



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

% Reserved on : 05.05.2026
Pronounced on : 20.05.2026
Uploaded on : 20.05.2026

+ **FAO 371/2024**

GAC LOGISTICS PVT. LTD.Appellant

Through: Mr. Sanyat Lodha and Ms. Sanjana
Saddy, Advocates

versus

ACER LOGISTICS PVT. LTDRespondent

Through: None

CORAM:
HON'BLE MR. JUSTICE MANOJ KUMAR OHRI

JUDGMENT

1. The present appeal has been filed under Section 104 read with Order XLIII Rule 1(a) of the Code of Civil Procedure, 1908(hereinafter 'CPC') by the appellant, who was the plaintiff before the Trial Court, assailing the order dated 08.08.2024 passed by the learned DJ-04, *Tis Hazari* Courts, Delhi, whereby the Trial Court returned the plaint under Order VII Rule 10 CPC on the ground of lack of territorial jurisdiction.

2. Briefly stated, the plaintiff, a freight forwarding company and an IATA approved freight forward agent, instituted the present suit seeking recovery of Rs.14,15,144/- alongwith interest against the respondent/defendant company on account of outstanding dues arising from



shipment and forwarding services rendered by the plaintiff for consignments booked by the defendant for foreign destination. The suit was originally instituted against the defendant company as well as its directors, however, the directors were subsequently deleted from the array of parties *vide* order dated 08.12.2020 and the proceedings continued only against defendant. Despite service, the defendant company failed to appear and was accordingly proceeded *ex-parte* before the Trial Court. It was the case of the plaintiff that pursuant to an oral arrangement between the parties, the plaintiff used to book consignments on behalf of the defendant, raise airway bills and invoices, and maintain a running account in respect thereof. According to the plaintiff, an amount of Rs.9,84,084.45 remained outstanding as on 31.03.2014 and despite issuance of post-dated cheques by the defendant towards part payment, the same were dishonoured upon presentation. Consequently, the plaintiff issued a legal notice and thereafter instituted the aforesaid recovery suit in Delhi. However, it was held that the cause of action pertained to Mumbai.

3. In view of the non-appearance of the respondent, and upon perusal of the affidavit of service placed on record reflecting that service has been effected upon the respondent through their counsel. Accordingly, this Court proceeds to hear arguments on behalf of the appellant.

4. Learned counsel for the plaintiff submits that the Trial Court has erred in returning the plaint on the ground of lack of territorial jurisdiction despite a part of the cause of action had arisen within Delhi. It is submitted that the plaintiff had pleaded that the consignments were handed over at its Delhi office, payments and dishonoured cheques were received and presented in Delhi, and the accounts pertaining to the transactions were maintained in



Delhi. Learned counsel contends that under Section 20(c) CPC, even if a part of the cause of action arises within the territorial jurisdiction of a Court, such Court would have jurisdiction to entertain the suit.

5. I have heard the learned counsel for the appellant and perused the records.

6. The issue involved in the present appeal pertains to the territorial jurisdiction of the Trial Court to entertain the suit instituted by the plaintiff. In this regard, reference may be made to Section 20 of CPC, which governs the institution of suits based on the residence/business of the defendant and the place where the cause of action arises, and reads as under:-

“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 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.”

7. As per the aforesaid section, clearly a Court within whose local limits the cause of action, wholly or in part, arises, would have territorial jurisdiction to entertain the suit. In the present case, the registered office of the defendant company is situated at 9/84, *Punjabi Bagh West*, Club Road,



New Delhi, 110026, whereas the *Mumbai* office reflected in certain invoices and airway bills is only an administrative office. The Master Data placed on record by the plaintiff also reflects the registered office of the defendant at *New Delhi*. Mere mention of the *Mumbai* administrative office address on invoices, airway bills or ledger accounts cannot, by itself, oust the jurisdiction of *Delhi* Courts, particularly in the absence of any exclusive jurisdiction clause between the parties.

8. Further, the material placed on record demonstrates that parts of the cause of action arose within *Delhi*. In the evidence by way of affidavit, *Sh. Devi Lal*, Executive Officer of the plaintiff company, specifically deposed that the bookings of consignments were pursuant to an oral contract between the parties, that all consignments were handed over to the plaintiff at *Delhi*. Further, payments were received by the plaintiff at its office in *Delhi* and that the post-dated cheques issued by the defendant were received by the plaintiff at *Delhi* and presented for encashment through the plaintiff's bankers, Citibank, *Delhi*. It was further deposed that the cheques had been issued from the defendant's account maintained with Yes Bank, *Kapashera* Branch, New Delhi. Further, the details of the cheques issued by the defendant are reflected in the ledger accounts placed on record.

9. Significantly, the defendant in the present case was proceeded *ex-parte* by the Trial Court and never filed any written statement disputing the aforesaid assertions. The pleadings and evidence led by the plaintiff therefore remained unrebutted. Therefore, a part of the cause of action arose within *Delhi*, thereby conferring territorial jurisdiction upon *Delhi* Courts under Section 20(c) CPC.

10. It is well settled that while considering territorial jurisdiction at the



stage of Order VII Rule 10 CPC, the Court is required to proceed on the basis of the averments contained in the plaint and the documents relied upon by the plaintiff, assuming the same to be correct. The Court cannot discard un rebutted pleadings on the basis of presumptions.

11. In addition to the above, the plaintiff had also contended that the legal demand notice dated 25.06.2015 was issued to the defendant at its registered office situated at Punjabi Bagh, New Delhi, and the same was never returned undelivered.

12. This Court in Rameshwar Das Dwarka Das (P) Ltd. v. Deepak Puematics (P) Ltd.¹ held that Delhi Courts had territorial jurisdiction, since the place where order is placed would also be the place where cause of action accrues, even when the goods were supplied at Faridabad and the defendant's factory was situated there.

13. Similarly, this Court in M/s Auto Movers v. Luminous Power Technologies Pvt. Ltd.² held that Delhi Courts had territorial jurisdiction to try the recovery suit as part of the cause of action arose in Delhi through payments made into the plaintiff's Delhi bank account. The Court observed that where no place of payment is fixed, the debtor must seek the creditor, making Delhi the place of payment. It was further held that the invoices did not vest jurisdiction in a Court which otherwise had no jurisdiction at all.

14. In view of the aforesaid facts and settled position of law, this Court is of the considered opinion that the Trial Court erred in returning the plaint on the ground of lack of territorial jurisdiction. The pleadings, documents and un rebutted evidence placed on record clearly disclose that part of the cause

¹ 2008 SCC OnLine Del 223

² 2021 SCC OnLine Del 4387



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of action arose within *Delhi*. Consequently, the Courts at *Delhi* possessed territorial jurisdiction to entertain the suit. The defendant company has its registered office at *Punjabi Bagh*, New Delhi, which falls within the territorial jurisdiction of the concerned Trial Court.

15. Accordingly, the present appeal is allowed. The impugned order is set aside. The suit is restored to its original position and be listed before the Trial Court on 28.05.2026 at the first instance.

16. In view of the above, the appeal is disposed of.

17. A copy of this order be communicated to the concerned Trial Court.

(MANOJ KUMAR OHRI)
JUDGE

MAY 20, 2026
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