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

\+ RFA(COMM) 203/2026 & CM APPL. 33944/2026

MR ANKIT GUPTA .....Appellant

Through: Mr. Piyush Gupta, Adv.

versus

M/S GANPATI TRADING CO & ANR. .....Respondents

Through: Mr. Harshit Bansal, Adv.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT (ORAL)

% 19.05.2026

C. HARI SHANKAR J.

1. This appeal is directed against an order passed by the Learned District Judge (Commercial Court-02)[1] on an application filed by the respondents as the defendants before the learned Commercial Court in the suit under Order VII Rule 11[2] of the Code of Civil Procedure,

[1] "the learned Commercial Court" hereinafter

[2] **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 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, fails 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-papers 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 from correcting the valuation or supplying the requisite stamp-papers, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause grave injustice to the plaintiff.

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1908[3], seeking rejection of the plaint.

2. The learned Commercial Court has essentially relied on certain tax invoices which, according to the learned Commercial Court, indicated that there was no cause of action in favour of the appellant. We may for this purpose reproduce para 17 to 21 of the impugned order thus:

> "17. The plaintiff has placed on record copies of tax invoices. The following table shows the relevant details of the said invoices.
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> | Invoice No. | Date | Name of the buyer | Address of the buyer | GST no. of the buyer |
> |---|---|---|---|---|
> | 5495 | 26.11.2017 | Ganpati Trading Co. | B-40, 33 Ft Road, Shiv Vihar, Delhi | 07BCXPM2546R1ZJ |
> | 6472 | 02.01.2018 | -Do- | -Do- | -Do- |
> | 8074 | 19.02.2018 | -Do- | -Do- | -Do- |
> | 8161 | 23.02.2018 | -Do- | -Do- | -Do- |
> | 8139 | 22.02.2018 | -Do- | -Do- | -Do- |
> | 6809 | 05.01.2018 | -Do- | -Do- | -Do- |
>
> In each of the invoice, the buyer is Ganpati Trading Company, located at B-40, 33 Ft. Road, Shiv Vihar, Delhi. The GST number noted therein is 07BCXPM2546R1ZJ. The plaintiff has also placed on record two GST registration certificates. One registration certificate is in the name of Dushyant Mittal ie. the defendant no.2. The trade name is Ganpati Trading Company. The principal place of the said proprietorship is noted as C-1/2, G/F, KH. No. 38/13, Main Road, Amar Vihar, East Delhi, Delhi-94. The GST number is 07CYMPM3344P1ZQ. The other certificate has been issued in the name of Anil Kumar Mittal. The trade name is the same - Ganpati Trading Company. Said proprietorship is stated to be located at Khasra No.49/8, H-40/2, Main 33 Ft. Road, Shiv Vihase Phase-VI, East Delhi, Delhi-94. The GST number is 07BCXPM2546R1ZJ. At the cost of repetititon, as per the plaint, Sh. Anil Kumar Mittal is the father of defendant no.2.

[3] "CPC", hereinafter

18. From the particulars given in the invoice, it is apparent that the invoices have been issued to Ganpati Trading Company, the proprietorship of Sh. Anil Kumar Mittal. From the documents of the plaintiff, it is also apparent that the proprietorships of the defendant no.2 and his father were separate though they had the same trade name. It is not the case of the plaintiff that he has sold the goods to the proprietorship of defendant no.3.

19. The liability to pay the amount in respect of the invoices raised by the plaintiff, even if presumed to be true and correct, would have been of Sh. Anil Kumar Mittal. It is evident that the plaintiff has filed the present case against defendant no.2 and his proprietorship despite having not raised the invoices to the proprietorship of defendant no.2. The cause of action as mentioned in the plaint is not supported by the documents filed by the plaintiff. There is thus no cause of action disclosed against the defendants, Sh. Dushyant Mittal and his proprietorship.

20. The Hon'ble High Court has further observed in Gurmeet (supra) that:

> 10. It is a settled law that while dealing with an application under Order 7 Rule 11 of the Code, the averments made in the application are germane and the pleas taken by the defendant in the written statement are irrelevant at that stage. If on an entire reading of the plaint, it is found that the suit is vexatious in the sense that it does not disclose any right to sue, the Court should exercise the power under Order 7 Rule 11 of the Code.

21. The present case is found to be a fit case for the exercise of the power under Order 7 Rule 11 CPC. The application stands allowed. The plaint stands rejected."

3. The fundamental ground urged by the appellant before us in this appeal is that the learned Commercial Court has erroneously noted that the aforesaid tax invoices were placed on record by the appellant. In fact, it is submitted that the tax invoices were placed on record by the respondents as the defendants in the suit.

4. Mr. Harshit Bansal, learned Counsel for the respondents,

acknowledges the fact that the aforesaid tax invoices were actually part of the documents filed by him. However, he submits that these tax invoices would clearly indicate that there is no cause of action on the basis of which the appellant could maintain the suit.

5. Whatever be the impact of the tax invoices, the law in respect of Order VII Rule 11 CPC is well settled. It is trite that while exercising jurisdiction under Order VII Rule 11 CPC, a Court cannot look outside the plaint and the documents filed with the plaint. We may refer to the following passages from the decisions in ***Manjula v. D.A. Srinivas***[4] and ***Karam Singh v. Amarjit Singh***[5] in this regard:

> ***From Manjula***
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> "8.4. The scope and applicability of Order VII Rule 11 CPC have been discussed in detail by this Court in ***The Correspondence, RBANMS Educational Institution v. B. Gunashekar***[6], as under:
>
> > "14. Let us first examine the scope and purpose of Order VII Rule 11 CPC. This Court in ***Dahiben v. Arvindbhai Kalyanji Bhanusali (Gajra) dead through legal representatives***[7], explained in detail the applicable law for deciding the application for rejection of the plaint. The relevant paragraphs of the said decision are reproduced below:
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> > *****
> >
> > 23.5. The power conferred on the court to terminate a civil action is, however, a drastic one, and the conditions enumerated in Order VII Rule 11 are required to be strictly adhered to.
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> > 23.6. Under Order VII Rule 11, a duty is cast on the Court to determine whether the plaint discloses a cause of action by scrutinizing the averments in the

[4] **2026 SCC OnLine SC 831**
[5] **2025 SCC OnLine SC 2240**
[6] **2025 SCC OnLine SC 793**
[7] **(2020) 7 SCC 366**

plaint read in conjunction with the documents relied upon, or whether the suit is barred by any law.

23.7. Order VII Rule 14(1) provides for production of documents, on which the Plaintiff places reliance in his suit, which reads as under:

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23.8. Having regard to Order VII Rule 14 Code of Civil Procedure, the documents filed alongwith the plaint, are required to be taken into consideration for deciding the application Under Order VII Rule 11(a). When a document referred to in the plaint, forms the basis of the plaint, it should be treated as a part of the plaint.

23.9. In exercise of power under this provision, the Court would determine if the assertions made in the plaint are contrary to statutory law, or judicial dicta, for deciding whether a case for rejecting the plaint at the threshold is made out.

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23.11. *The test for exercising the power under Order VII Rule 11 is that if the averments made in the plaint are taken in entirety, in conjunction with the documents relied upon, would the same result in a decree being passed.* This test was laid down in ***Liverpool & London S.P. & I Assn. Ltd. v. M.V. Sea Success I*** which reads as:

> "139. Whether a plaint discloses a cause of action or not is essentially a question of fact. But whether it does or does not must be found out from reading the plaint itself. For the said purpose, the averments made in the plaint in their entirety must be held to be correct. The test is as to whether if the averments made in the plaint are taken to be correct in their entirety, a decree would be passed."

23.12. In ***Hardesh Ores (P.) Ltd. v. Hede & Co.***[8], the Court further held that it is not permissible to cull out a sentence or a passage, and to read it in

[8] **(2007) 5 SCC 614**

isolation. It is the substance, and not merely the form, which has to be looked into. The plaint has to be construed as it stands, without addition or subtraction of words. If the allegations in the plaint prima facie show a cause of action, the court cannot embark upon an enquiry whether the allegations are true in fact. ***D. Ramachandran v. R.V. Janakiraman*[9]*.***

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8.5. A careful reading of the above provisions and decision makes it clear that rejection of a plaint under the grounds mentioned under Order VII Rule 11 is essentially determinable on the basis of the averments contained in the plaint. The plaint must disclose a cause of action; the relief claimed must be properly valued; requisite court fee must be paid; a duplicate copy must be filed; and as many copies of plaint as there are defendants must be filed after the order of the Court directing issuance of summons. Before rejecting the plaint for improper valuation or deficit court fee, the Court must grant an opportunity to the plaintiff to properly value the relief and pay the requisite court fee, failing which the plaint shall stand rejected. The time granted by the Court to value the relief and pay the court fee cannot be extended unless the plaintiff satisfies the Court that for extraordinary reasons, he was unable to do so."

From Karam Singh

"15. Before we assess the correctness of the impugned orders, we must remind ourselves of the basic principles governing rejection of a plaint under Order 7 Rule 11 of CPC. Here the defendants seek rejection of the plaint under clause (d) of Rule 11 (i.e., suit barred by law). *Clause (d) makes it clear that while considering rejection of the plaintiff thereunder only the averments made in the plaint and nothing else is to be considered to find out whether the suit is bared by law. At this stage, the defense is not to be considered.* Thus, whether the suit is barred by any law or not is to be determined on the basis of averments made in the plaint".

(Emphasis supplied)

6. In as much as the learned Commercial Court has relied upon invoices, which were not part of the plaint or the documents filed with the plaint, while deciding an application under Order VII Rule 11

[9] **(1999) 3 SCC 267**

CPC, the impugned order is not sustainable in law.

7. It is accordingly quashed and set aside. The application of the respondents under Order VII Rule 11 CPC stands dismissed.

8. Mr. Harshit Bansal submits at this juncture that, in that event, he may be permitted to file his written statement before the learned Commercial Court along with an application for condonation of delay so that his defence is not prejudiced.

9. We can only observe that if such a written statement is filed with an application for condonation of delay, it would be considered by the Commercial Court in accordance with law.

10. The appeal is allowed in the aforesaid terms.

C. HARI SHANKAR, J.

OM PRAKASH SHUKLA, J.

MAY 19, 2026/*AT*