

CS (COMM.) 186/20

PANASONIC INDIA PVT. LTD. Vs. HARMONY HOUSE PVT. LTD.

AND ORS.

28/03/2026

Present : Sh. Kunal Kher, Ld. Counsel for plaintiff.

Sh. Randhir Kumar, Ld. Counsel for defendant.

Ld. Counsel for defendant presses his application under Order 7 Rule 11 CPC dated 14/08/2019.

ARGUMENTS ON APPLICATION

UNDER ORDER 7 RULE 11 CPC

1. It is submitted that plaintiff has filed suit for recovery of Rs. 26,87,156.45/- on the basis that various electronics goods were supplied to the defendants and payment qua them is due.

FIRST ARGUMENT

2. Ld. Counsel for defendant has argued that this Court does not have territorial jurisdiction as defendants are residents of West Bengal and no cause of action has arisen within jurisdiction of this Court.

3. Ld. Counsel for defendant further relies upon case titled as *'Dahiben Vs. Arvinbhai Kalyanji Bhanusali (Gajra) (D) Through LRs & Ors.'*, CA No. 9519/2019, decided by Hon'ble Supreme Court on 09/07/2020 to contend that vexatious suit can be rejected by exercising powers under Order 7 Rule 11 CPC and documents alongwith the plaint can be considered.

4. Per contra, Ld. Counsel for plaintiff has argued that it is specifically averred in Para No. 5 of the plaint that defendants nos. 2 to

4 on behalf of defendant no. 1 approached plaintiff in New Delhi for appointment as one of their dealers. It is further specifically averred in Para No. 9 of the plaint that meeting was held in office of plaintiff on 30/06/2011 wherein defendants no. 2 to 4 as Directors of defendant no. 1 confirmed outstanding dues and amount payable. It is submitted that since plaintiff is carrying on business in New Delhi. Defendants approached plaintiff in New Delhi. Negotiations and transactions were carried out in New Delhi. So, this Court has territorial jurisdiction. Even part payment were received in New Delhi. So, part cause of action has arisen within jurisdiction of this Court as well.

5. It is further argued by Ld. Counsel for plaintiff that at this stage, averments in the plaint are taken to be correct. Question of territorial jurisdiction is a mixed question of law and facts. Issue No. 4 vide order dated 18/12/2017 pertains to question of territorial jurisdiction which will require evidence and trial.

6. It is further argued by Ld. Counsel for plaintiff that in case titled as '*M/s Vansh Exports Inc. & Anr. Vs. M/s Kripal Import Exports Pvt. Ltd.*', 2011 SCC OnLine Del 1803, decided by Hon'ble High Court of Delhi on 19/04/2011, it has been held that disputed questions of facts cannot be decided on application under Order 7 Rule 11 CPC. Averments of the plaint are to be taken as correct at this stage.

SECOND ARGUMENT

7. Ld. Counsel for defendant has argued that defendants no. 2 to 4 are merely Directors of defendant no. 1 company and thus, suit be rejected.

8. Per contra, Ld. Counsel for plaintiff has argued that the plaint is to be read as a whole. Specific allegations have been leveled against defendants no. 2 to 4 in Paras No. 5, 9, 10, 13 & 17 of the plaint.

Part rejection of plaint is not possible and thus, the application be dismissed.

9. It is further relies upon case titled as '**Kanak Trakru & Anr. Vs. Renu Trakru Single & Ors.**', I.A. 23815/2025 decided by Hon'ble High Court of Delhi on 28/01/2026 to contend that partial rejection of plaint is not possible.

SCOPE OF INTERVENTION BY COURT :

10. Instead of referring to all the judicial precedent laid down by the Hon'ble Apex Court in this regard, it would be apposite to refer to the case of **Saleem Bhai Vs. State of Maharashtra, reported in (2003) 1 SCC 557, the Hon'ble Supreme Court**, while discussing the factors to be considered by the Courts in exercise of power under Order VII Rule 11 CPC, has held that :-

“... Order VII Rule 11 C.P.C. reads as under :

"11. Rejection of plaint.-The plaint shall be rejected in the following cases:-

- (a) Where it does not disclose a cause of action;*
- (b) Where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the court, fails to do so;*
- (c) Where the relief claimed is properly valued by the plaintiff, but the plaint is written upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, failed to do so;*
- (d) Where the suit appears from the statement in the plaint to be barred by any law;*
- (e) Where it is not filed in duplicate;*
- (f) Where the plaintiff fails to comply with the provisions of rule 9;*

Provided that the time fixed by the Court for the correction of the valuation or supplying of the requisite stamp-paper shall not be extended unless the Court, for reasons to be recorded, is satisfied that the plaintiff was prevented by any cause of an

exceptional nature for correcting the valuation or supplying the requisite stamp-paper, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause great injustice to the plaintiff.

A perusal of [Order VII Rule 11 C.P.C.](#) makes it clear that the relevant facts which need to be looked into for deciding an application thereunder are the averments in the plaint. The trial court can exercise the power under [Order VII Rule 11 C.P.C.](#) at any stage of the suit-before registering the plaint or after issuing summons to the defendant at any time before the conclusion of the trial. For the purposes of deciding an application under clauses (a) and (d) of Rule 11 of [Order VII C.P.C.](#) the averments in the plaint are germane; the pleas taken by the defendant in the written statement would be wholly irrelevant at that stage, therefore, a direction to file the written statement without deciding the application under [Order VII Rule 11 C.P.C.](#) cannot but be procedural irregularity touching the exercise of jurisdiction by the trial court. The order, therefore, suffers from non-exercising of the jurisdiction vested in the court as well as procedural irregularity. The Hon'ble High Court, however, did not advert to these aspects. We are, therefore, of the view that for the afore-mentioned reasons, the common order under challenge is liable to be set aside and we, accordingly, do so. We remit the cases to the trial court for deciding the application under [Order VII Rule 11 C.P.C.](#) on the basis of the averments in the plaint, after affording an opportunity of being heard to the parties in accordance with law."

11. Heard. File perused.
12. Perusal of record shows that plaintiff has filed suit for recovery of Rs. 26,87,156.45/- on the basis that various electronics goods were supplied to the defendants and payment qua them is due.

FINDINGS ON FIRST ARGUMENT

13. Submissions on behalf of defendant that this Court does not have territorial jurisdiction as defendants are residents of West

Bengal and no cause of action has arisen within jurisdiction of this Court. Further submissions that plaint be rejected are without merits. These submissions are rejected as :

14. There is no dispute with the proposition of law laid down in case relied upon by Ld. Counsel for defendant i.e. case titled as ***'Dahiben Vs. Arvinbhai Kalyanji Bhanusali (Gajra) (D) Through LRs & Ors.'***, CA No. 9519/2019, decided by Hon'ble Supreme Court on 09/07/2020, wherein it has been held that to contend that vexatious suit can be rejected by exercising powers under Order 7 Rule 11 CPC and documents alongwith the plaint can be considered. However, the present plaint cannot be said to be vexatious at this stage as averments in the plaint are to be taken as correct.

15. Perusal of record shows that it is specifically averred in Para No. 5 of the plaint that defendants nos. 2 to 4 on behalf of defendant no. 1 approached plaintiff in New Delhi for appointment as one of their dealers. It is further specifically averred in Para No. 9 of the plaint that meeting was held in office of plaintiff on 30/06/2011 wherein defendants no. 2 to 4 as Directors of defendant no. 1 confirmed outstanding dues and amount payable. Since plaintiff is carrying on business in New Delhi. Defendants approached plaintiff in New Delhi. Negotiations and transactions were carried out in New Delhi. So, this Court has territorial jurisdiction. Even part payment were received in New Delhi. So, part cause of action has arisen within jurisdiction of this Court as well.

16. At this stage, averments in the plaint are taken to be correct. Question of territorial jurisdiction is a mixed question of law and facts. Issue No. 4 vide order dated 18/12/2017 pertains to question of territorial jurisdiction which will required evidence and trial.

17. It is further rightly argued by Ld. Counsel for plaintiff that in case titled as ***'M/s Vansh Exports Inc. & Anr. Vs. M/s Kripal***

Import Exports Pvt. Ltd., 2011 SCC OnLine Del 1803, decided by Hon'ble High Court of Delhi on 19/04/2011, it has been held that disputed questions of facts cannot be decided on application under Order 7 Rule 11 CPC. Averments of the plaint are to be taken as correct at this stage.

FINDINGS ON SECOND ARGUMENT

18. Submissions on behalf of defendant that defendants no. 2 to 4 are merely Directors of defendant no. 1 company and thus, suit be rejected are without merits. These submissions are rejected as :

19. Paint is to be read as a whole. Specific allegations have been levelled against defendants no. 2 to 4 in Paras No. 5, 9, 10, 13 & 17 of the plaint. Part rejection of plaint is not possible as held in case titled as '*Kanak Trakru & Anr. Vs. Renu Trakru Single & Ors.*', I.A. 23815/2025 decided by Hon'ble High Court of Delhi on 28/01/2026.

20. Application under Order 7 Rule 11 CPC dated 14/08/2019 is dismissed.

21. Now to come up for DE by way of affidavit with advance copy to Counsel opposite atleast a week before the next date of hearing. Liberty is granted to the defendant to defendant witnesses as per law.

22. Now to come up on **06/06/2026**. Present case is more than 10 years old. Parties are requested to expedite proceedings.

(VIKRAM BALI)
DISTRICT JUDGE-02/NORTH/ROHINI
DELHI/28/03/2026