

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

CR No.8026 of 2016 (O&M)

Date of Decision: 05.09.2017

M/s. EXL Careers and another

... Petitioner

Versus

Frankfinn Aviation Services Pvt. Ltd.

... Respondent

CORAM:- HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present:- Mr. Naveen Kumar, Advocate,
for the petitioner.

Mr. Parveen K. Singh,
Mr. Keshav Kumar Srivastava and
Mr. Amandeep Singh Bhullar, Advocates
for the respondent.

ANIL KSHETARPAL, J. (ORAL).

Defendants are in revision petition against the order passed by the trial Court dated 06.09.2016, deciding the issue of territorial jurisdiction.

It is not in dispute that the parties entered into an agreement at Delhi. The parties agreed to confer exclusive territorial jurisdiction in the Courts at Delhi. The relevant clause in the agreement is extracted as under:-

“Only Courts in Delhi shall have exclusive jurisdiction to settle all disputes and differences arising out of this AGREEMENT, whether during its term or after expiry/earlier termination thereof.”

The plaintiff filed a suit at Gurgaon. It is an admitted fact between the parties that the agreement was entered into for opening an

Institute for Training as a franchise of defendant No.1 at Meerut. The Institute for Training was opened at Meerut, but later on surrendered.

The plaintiff is only claiming territorial jurisdiction on the basis that defendant No.2 resides at Gurgaon. The learned trial Court after examining this aspect, has ordered that the courts at Gurgaon had the territorial jurisdiction to try the case.

I have heard the learned counsel for the parties at length and with their able assistance gone through the record of the case.

It is not in dispute that the agreement between the parties was entered into at Delhi and by an agreement, the territorial jurisdiction was conferred exclusively to the courts at Delhi. As per the agreement, the plaintiff was to open an Institute for Training at Meerut, which was opened.

It is well settled that the parties by an agreement can confer the territorial jurisdiction to a particular place if the court at that place has the territorial jurisdiction. In the present case, once the agreement was entered into between the parties at Delhi, for any cause of action arising out of that agreement, the courts at Delhi would have exclusive territorial jurisdiction.

It is well-settled that where there may be two or more competent courts which can entertain a suit consequent upon a part of the cause of action having arisen therewithin, the parties to a contract can agree to vest jurisdiction in one court exclusively. It has been so held by the Hon'ble Supreme Court of India in the judgement reported as AIR 1989 SC 1239, *A.B.C. Laminart Pvt. Ltd. and another Vs. A.P. Agencies, Salem*, 2004(4) SCC 671, *M/s. Hanil Era Textiles Ltd. Vs. M/s. Puromatic Filters (P) Ltd.* and 2009(3) SCC 107, *Rajasthan State Electricity Board Vs. M/s.*

Universal Petrol Chemicals Ltd..

In the present case, the parties with open eyes decided to confer exclusive territorial jurisdiction in the courts at Delhi. The agreement between the parties is admitted. It was a commercial contract between the parties. In these circumstances, the court at Gurgaon is found lacking in the territorial jurisdiction.

Learned counsel for the respondent has submitted that the trial has made substantial progress and, therefore, this Court should not interfere at this stage.

I have examined the contention of the learned counsel for the respondent. However, once the Court at Gurgaon is found to be lacking in territorial jurisdiction, therefore, it will not be possible for this Court to accept the contention.

In view of the above, the order under revision is set aside. The learned trial Court shall take steps to return the file in accordance with the provisions of Order 7 Rule 10 and 10-A of the Code of Civil Procedure.

The revision petition is allowed.

(ANIL KSHETARPAL)
JUDGE

05.09.2017
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Whether speaking/reasoned	Yes/No
Whether Reportable	Yes/No