

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CR-432 of 2020 (O&M)
Date of decision: 29.08.2022

Maruti Suzuki India Limited

..Petitioner

Versus

M/s Saini Motors, Ludhiana and others

..Respondents

CORAM: HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present: Mr. Kanwaljeet Singh, Sr. Advocate, with
Mr. Gursher Singh Bhandal, Advocate and
Ms. Jasmine, Advocate
for the petitioner.

Mr. B.S.Rana, Sr. Advocate, with
Mr. Nayandeep Rana, Advocate
Mr. Lakshay Goel, Advocate
for respondent no.1.

ANIL KSHETARPAL, J(Oral)

On 22.08.2022, the following order was passed:-

“Heard the learned counsel representing the parties, at some length. The question, which arises for consideration, is “As to whether one party, after having signed the agreement, conferring the exclusive jurisdiction on the Courts located in the territory of Delhi, is entitled to file a suit at Ludhiana, particularly when the Courts at both the places have the jurisdiction to decide such suit?”

The learned counsel representing the respondent No.1 contends that the agreement was signed for a period of three years, which came to an end on 31.03.2007. On the other hand, the learned senior counsel representing the petitioner inter alia contends that the respondent No.1 was given agency to market the vehicles manufactured by the petitioner company and the suit for recovery is outcome of the aforesaid agency only.

The learned counsel representing the respondent No.1 prays for a short adjournment to substantiate her argument that after the expiry of the term of agreement, the clause conferring exclusive jurisdiction on the Courts at Delhi shall not be affected.

List on 29.08.2022 for final disposal, in the urgent list.

No further request, written or oral, for grant of an

adjournment, shall be entertained.”

Once again the matter has been heard.

The learned counsel representing respondent no.1 submits that respondent no.1 has already surrendered the distributorship, therefore, the contract has come to an end. He submits that the relevant clause in the agreement shall not operate after the agreement has come to an end.

The contract between the parties is not in dispute. As per Clause 70, the respondent deposited a sum of Rs.40,00,000/- as a guarantee for the faithful performance of contractual obligations of a distributor. As per Clause 64.1, it was agreed that the courts at New Delhi shall have the jurisdiction to decide the dispute between the parties. Clause 70 and 64.1 reads as under:-

“70. Contract Deposit

As a Guarantee of faithful performance of contractual obligations the Dealer shall deposit with MUL the sum of Rs.4000000.00 (Rupees forty lac only in cash which shall earn simple interest at the rate fixed by MUL from time to time at its sole discretion Date of interest payable as on the date of signing of this Agreement of This deposit shall be maintained by the Dealer during the continuance of this Agreement. It may be forfeited) at any time at the sole discretion of MUL, if it is of the opinion that there is a default in the performance of contractual obligations set out in this Agreement by the dealer. MUL reserves the right to change the amount of contract deposit as mentioned above, at its sole discretion.”

“64.1 This Agreement shall be construed as having been executed in the city of Delhi. The High Court of Delhi at New Delhi or Courts subordinate to one shall have jurisdiction in all matters arising out of, touching or concerning this Agreement. It is agreed that the rights and liabilities of the parties hereto their heirs, executors, administrators, successors and assignors in case a dispute arises shall be referred to the High Court of Delhi or subordinate Court of Delhi and shall be construed according to the law for the time being in force in Delhi and it is further agreed that in any event, service of any process shall only be effected against MUL I made at the Registered Office of MUL at Delhi.”

It is not in dispute that the suit for recovery is the outcome of the aforesaid distributorship. Thus, the agreement qua conferring exclusive jurisdiction at the Courts at New Delhi continues to operate. It is permissible for the parties to confer exclusive jurisdiction on the Courts of a particular place, if the cause of action arises in the territorial jurisdiction of two or more Courts.

The agreement of distributorship was signed at New Delhi. The plaintiff apart from the other claim also prays for refund of the amount of security. In such circumstances, the trial Court is requested to return the plaint to the plaintiff with liberty to present before the Court of competent jurisdiction.

Disposed of accordingly.

Needless to observe that it shall be open for both the parties to

take all objections before the competent Court.

All the pending miscellaneous applications, if any, are also disposed of.

August 29, 2022

(ANIL KSHETARPAL)
JUDGE

nt

<i>Whether speaking/reasoned</i>	:	<i>Yes/No</i>
<i>Whether reportable</i>	:	<i>Yes/No</i>