

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

% Judgment delivered on: 17.04.2025

+ **RFA(COMM) 80/2023**

RMS CONSULTANTS PVT. LTD. & ORS. Appellants

Versus

**TRIDIVA ERGONOMIC INTERIORS
(P.) LTD.** Respondent

Advocates who appeared in this case:

For the Appellants : Mr Sumeet Anand with Mr Pratyush
Parimal, Advocates.

For the Respondent : Mr M.S. Oberoi, Advocate.

CORAM:**HON'BLE MR. JUSTICE VIBHU BAKHRU****HON'BLE MR. JUSTICE TEJAS KARIA****JUDGMENT****VIBHU BAKHRU, J**

1. The appellants have filed the present appeal under Section 96 of the Code of Civil Procedure, 1908 [CPC] read with Section 13 of the Commercial Courts Act, 2015 impugning a judgment and decree dated 23.12.2022 [**the impugned judgment**] rendered by the learned Commercial Court in CS(COMM) No. 163/2020.

2. The learned Commercial Court had allowed the aforementioned suit in favour of the respondent [hereafter referred to as **the plaintiff**] and against the appellants [hereafter referred to as **the defendants**] and



had decreed a sum of ₹9,23,269.24/- along with interest at the rate of 12% per annum from the date of invoices.

3. The learned counsel appearing for the defendants has confined the present appeal to assail the impugned judgment on the solitary ground that the learned Commercial Court did not have any jurisdiction to try the suit.

FACTUAL CONTEXT

4. The plaintiff had filed the aforesaid suit [CS(COMM) No.163/2020] for a recovery of a sum of ₹9,23,269.24/- along with interest at the rate of 24% per annum. The plaintiff is a private company and is engaged in the business of interior designing, supply and installation of offices and home furniture and other interior fittings and furnishing including electrical appliances, carpets, floorings, wallpapers, blinds, kitchen and bathroom accessories etc. The plaintiff's registered office is situated at 72/4, Swarn Park, near Rajdhani Park, Mundka, New Delhi.

5. It was the plaintiff's case that appellant no.2 [Mayur Batra/defendant no.2], who is the authorized signatory and administrative head of appellant no.1 [Ms RMS Consultants Pvt. Ltd - hereafter referred to as **the defendant**] had approached the plaintiff at its registered office in the month of March 2018 for engaging it for the services for complete interior designing, supply and installation of office furniture including chairs, tables, work station, storages and other interior fittings and fixtures including electrical intercom related fittings



for the office and pantry at their newly opened office at 278, Fourth Floor, A-Square Building, Udyog Vihar, Phase-II, Gurgaon-122008, Haryana [hereafter **Gurgaon Office**].

6. The plaintiff stated that after various discussions and acknowledging the quotations provided by the plaintiff, defendant no.2 had handed over a cheque dated 16.04.2018 for a sum of ₹2 lacs to the plaintiff towards part advance payment for the services for which it was engaged.

7. The plaintiff claimed that it performed the work for which it was engaged and completed the interior designing and supply of furnitures and fixtures. The plaintiff claimed that it had supplied and installed office furniture including chairs, tables, work station, storages and interior fittings and fixtures as per the agreed specifications. The plaintiff had also raised invoices at the time of delivery and installation of the furniture and fixtures. The plaintiff claimed that it had raised invoices aggregating to ₹11,23,269.24/-.

8. The tabular statement as setting out the invoices raised by the plaintiff, as set out in the plaint, is reproduced below:

“INVOICE DATE	INVOICE NO.	AMOUNT (RS)
30.04.2018	079	49,324/-
03.05.2018	080	2,97,476/-
03.05.2018	081	1,24,964/-



08.05.2018	082	38,350/-
08.05.2018	084	1,72,065.24/-
08.05.2018	085	1,60,341/-
09.06.2018	096	55,460/-
09.06.2018	094	46,684/-
09.06.2018	095	46,445/-
09.06.2018	096	48,675/-
09.06.2018	097	49,359/-
10.06.2018	097	19,966/-
10.06.2018	099	14,160/-”

9. The plaintiff claimed that after adjusting the advance of ₹2lacs that was admittedly paid by the defendants, the balance sum of ₹9,23,269.24/- remained outstanding and payable. The plaintiff claimed that although the defendant acknowledged the liability to pay the balance amount, it failed to do so. The plaintiff thereafter sent a legal notice dated 15.06.2018.

10. The defendants filed their written statement claiming that the defendant was lured with false representation and assurances regarding the quality of the plaintiff's service. The defendant alleged that the plaintiff did not fulfil its promises and had defrauded the defendant by various means. First, that the plaintiff had not handed over complete works within the time as promised. And second, that the services and the equipment provided were not of good quality. The defendants also



claimed that the plaintiff had quoted very high rates for material and equipment that was installed at the defendant's office but had, subsequently, agreed to reduce the cost. However, even the reduced cost was not proper. Thus, the defendant had requested the plaintiff to reduce the same. According to the defendants, the plaintiff had also agreed that it would reduce the final cost once it handed over the completed works. But, the plaintiff did not raise the proper invoice. The defendant alleged that the plaintiff was required to provide sofas and chairs with leather covers. However, it had used inferior quality rexine and sponge and had failed to change the same despite repeated requests. The defendants also claimed that the plaintiff's authorised representative had misbehaved with the Managing Director of the defendant and had abandoned the works. Thus, no cause of action had arisen for making the payment as claimed.

11. The defendant also claimed that the learned Commercial Court did not have any jurisdiction to try the suit as the defendant's office was located in Gurgaon, Haryana and its registered office was located at Barakhamba Road, Delhi, which fell under the territorial jurisdiction of the Commercial Courts of New Delhi District (Patiala House).

12. In view of the rival pleadings, the learned Commercial Court framed the following issues for consideration:

- “1. Whether the plaintiff is entitled to recover Rs.9,23,269.24 from the defendant? OPP
2. Whether the plaintiff is entitled to pendente lite and future interest, if so, at what rate? OPP



3. Whether this court lacks territorial jurisdiction to try the present suit? OPD
4. Whether the plaintiff himself abandoned the work and committed breach of contract? OPD
5. Relief.”

13. The learned Commercial Court decided the issues in favour of the plaintiff. The learned Commercial Court found that the defendants had not placed on record any document or communication regarding any complaint or deficiency in the services provided by the plaintiff. It had also accepted the goods supplied. The Court considered the testimony of DW1 and concluded that the defendant was required to send the sofa to the plaintiff, which according to DW1, was agreed to be changed. However, the defendant had failed to retain the sofa; therefore, there was no further obligation on the part of the plaintiff to do so.

14. The plaintiff had produced the ledger accounts (Ex.PW1/6) for the period 01.04.2018 to 13.07.2018. It had also produced tax invoices (Ex.PW1/4). The plaintiff had established that it had rendered the services and performed its obligations as agreed. Thus, the plaintiff had proved that it was entitled to recover the amount as claimed.

15. Insofar as the issue no.3 is concerned that is the issue regarding the territorial jurisdiction of the learned Commercial Court – the learned Commercial Court found that the meetings were held at the Gurgaon office [referred to as **Udyog Vihar office** in the judgment] and the cheque for the advance payment was also handed over to Sh. Varun



Verma (Director of the plaintiff, who was examined as PW1) at the Gurgaon office and therefore, the learned Commercial Court had the jurisdiction to try the suit.

REASONS AND CONCLUSION

16. As stated at the outset, the learned counsel for the defendants has confined the present appeal to assail the conclusion of the learned Commercial Court in respect of issue no.3 – whether the court lacked the territorial jurisdiction to try the suit. At the outset, it would be relevant to refer to the impugned judgment regarding the court’s reasoning in respect of the said issue. The relevant extract of the impugned judgment is set out below:

“9. My issue-wise findings are as under:

ISSUE NO.3:

Whether this court lacks territorial jurisdiction to try the present suit? OPD

The burden to prove this issue was on the defendants. The defendants challenged the jurisdiction of this court stating that no cause of action arose in the jurisdiction of this court. It was submitted that registered office of defendants was at 7, Barakhamba Road, the meetings between plaintiff and defendants were held at Gurgaon and sometimes at registered office of defendants. Also, the payments regarding interior designing of the office of defendants were made by the defendant at Gurgaon office, hence, merely on the basis of the invoices being raised by plaintiff from Mundka office, the plaintiff cannot invoke the jurisdiction of this court.



10. PW1/Varun Verma in his cross-examination testified that various meetings were held between PW1 and DW1/Ms. Iti Goel and Mayur Batra before the deal was finalised. The first meeting took place at the office of defendants situated at Nilgiri Apartments, Barakhamba Road, New Delhi and one or two meetings had taken place at Udyog Vihar. It was also deposed that the advance payment of Rs.2 lacs by way of cheque was given to PW1 in presence of DW1/Iti Goel and Mayur Batra at Udyog Vihar office. In a judgment titled as DENTSPLY INDIA PVT. LTD. VS. EXCEL INTERNATIONAL AND ORS., decided in CS(OS) No.410/1999 on 10.07.2012, it was observed by the Hon'ble High Court of Delhi as follows:

“It is settled law that in a contractual matter, the jurisdiction of a Court arises from four aspects. The first is where the contract is entered into. Second is where the contract is to be performed. The third is where moneys have to be paid under the contract and fourthly, where the defendants in the suit are residing or voluntarily working for gain. This is the ratio of the judgment of Supreme Court in the case of ABC Laminart Pvt. Ltd. and Anr. Vs. A.P. Agencies, Salem, AIR 1989 SC 1239.”

No evidence was led by the defendants to prove that no meetings were held at Udyog Vihar office of the plaintiff or that the cheque of Rs.2 lacs was not handed over to the plaintiff at the Udyog Vihar office. Since, part payment of Rs.2 lacs was made at the office of Udyog Vihar, I am of the considered opinion that this court does not lack territorial jurisdiction to try the present matter. Issue No.3, is accordingly, decided in favour of the plaintiff and against the defendants.”

17. It is apparent from the above that the reasoning of the learned Commercial Court for finding that it had the territorial jurisdiction to



try the suit, cannot be sustained. The learned Commercial Court found that it had the territorial jurisdiction of the Court on the basis that meetings between the concerned parties were held at ‘Udyog Vihar Office’, which is located in Gurgaon and the payment of advance by way of a cheque was made at the said office. The reasoning clearly indicates that part of the cause of action had arisen at Gurgaon office. It appears that the learned Commercial Court had proceeded on an erroneous premise that the Gurgaon office described as Udyog Vihar office, was located within its territorial jurisdiction.

18. This is *ex facie* erroneous and thus, the reasoning of the learned Commercial Court in regard to issue no.3 cannot be sustained.

19. Having stated the above, it is necessary for this Court to examine whether the learned Commercial Court had the jurisdiction to try the suit. The plaintiff had examined its Director, Sh. Varun Verma (PW1) and he had furnished his affidavit of evidence which was tendered as his examination-in-chief. He had, *inter alia*, affirmed that defendant no.2 had approached the plaintiff at its registered office in the month of March 2018 for hiring its services for the interior designing, supply and installation fittings and fixtures at the defendant’s Gurgaon office. He was cross-examined and he stated that the first meeting with the defendant had taken place at defendant’s office located in Nilgiri Apartment, Barakhamba Road, New Delhi. He stated that he had met Ms. Iti Goel and Mr. Mayur Batra. The transactions were finalized after three-four meetings. He also acknowledged that one or two meetings were held at Udyog Vihar.



20. It is relevant to refer to paragraph 15 of the plaint, which reads as under:

“15. That the all the orders were made to the Plaintiff at its registered/working office at 72/4. Swaran Park, Near Rajdhani Park Metro Station, Mundka, New Delhi-110041 and further as the goods were dispatched from the office of the Plaintiff at Swaran Park, Delhi and further tax invoices were also raised from the office of the Plaintiff at Swaran Park, Delhi within the territorial jurisdiction of this Hon’ble Court, and further more the Plaintiff used to work for gain from its registered office at Swaran Park, Delhi, thus, this Hon’ble Court has got jurisdiction to entertain, try and decide the present suit and, hence, the present suit before this Hon’ble Court.”

21. Thus, it is also the plaintiff’s case that all orders were made at its registered working office located in Mundka, which admittedly falls within the territorial jurisdiction of the learned Commercial Court. The plaintiff also claimed that the tax invoices were raised by the plaintiff from its office at Swarn Park, Mundka and all goods were also dispatched from the said location. It is material to note that the defendant did not deny that the goods in question were dispatched from the plaintiff’s office located at Swarn Park, Mundka. However, it had asserted that the plaintiff’s quotations for the work were agreed between the parties at Gurgaon and the payments were also made from its office in Gurgaon.

22. In view of the above, there is no dispute that the invoices (Ex.PW1/4) were raised by the plaintiff from its registered office and the goods in question were dispatched by the plaintiff from its office in



Delhi. In the aforesaid circumstances, the learned Commercial Court had placed the onus to prove that the Court did not have the jurisdiction to try the suit, on the defendants.

23. The defendants had examined Ms Iti Goel (DW1), who was the authorized representative of the defendants. She had furnished an affidavit by way of evidence *inter alia* affirming that the defendants had approached the plaintiff in the month of March 2018 for the purposes of “*interior designing, supply and installation of office furniture including chairs, tables, work stations, storages and other interior fittings like electrical and intercom related fittings and fixtures with pantry work etc.....*” In her cross-examination, she stated that she was working as Director HR with the defendants for the past thirteen years and in the year 2018 she was holding the post of a senior manager as well as looking after the administration department. She testified that the defendant had approached the plaintiff for renovation work of their office through the “*Manager Landlord of the building in which defendant no.1 company were/are tenant.*” However, she also testified that the first meeting was held between the defendants and the plaintiff at Barakhamba Road, New Delhi.

24. In view of the evidence led, it is established that the goods in question had been dispatched by the plaintiff from its establishment located at Swarn Park, Mundka, which is within the territorial jurisdiction of the learned Commercial Court and that the tax invoices for such supply and for the work executed, were issued from the said office.



25. The supply of goods clearly constitutes the part of the cause of action for filing the suit and admittedly, the said cause of action had arisen within the territorial jurisdiction of the learned Commercial Court. There is also evidence to support that the defendants had approached the plaintiff in connection with the services at its office.

26. In view of the above, we are unable to accept that the learned Commercial Court did not have the jurisdiction to try the suit in question.

27. The appeal is, accordingly, dismissed.

VIBHU BAKHRU, J

TEJAS KARIA, J

APRIL 17, 2025

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