial sum of ₹11,93,468/- remained due and payable. The defendant issued a cheque dated 22.12.2016 for ₹5,00,000/-which, upon presentation, was dishonoured with the endorsement 'Account closed'. Consequently, the plaintiff instituted proceedings under Section 138 of the Negotiable Instruments Act against the defendant and its Directors, which is pending adjudication before the learned MM, PHC, New Delhi. The plaintiff further issued a legal notice dated 07.02.2017, calling upon the defendant to clear the outstanding dues. However, the defendant has failed to discharge the outstanding liability.

4. Thereafter, the appellant instituted the suit seeking recovery of money. In the plaint, it was averred that the trial court had territorial jurisdiction to entertain the suit on the ground that the appellant carries on its business and works for gain from its registered office situated in New Delhi, which falls within the





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territorial limits of the Court. The defendant moved an application under Order VII Rule 10 CPC seeking return of the plaint for want of territorial jurisdiction, which was allowed. Aggrieved, the plaintiff has come up in appeal.

5. The core issue arising in the present appeal is whether the trial court has the territorial jurisdiction to entertain the suit.

6. The learned Counsel for the appellant/plaintiff submitted that since the appellant's registered office is situated in New Delhi and as all the purchase orders were placed by the defendant's representatives either during their visits to Delhi or through telephone and e-mail communications addressed to the appellant at Delhi, the court did have jurisdiction over the matter.

6.1 It was further submitted that the entire consignments were dispatched from New Delhi and that all invoices were also generated and issued from New Delhi. In support of submissions, the learned counsel for the appellant has relied on the dictum in

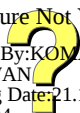


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Shradha Wassan v. Anil Goel, 2009 SCC OnLine Del 1285, wherein it has been held that, in the absence of a contractual stipulation to the contrary, the debtor is required to seek the creditor, and the place of payment is deemed to be the place where the creditor resides. It has also been held that a demand notice issued in Delhi calling upon the debtor to make payment at Delhi does confer territorial jurisdiction on the courts at Delhi.

7. On the other hand, the learned Counsel for the defendant submitted that the trial court lacks territorial jurisdiction to try and entertain the present suit, as no part of the cause of action has arisen within its local limits. The defendant does not carry on its business within the territorial jurisdiction of the Court. It was also submitted that the goods were delivered to the defendant at Bangalore, and the mere existence of the appellant's office in New Delhi does not, by itself, confer jurisdiction under Section 20 CPC. The defendant neither resides nor carries on business within





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New Delhi and its Head Office is situated at Bangalore. The defendant himself had never visited the appellant's registered office in New Delhi for placing orders. In support of the arguments, reference was made to the dictum in **M/S Carmel Overseas Ltd. V. Sturdy Industries Ltd. 2010 SCC Online Del 3535**, wherein it was held that a vague and unsubstantiated reference to meetings between the parties cannot, confer territorial jurisdiction on the court. It is additionally submitted that the issuance of a legal notice from New Delhi would not also vest the court with territorial jurisdiction.

8. Heard both the parties.

9. It would be apposite to refer to the relevant pleadings in the plaint which reads thus;

"4. That the above named defendant was having regular business dealings with the plaintiff company inasmuch the defendant through its directors and employees used to visit Plaintiff's registered office at Delhi from time to time and used to place purchase



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orders for requisite sports goods and thereafter, plaintiff used to supply/sell the sports items to defendant as per the demands placed by it. It is submitted that the first sale transaction by the plaintiff to the defendant was held on 15.07.2014 and since thereafter, plaintiff had been supplying requisite material/goods/ sports items to the defendant from time to time and the defendant had been making payments against the same to the plaintiff from time to time.

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13. That the cause of action to file the present suit first arose when defendant approached to the plaintiff in Delhi to place the order of purchase and also on each date when defendant requested plaintiff to supply the sports goods to it and further on various dates when plaintiff supplied the requisite goods to defendant, in terms of its requirements being placed from time to time and defendant made payments against the said goods to the plaintiff regularly during the normal course of business. Cause of action also arose on 23.12.2016 when the cheque issued by the defendant to the plaintiff was dishonoured. It again arose on 07.02.2017 when the 'Legal Notice of Demand' was issued to the



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defendant by the counsel for the plaintiff and the same is still continuing as the defendant has not made any payment to the plaintiff despite its own assurance vide its e-mail dated 25.01.2017.”

(emphasis supplied)

10. I also refer to the relevant paragraphs in the written statement of the respondent/defendant which reads thus;

“1. That present suit is not maintainable as no cause of action or any part thereof, as alleged in the Complaint, has arisen within the local limits of this Hon'ble Court. The Defendant has its registered office in Bengaluru and carries out business in Bengaluru, which is outside the jurisdiction of this Hon'ble Court. It is trite that an alleged meeting or negotiation at a certain place does not give rise to a cause of action sufficient to vest jurisdiction to the Courts of that particular place. Further, the fact that the Plaintiff has its registered office in Delhi does not vest territorial jurisdiction on this Hon'ble Court. It is thus submitted that the present complaint is liable to be dismissed for want of territorial jurisdiction. The Defendant is also filing an application under Order VII, Rule 11 read with Section 20 of the Code of Civil Procedure, 1908 seeking rejection of the



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plaint on this ground. The Defendant is filing the present Written Statement without prejudice to the contentions and submissions made in the said application.

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6. That the present plaint is liable to be dismissed has failed to disclose a cause of action. It is submitted that no cause of action has ever arose in favour of the Plaintiff or against the Defendant giving jurisdiction to this Hon'ble Court to try and decide the same therefore the present suit is liable to be rejected under Order VII, Rule 11 of the Code of Civil Procedure, 1908.”

11. It would also be apposite to refer Order VIII Rule 2 to 5 CPC, which reads:-

*“2. **New facts must be specially pleaded.** The defendant must raise by his pleading all matters which show the suit not be maintainable, or that the transaction is either void or voidable in point of law, and all such grounds of defence as, if not raised, would be likely to take the opposite party by surprise, or would raise issues of fact not arising out of the*



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plaint, as, for instance, fraud, limitation, release, payment, performance, or facts showing illegality.

3. Denial to be specific. *It shall not be sufficient for a defendant in his written statement to deny generally the grounds alleged by the plaintiff, but the defendant must deal specifically with each allegation of fact of which he does not admit the truth, except damages.*

4. Evasive-denial.-Where a defendant denies an *allegation of fact in the plaint, he must not do so evasively, but answer the point of substance.* Thus, if it is alleged that he received a certain sum of money, it shall not be sufficient to deny that he received that particular amount, but he must deny that he received that sum or any part thereof, or else set out how much he received. And if an allegation is made with diverse circumstances, it shall not be sufficient to deny it along with those circumstances.

5. Specific denial-(1) Every allegation of fact in the plaint, if not denied specifically or by necessary implication, or stated to be not admitted in the pleading of the defendant, shall be taken to be admitted except as against a person under disability:



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Provided that the Court may in its discretion require any fact so admitted to be proved otherwise than by such admission.”

12. In the written statement, though the allegation in the plaint that the respondent/defendant was having regular business dealings with the plaintiff's Company and that the respondent/defendant through its Directors and employees used to visit the registered office of the appellant/plaintiff at Delhi from time to time and place purchase order for requisites sports goods, is denied, there is no specific pleadings as to where exactly the business transactions had taken place. It is only contended that an “alleged meeting or negotiation at a certain place” is not sufficient to vest jurisdiction.

13. Section 20 CPC reads thus;

“20. Other suits to be instituted where defendants reside or cause of action arises.— Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local



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limits of whose jurisdiction—

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally works for gain, as aforesaid, acquiesce in such institution; or

(c) The cause of action, wholly or in part, arises.

Explanation.—A corporation shall be deemed to carry on business at its sole or principal office in 3 [India] or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place.”

(emphasis supplied)



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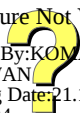


14. In this context, I refer to the dictum of the Apex Court in **Arcadia Shipping Ltd. v/s. Tata Steel Limited and Ors., (2024) 9 SCC 374**, wherein it has been held, *inter alia*, that when the supply order was placed in Delhi and when payment was to be released in Delhi, the cause of action arose in part in Delhi in terms of Section 20 (C) CPC.

15. In the case on hand also, going by the pleadings in the plaint, the transactions between the parties started in Delhi and the supply orders seem to have been placed in Delhi and therefore the finding that the trial court does not have jurisdiction is incorrect, as part of the cause of action as contemplated under Section 20 (C) arose in Delhi.

16. In the result, the appeal is allowed and the impugned order is set aside. The trial court is directed to proceed with the suit in accordance with law.

17. Application(s), if any, pending shall stand closed.





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18. A copy of this order be forwarded to the trial court for information and compliance.

**CHANDRASEKHARAN SUDHA
(JUDGE)**

NOVEMBER 21, 2025
p'ma/er/by