

**IN THE COURT OF SHRI DHARMENDER SINGH
DISTRICT JUDGE-01, WEST, TIS HAZARI COURTS, DELHI**



Civ DJ No. 1127/14

1. Sh. Sher Singh
S/o Sh. Risal Singh
R/o A-46, NDSE-II, New Delhi
2. Sh. Jai Singh
S/o Sh. Risal Singh
R/o J-171, Saket, New Delhi

.... Plaintiffs

Versus

1. Sh. Inder Singh
S/o Sh. Risal Singh
R/o 257, Shahpur Jat,
Mehrauli, New Delhi (Through LRs)
2. Smt. Shashi Singh
W/o Sh. Shyam Singh
3. Smt. Vidya Wati
W/o Late Sh. Karan Singh (Through LRs)
4. Sh. Chander Pal
S/o Sh. Jaswant Singh

Defendants no. 2 to 4 at:

Village Bharthal, Tehsil Mehrauli, New Delhi

Also At : C-170, Anand Niketan, New Delhi

... Defendants

Date of Institution : 24.11.1997
Date of Reserving Judgment : 18.02.2026
Date of Judgment : 15.04.2026

J U D G M E N T

1. Vide this judgment, this Court shall decide the issue no. 2 and 5 in the abovestated suit. It is relevant to mention here that remaining issues have already been decided vide judgment and preliminary decree dated 17.04.2015. It is also relevant to mention here that initially the suit was filed by plaintiff no.1 Sh. Sher Singh and plaintiff no.2 Sh. Jai Singh was arrayed as defendant no.1, however, on application u/o 1 Rule 10 CPC moved by then defendant no.1 Sh. Jai Singh, vide order dated 11.05.2005, he was arrayed as plaintiff no.2.

2. As per case of plaintiffs, parties to the suit entered into a partnership under the name and style of M/S Capital Land Improvement Corporation vide Written Deed dated 24.02.1982. It is submitted that said partnership was duly registered under Partnership Act and was partnership “at will”. It is submitted that as per the agreement of the parties, the share of the parties in

the partnership firm was as follows:-

- (a) Plaintiff no.1- 20%
- (b) Plaintiff no.2- 15%
- (c) Defendant no.1- 15%
- (d) Defendant no.2- 20%
- (e) Defendant no.3 and 4- 15% each

3. It is submitted that said partnership firm was carrying on the business of Real Estate and in furtherance of the same, on or about 11.01.1985, said partnership firm entered into an agreement to sell to purchase an immovable property i.e. Agricultural Land admeasuring 8 Bighas 5 Biswa, M. No. 54, Killa No. 2/2/2 MIN (0-15) 3/1 (1-17), 8 MIN (4-8), 9 MIN (1-5) situated at Village Bharthal, Tehsil Mehrauli, New Delhi for a total sale consideration amount of Rs.55,000/- (Rupees Fifty Five Thousand Only) and at the time of execution of agreement to sell, a sum of Rs.10,000/- (Rupees Ten Thousand Only) was paid by partnership firm to the seller Smt. Bhagwati W/o Sh. Rishi Parkash and possession of the said land was obtained by partnership firm.

4. It is submitted that as seller of said property did not perform her part of the contract/ agreement to sell, a suit for specific performance was filed by partnership firm against her vide Civil Suit bearing no.141/87, which was decreed in favour of partnership firm by the Court of Ld. ADJ, Delhi vide judgment dated 22.08.1995. It is submitted that during the subsistence of partnership firm, partners carried out the sale and purchase of properties, however, the accounts of the firm were being maintained by defendant no.2

and assets of the firm including the abovestated immovable property and some cash was lying with her.

5. It is submitted that after the judgment and decree in Civil Suit No. 141/87, defendant no.2 to 4 had malafide intention and they wanted to usurp the abovestated only immovable property belonging to firm to the exclusion of other partners of the partnership firm. It is submitted that on or about 01.10.1997, plaintiff no.1 requested the defendant no.2 to 4 to crystallize the share of each partner in the properties of firm but they declined to do the same and in view of the said conduct of said defendants, plaintiffs were not interested in continuing the said partnership. In view of the same, present suit was filed with the prayer that decree of dissolution of the abovestated partnership firm be passed and defendants be directed to render true and proper account of the same.

6. In pursuance of the suit, summons were issued to defendants. No written statement came on record on behalf of defendant no.1 and defendant no.1 was proceeded ex parte. Qua remaining defendants, joint written statement was filed.

7. In their written statement, defendant no.2 to 4 denied the case of plaintiff. They took the plea that plaintiffs and defendant no.1 and 4 have retired from the partnership firm by tendering their resignation w.e.f. 10.10.1997. It is submitted that after that firm was continued with other remaining partners i.e. defendant no.2 and 3 and one Chaudhary Shyam

Singh also joined the partnership firm w.e.f. 10.10.1997. It is submitted that firm was not carrying out any business since 1985 due to paucity of funds and since then same was lying defunct.

8. It is submitted that so far the abovestated immovable property is concerned, the firm had no money to pay the purchase price of the same and in said circumstances, defendant no.2 dealt with said property and paid a sum of Rs.10,000/- from her personal account to Smt. Bhagwanti as advance payment regarding the purchase price of the same and when Smt. Bhagwanti tried to avoid the said transaction and refused to execute the sale deed regarding the same, defendant no.2 filed a suit (Sui No. 141/1987) for specific performance and said suit was decided in favour of defendant no.2 vide judgment dated 22.08.1995.

9. It is submitted that in respect of abovestated judgment and decree, defendant no.2 filed the execution proceedings and in said execution proceedings, the sale deed was executed qua the abovestated immovable property. It is submitted that although in said proceeding partnership firm was a party, however, said proceedings were initiated and dealt with by defendant no.2 with her personal money and efforts. It is submitted that entire expenses regarding the said proceedings were borne by defendant no.2, which includes the Court Fees, Advocate Fees, Miscellaneous Expenses, Balance Consideration Amount of Rs.45,000/- and Stamp Duty paid at the time of execution of sale deed. It is submitted that all said efforts were made by defendant no.2 only on the understanding that in case she succeeds in the

aforesaid legal proceedings, she would be entitled to the exclusive ownership of aforesaid immovable property. It is submitted that possession of aforesaid immovable property was delivered to defendant no.2 to the exclusion of all other parties and same is in her actual physical possession since the date of execution of agreement to sell. Prayer has been made for dismissal of the suit.

10. Plaintiff filed the replication to the written statement of defendant no.2 to 4 and reiterated the same case as mentioned in the plaint.

11. On the basis of pleadings, following issues were framed in this case:-

- (1) **Whether except defendant no.2 and 3, remaining defendants were retired from the partnership firm w.e.f. 10.10.1997? OPD 2, 3, 4 (While passing the judgment and preliminary decree, this issue was reframed as “Whether plaintiffs and defendant no.1 retired from partnership firm w.e.f. 10.10.1997? OPD 2 to 4”)**
- (2) **Whether land purchased from Smt. Bhagwanti was personal property of Ms. Shashi Singh (defendant no.2) and she was the exclusive owner of the same? OPD**
- (3) **Whether the partnership was “at Will” and plaintiff gave notice to dissolve the same by instituting the suit? OPP**
- (4) **Whether plaintiff is entitled to decree for dissolving the partnership firm? OPP**
- (5) **Whether defendants are liable to render the proper accounts? OPP**
- (6) **Relief**

12. Afterthat, evidence was led by the parties. In plaintiff's evidence (PE), only one witness i.e. plaintiff no.1 as PW-1 was examined. His affidavit of evidence is Ex.A1, in which he deposed on the lines of facts as mentioned in the plaint. He relied upon the documents i.e. Certified copy of partnership deed Ex.PW1/A and Certified copy of judgment dated 22.08.1995 Ex.PW1/B. PW-1 was cross-examined by ld counsel for defendant no.2 to 4.

13. After PE, defendants' evidence (DE) was led on behalf of defendant no.2 to 4, in which three witnesses were examined.

14. DW-1 Sh. Shyam Singh Chaudhary, he is the husband of defendant no.2 and legal heir of defendant no.3. His affidavit of evidence is Ex.DW1/A, in which he deposed in terms of the facts as stated in the written statement. He filed on record the original sale deed dated 21.10.1997 executed by Smt.Bhagwanti in favour of partnership firm and same is Ex.DW1/6. This witness was cross-examined by ld counsel for plaintiff.

15. DW-2 Sh. S.K. Singh, Deputy Manager, SBI, Nehru Place, Delhi. He was the summoned witness, who brought the record of account opening firm of partnership firm, which is Ex.DW2/1. He also brought the certified copy of statement of account of said firm and same is Ex.DW2/2.

16. DW-3 Sh. Inder Pal, Record Keeper from the office of Registrar of Firms, Delhi. He was also the summoned witness. He brought the record regarding the partnership firm. Said record are i.e. Form-A of the partnership

firm Ex.DW3/1, Form-B Ex.DW3/2, Form-C Ex.DW3/3.

17. After DE, final arguments were heard and vide judgment and preliminary decree dated 17.04.2015, issue no. (1), (3) and (4) were decided in favour of plaintiffs and against defendants. Qua issue no. (2) and (5), the Court permitted the parties to throw light upon their respective entitlement based upon the accounts of the firm.

18. In pursuance of the said observation of the Court, qua issue no.(2) and (5), opportunity was granted to parties to lead evidence, however, no evidence has been led by plaintiffs. On the other hand, evidence was led on behalf of defendants and DW-1 Sh. Shyam Singh Chaudhary was examined. He filed on record the additional affidavit of evidence, which is Ex.DW/A1. He relied upon following documents:-

- (1) Balance sheet of bank account of HUF of Smt. Shashi Singh Ex.DW1/9 (Colly) (page no.3 of this documents is mark-A)
- (2) Ledger Ex.DW1/10 (colly)
- (3) Various vouchers of expenditure on the upkeep and maintenance of property Ex.DW1/11 (Colly)
- (4) Statement of account of defendant no.2 for the period 08.01.1997 to 26.12.1997 Ex.DW1/12 (Colly)

19. Afterthat, arguments were heard in this matter.

20. Now, this Court shall deal with issue no. 2 and 5 together.

Issue No.(2) Whether land purchased from Smt. Bhagwanti was personal property of Ms. Shashi Singh (defendant no.2) and she was the exclusive owner of the same? OPD

&

Issue No.(5) Whether defendants are liable to render the proper accounts? OPP

21. The onus to prove issue no.(2) was upon defendant no.2 to 4 and onus to prove issue no.(5) was upon plaintiffs. As per case of plaintiffs, parties to the suit entered into a partnership under the name and style of M/S Capital Land Improvement Corporation vide Written Deed dated 24.02.1982. It is submitted that said partnership was duly registered under Partnership Act and was partnership “at will”. It is submitted that as per the agreement of the parties, the share of the parties in the partnership firm was as follows:-

- (a) Plaintiff no.1- 20%
- (b) Plaintiff no.2- 15%
- (c) Defendant no.1- 15%
- (d) Defendant no.2- 20%
- (e) Defendant no.3 and 4- 15% each

22. It is submitted that said partnership firm was carrying on the business of Real Estate and in furtherance of the same, on or about 11.01.1985, said partnership firm entered into an agreement to sell to purchase an immovable property i.e. Agricultural Land admeasuring 8 Bighas 5 Biswa, M. No. 54, Killa No. 2/2/2 MIN (0-15) 3/1 (1-17), 8 MIN (4-8), 9 MIN (1-5) situated at

Village Bharthal, Tehsil Mehrauli, New Delhi for a total sale consideration amount of Rs.55,000/- (Rupees Fifty Five Thousand Only) and at the time of execution of agreement to sell, a sum of Rs.10,000/- (Rupees Ten Thousand Only) was paid by partnership firm to the seller Smt. Bhagwati W/o Sh. Rishi Parkash and possession of the said land was obtained by partnership firm.

23. It is submitted that as seller of said property did not perform her part of the contract/ agreement to sell, a suit for specific performance was filed by partnership firm against her vide Civil Suit bearing no.141/87, which was decreed in favour of partnership firm by the Court of Ld. ADJ, Delhi vide judgment dated 22.08.1995. It is submitted that during the subsistence of partnership firm, partners carried out the sale and purchase of properties, however, the accounts of the firm were being maintained by defendant no.2 and assets of the firm including the abovestated immovable property and some cash was lying with her.

24. It is submitted that after the judgment and decree in Civil Suit No. 141/87, defendant no.2 to 4 had malafide intention and they wanted to usurp the abovestated only immovable property belonging to firm to the exclusion of other partners of the partnership firm. It is submitted that on or about 01.10.1997, plaintiff no.1 requested the defendant no.2 to 4 to crystallize the share of each partner in the properties of firm but they declined to do the same and in view of the said conduct of said defendants, plaintiffs were not interested in continuing the said partnership. In view of the same, present suit was filed with the prayer that decree of dissolution of the abovestated

partnership firm be passed and defendants be directed to render true and proper account of the same.

25. On the other hand, defendant no.2 to 4 have denied the case of plaintiff. They took the plea that plaintiffs and defendant no.1 and 4 have retired from the partnership firm by tendering their resignation w.e.f. 10.10.1997. It is submitted that after that firm was continued with other remaining partners i.e. defendant no.2 and 3 and one Chaudhary Shyam Singh also joined the partnership firm w.e.f. 10.10.1997. It is submitted that firm was not carrying out any business since 1985 due to paucity of funds and since then same was lying defunct.

26. It is submitted that so far the abovestated immovable property is concerned, the firm had no money to pay the purchase price of the same and in said circumstances, defendant no.2 dealt with said property and paid a sum of Rs.10,000/- from her personal account to Smt. Bhagwanti as advance payment regarding the purchase price of the same and when Smt. Bhagwanti tried to avoid the said transaction and refused to execute the sale deed regarding the same, defendant no.2 filed a suit (Sui No. 141/1987) for specific performance and said suit was decided in favour of defendant no.2 vide judgment dated 22.08.1995.

27. It is submitted that in respect of abovestated judgment and decree, defendant no.2 filed the execution proceedings and in said execution proceedings, the sale deed was executed qua the abovestated immovable

property. It is submitted that although in said proceeding partnership firm was a party, however, said proceedings were initiated and dealt with by defendant no.2 with her personal money and efforts. It is submitted that entire expenses regarding the said proceedings were borne by defendant no.2, which includes the Court Fees, Advocate Fees, Miscellaneous Expenses, Balance Consideration Amount of Rs.45,000/- and Stamp Duty paid at the time of execution of sale deed. It is submitted that all said efforts were made by defendant no.2 only on the understanding that in case she succeeds in the aforesaid legal proceedings, she would be entitled to the exclusive ownership of aforesaid immovable property. It is submitted that possession of aforesaid immovable property was delivered to defendant no.2 to the exclusion of all other parties and same is in her actual physical possession since the date of execution of agreement to sell.

28. As per case of plaintiffs, defendants are liable to render the true and proper accounts of the partnership firm. This Court is of the considered view that except the abovestated immovable property, no detail of any other property (movable or immovable) has been furnished on record by plaintiffs. Although, in their plaint, plaintiffs have stated that during the subsistence of partnership firm, partners carried out the sell and purchase of properties, however, details/ description of none of said property has been furnished by plaintiffs. So, in view of the same, it can be held that abovestated immovable property was the only property in the name of partnership firm.

29. Regarding the said immovable property, parties have different stand.

On one hand, plaintiffs are stating that said immovable property is property of partnership firm and they are entitled to share in the same as per the partnership agreement between the parties, however, on the other hand, as per version of defendant no.2 to 4, said immovable property is exclusive property of defendant no.2. As per **Section 14 of The Indian Partnership Act, 1932**

“The property of the firm.—Subject to contract between the partners, the property of the firm includes all property and rights and interests in property originally brought into the stock of the firm, or acquired, by purchase or otherwise, by or for the firm, or for the purposes and in the course of the business of the firm, and includes also the goodwill of the business.

Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired for the firm”.

30. This Court is of the view that as per the record and admitted case, partnership firm was created on 24.02.1982 and agreement to sell qua the abovestated immovable property was executed on 11.01.1985. In view of the same, it is clear that said immovable property was acquired after about 3 years of the creation of partnership firm. It is relevant to mention here that vide preliminary judgment and decree dated 17.04.2015, issue no.2 and 5 were not decided by the Court and qua said issues Court permitted the parties to throw light upon their respective entitlement based upon accounts of the firm. Perusal of record shows that after preliminary decree, no evidence was led on behalf of plaintiffs, however, DW-1 was examined on behalf of

defendants and he filed on record certain documents. Perusal of record shows that DW-1 filed the additional affidavit of evidence Ex.DWA/1, in which he has deposed in terms of the written statement of defendant no.2 to 4.

31. Perusal of record shows that in the partnership deed Ex.PW1/A, it is not mentioned that what amount was invested or capital was contributed by each partner at the time of creation of partnership firm. As per record, the partnership firm was created in 1982 and agreement qua immovable property was executed in 1985, however, in his cross-examination, plaintiff no.1 as PW-1 has admitted that after 1982 he has not made any investment in the firm. On the other hand, DW-1 has deposed in terms of the case of defendant no.2 to 4. As per the admitted case, at the time of execution of agreement to sell qua the immovable property, a sum of Rs.10,000/- was given to the seller. Perusal of record shows that in this matter DW-2 Sh. S.K. Singh, Deputy Manager, SBI was examined on behalf of defendant no.2 to 4 and he brought on record the statement of account of partnership firm Ex.DW2/2. Perusal of document Ex.DW2/2 shows that at the time of execution of agreement to sell, the amount which was lying in the account of partnership firm was Rs.3942.95paise/-, which shows that there was no sufficient amount with partnership firm to pay to the seller at the time of execution of agreement to sell.

32. Perusal of record also shows that in his cross-examination, plaintiff no.1 as PW-1 has stated that amount of Rs.10,000/- was lying in cash in hand of the firm, however, he admitted that he has not placed on record any

document to show that amount of Rs.10,000/- was lying in cash in hand with the firm. He also stated that he cannot say that what was the cash in hand amount with the firm in January, 1985. Perusal of record also shows that at the time of execution of sale deed, the remaining agreed amount of Rs.45,000/- was deposited by defendant no.2 by way of Challan in the executing Court on 10.10.1997 (same is reflected from the sale deed Ex.DW1/6). Perusal of record shows that DW-1 has filed on record the statement of account of defendant no.2 of the period from 08.01.1997 till 26.12.1997 Ex.DW1/12 and perusal of the same shows that amount of Rs.45,000/- was withdrawn from the account of defendant no.2 during the relevant period.

33. Perusal of record also shows that proceedings qua suit for specific performance was pursued only by defendant no.2. In his cross-examination, PW-1/ plaintiff no.1 has admitted that suit for specific performance was filed by Ms. Shashi (defendant no.2). He also admitted that he did not participate in said proceeding. He also admitted that he is not in possession of the abovestated immovable property. Perusal of record also shows that in the suit for specific performance, DW-1 Sh. Shyam Singh was examined as PW-1 on behalf of partnership firm and same is reflected from the judgment passed in the suit for specific performance Ex.PW1/B. Perusal of record also shows that qua the immovable property, the sale deed was executed on behalf of partnership firm by only defendant no.2 and in the same, there are two attesting witnesses, one is one Advocate and second witness is the Husband of defendant no.2. This Court is of the considered view that in view of

aforementioned facts and circumstances, it is clear that qua the abovestated immovable property, only defendant no.2 was participating in all the relevant proceedings and she made the entire payment regarding the same. In view of above, it can be held that although, abovestated immovable property was purchased in the name of partnership firm, however, same was the personal property of defendant no.2 and she was the exclusive owner of the same. This Court is also of the view that as there was no other property of partnership firm and abovestated immovable property was exclusive property of defendant no.2, plaintiffs are not entitled to the accounts of the firm.

34. Relief:-

In view of aforementioned discussion, plaintiffs are not entitled to any relief qua issue no. 2 and 5. Accordingly, issue no.2 and 5 are decided in favour of defendant no. 2 to 4 and against plaintiffs. There is no order as to cost. Decree sheet be drawn.

File be consigned to Record Room after due compliance.

**Announced in the open Court
on this 15th day of April, 2026.**

**(Dharmender Singh)
District Judge-01, (West)
Tis Hazari Courts, Delhi**