



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

205

**CR-4216-2019 (O&M)
Date of decision : 10.11.2025**

G.S.J. Arvind Limited

..... Petitioner

versus

**M/s. Hindustan Construction Company through its partner-Nirmal
Kumar Sharma**

..... Respondent

CORAM : HON'BLE MR. JUSTICE PANKAJ JAIN

Present: Mr. Anurag Jain, Advocate
Ms. Chahat, Advocate and
Mr. Aamol Singh, Advocate
for the petitioner.

Mr. Ajay Jain, Advocate
for the respondent.

PANKAJ JAIN, J. (Oral)

1. Challenge is to the order dated 16.05.2019 passed by Civil Judge (Senior Division), Hisar, whereby application filed by the defendant-petitioner under Order VII Rule 10 and Rule 11 CPC stands rejected.

2. Plaintiff-respondent filed suit seeking recovery of Rs.58,56,914/-. The claim is based upon work order dated 21.01.2012 allotted by the defendant to the plaintiff. The plaintiff is relying upon the terms and conditions appended along with the work order. The covenant No.20 reads as under:-

“20. This agreement shall be governed and construed in accordance with the laws of India. The Courts situated at Ahmedabad have exclusive jurisdiction for the purposes of actions, proceedings arising out of this agreement.”



3. Relying upon the same, the defendant contends that the jurisdiction to entertain the suit is vested exclusively with Courts situated at Ahmedabad. Thus, the suit ought not have been instituted before the Civil Court at Hisar.

4. Trial Court disposed off the application filed by the defendant observing as under:-

“Thus as per Section 20 (c) a civil suit can be instituted where the cause of action wholly or in part arises. Considering the facts and circumstances of the case, it is a mixed question of law and fact as to whether the cause of action wholly or in part has arisen in Hisar or not and the same can be decided after adducing of evidence by both the parties only. So, let issue on this point be framed at the time of framing of issues. The application is accordingly disposed of.”

5. Counsel for the petitioner has assailed the order passed by the Trial Court contending that once the parties have agreed to bestow exclusive jurisdiction on the Courts situated at Ahmedabad, the plaint instituted at Civil Courts at Hisar, deserves to be returned for presentation before the Court of competent jurisdiction at Ahmedabad. He has drawn the attention of this Court to the registered address of the petitioner-defendant and the provisions as contained under Section 20 of Code of Civil Procedure, 1908 to submit that the Courts at Ahmedabad would have exclusive jurisdiction in terms of the contract between the parties. Further reliance is being placed upon *M/s. Swastik Gases P. Ltd. vs. Indian Oil Corporation 2014(1) RCR (Civil) 52, Civil Appeal No.2282 of 2025* titled as ‘*Rakesh Kumar Verma vs. HDFC Bank Ltd.*’ decided on 08.04.2025 and *Raheja Developers Pvt. Ltd. vs. Naveen Kanwar 2016(2) RCR (Civil) 170*.



6. *Per contra*, Mr. Ajay Jain submits that pursuant to the order passed by this Court on 30.08.2022, both parties have filed affidavits raising rival stands regarding the place of execution of the work order. In view thereof, the Trial Court rightly disposed off the application holding that the dispute being a matter of evidence, it deserves to be adjudicated by framing issue.

7. I have heard counsel for the parties and have carefully gone through the records of the case.

8 The issue regarding freedom available with the contracting parties to bestow exclusive jurisdiction upon one of the Courts having jurisdiction in terms of Section 20 CPC is no more *res integra*. The same has been elaborately answered by Supreme Court in ***M/s. Swastik Gases P. Ltd. (supra)***, observing as under:-

“xx xx xx

30. When it comes to the question of territorial jurisdiction relating to the application under Section 11, besides the above legislative provisions, Section 20 of the Code is relevant. Section 20 of the Code states that subject to the limitations provided in Section 15 to 19, 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 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 work for gain, as aforesaid, acquiesce in such institution; or (c) the cause of action, wholly or in part arises. The explanation appended to Section 20 clarifies that a corporation shall be deemed to carry on business at its sole or principal office in India or, in respect



of any cause of action arising at any place where it has also a subordinate office, at such place.

31. In the instant case, the appellant does not dispute that part of cause of action has arisen in Kolkata. What appellant says is that part of cause of action has also arisen in Jaipur and, therefore, Chief Justice of the Rajasthan High Court or the designate Judge has jurisdiction to consider the application made by the appellant for the appointment of an arbitrator under Section 11. Having regard to Section 11(12)(b) and Section 2(e) of the 1996 Act read with Section 20(c) of the Code, there remains no doubt that the Chief Justice or the designate Judge of the Rajasthan High Court has jurisdiction in the matter. The question is, whether parties by virtue of clause 18 of the agreement have agreed to exclude the jurisdiction of the courts at Jaipur or, in other words, whether in view of clause 18 of the agreement, the jurisdiction of Chief Justice of the Rajasthan High Court has been excluded. For answer to the above question, we have to see the effect of the jurisdiction clause in the agreement which provides that the agreement shall be subject to jurisdiction of the courts at Kolkata. It is a fact that whilst providing for jurisdiction clause in the agreement the words like 'alone', 'only', 'exclusive' or 'exclusive jurisdiction' have not been used but this, in our view, is not decisive and does not make any material difference. The intention of the parties - by having clause 18 in the agreement - is clear and unambiguous that the courts at Kolkata shall have jurisdiction which means that the courts at Kolkata alone shall have jurisdiction. It is so because for construction of jurisdiction clause, like clause 18 in the agreement, the maxim *expressio unius est exclusio alterius* comes into play as there is nothing to indicate to the contrary. This legal maxim means that expression of one is the exclusion of another. By making a provision that the agreement is subject to the jurisdiction of the courts at Kolkata, the parties have impliedly excluded the jurisdiction of other courts. Where the contract specifies the jurisdiction of the courts at a particular place and such courts have jurisdiction to deal with the matter, we think that an inference may be drawn that parties intended to exclude all other courts. A clause like this is not hit by Section 23 of the Contract Act



at all. Such clause is neither forbidden by law nor it is against the public policy. It does not offend Section 98 of the Contract Act in any manner.”

9. The same has been reiterated in ***Civil Appeal No.2282 of 2025*** titled as ***‘Rakesh Kumar Verma vs. HDFC Bank Ltd.’*** decided on 08.04.2025 observing as under:-

“28. xx xx xx

Upon a perusal of the service contract and the exclusive jurisdiction clause under consideration in the instant appeals, we are convinced that the Patna High Court has offered a sound legal opinion with reference to the facts at hand while the Delhi High Court has erred in dismissing the civil revisional application placing entire reliance on the decision in ***Vishal Gupta*** (supra). All the three applicable mandatory criteria to hold that the clause is valid have been fulfilled in the instant appeals. We propose to assign brief reasons for each of the applicable limbs.

29. First, Section 28 of the Contract Act does not bar exclusive jurisdiction clauses. What has been barred is the absolute restriction of any party from approaching a legal forum. The right to legal adjudication cannot be taken away from any party through contract but can be relegated to a set of Courts for the ease of the parties. In the present dispute, the clause does not take away the right of the employee to pursue a legal claim but only restricts the employee to pursue those claims before the courts in Mumbai alone.

30. Secondly, the Court must already have jurisdiction to entertain such a legal claim. This limb pertains to the fact that a contract cannot confer jurisdiction on a court that did not have such a jurisdiction in the first place. The explanation to Section 20 of the CPC is essential to decide this issue. In the instant case, considering that the decision to employ Rakesh and Deepti were taken in Mumbai, the appointment letter in favour of Rakesh was issued from Mumbai, the employment agreement was dispatched from Mumbai, the decision to terminate the services of Rakesh and Deepti were taken in Mumbai and the letters of termination were dispatched from Mumbai, we are convinced that the courts in Mumbai do have



jurisdiction.

31. Lastly, the clause in the contract has clearly and explicitly barred the jurisdiction of all other courts by using the word "exclusive". A profitable reference may be made to the extract of *ABC Laminart* (supra) reproduced above.”

10. In view of above, this Court finds that once the work order and the conditions appended thereto are not in dispute, it is only the Courts at Ahmedabad which will have the exclusive jurisdiction to try the suits arising out of the dispute relating to the said work order.

11. In view thereof, the present appeal petition is allowed. Plaint is order to be returned to be presented before the Court of competent jurisdiction at Ahmedabad.

12. Since the main case has been decided, pending miscellaneous application, if any, shall also stands disposed off.

(PANKAJ JAIN)
JUDGE

10.11.2025
Dinesh

Whether speaking/reasoned :	Yes
Whether Reportable :	No