



2025:DHC:3438-DB



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

Date of decision: 07-05-2025

+ **FAO (COMM) 99/2025**

M/S LANDMARK LABELS AND ACCESSORIES LLP

.....Appellants

Through: Mr. Kartik Gupta and Mr.
Tushar Saxena, Advs.

versus

M/S WYN APPARELS & ANR.

.....Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE NAVIN CHAWLA

HON'BLE MS. JUSTICE RENU BHATNAGAR

NAVIN CHAWLA, J. (Oral)

CM APPL. 24144/2025 (Exemption)

1. Allowed, subject to all just exceptions.

CM APPL. 24143/2025 (D-13 days in filing)

2. For the reasons stated in the application, the delay of 13 days in filing the appeal is condoned.

3. The application stands disposed of.

CM APPL. 24145/2025 (D-12 days in re-filing)

4. For the reasons stated in the application, the delay of 12 days in re-filing the appeal is condoned.

5. The application stands disposed of.

FAO (COMM) 99/2025 & CM APPL. 27552/2025



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6. This appeal has been filed challenging the Order dated 23.12.2024 passed by the learned District Judge, (Commercial -04), Central District, Tis Hazari Courts, Delhi ('District Judge') in CS (COMM.) 102/2024, titled as ***M/s Landmark Labels & Accessories LLP v. M/s WYN Apparels & Anr.***, returning the plaint filed by the appellant herein under Order VII Rule 10 of the Code of Civil Procedure, 1908 (hereinafter referred to as 'CPC') for filing the same in the court of competent jurisdiction.

7. The learned District Judge, in the Impugned Order, has taken note of the fact that the invoices on the basis of which the appellant had based its claim in the suit, states that the invoices would be subject to "Haryana Jurisdiction only". The E-Way bills filed along with the invoices also show that the goods were dispatched from Haryana and were delivered in Haryana to the respondent.

8. The only part of the cause of action, if at all it could be called so, claimed by the appellant to have arisen in Delhi is that the orders for supply of garments were placed by the respondent in Delhi, and the cheque of Rs. 50,000/-, as part payment, was also deposited by the appellant in its bank account situated in Delhi. The learned District Judge, however, found that there was no documentary evidence to substantiate the claim that the orders were placed at Delhi. The learned District Judge also noted that, in fact, even the branch at which the bank account is maintained by the appellant at Delhi, is beyond the territorial jurisdiction of the learned District Judge.

9. The learned counsel for the petitioner submits that merely



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because the invoices raised by the appellant herein stated that any dispute regarding such invoices shall be 'Subject to Haryana jurisdiction only', shall not preclude the appellant from instituting the Suit before the learned District Judge.

10. We are unable to accept the said submission. The Supreme Court in **A.B.C. Laminart (P) Ltd. & Anr. v. A.P. Agencies**, (1989) 2 SCC 163, has categorically held that where the parties to a contract agree to submit the disputes arising from the contract to a particular jurisdiction, which would otherwise also be a proper jurisdiction under the law, only such Court shall have the jurisdiction to adjudicate the disputes. The Supreme Court, recently in **Rakesh Kumar Verma v. HDFC Bank Ltd.**, 2025 SCC OnLine SC 752, while analysing various judgments in this regard, including **A.B.C. Laminart** (supra) held as under:

“11. This is the umpteenth time that this Court has been called upon to deal with a clause in contracts restricting adjudication of disputes exclusively to the jurisdiction of a court of a party's choice, not disagreed by the other party. In fact, the principles pertaining to institution of suits and the jurisdiction of the courts in a case where the parties have by agreement, conferred jurisdiction on courts at a particular place, have been laid down by this Court in numerous cases which are entirely consistent and have not required a relook. A perusal of a couple of these decisions may not be inapt for a proper decision on these appeals.

12. This Court in Hakam Singh v. Gammon (India) Ltd. held that:

4. The Code of Civil Procedure in its entirety applies to proceedings under the



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Arbitration Act. The jurisdiction of the courts under the Arbitration Act to entertain a proceeding for filing an award is accordingly governed by the provisions of the Code of Civil Procedure. By clause 13 of the agreement it was expressly stipulated between the parties that the contract shall be deemed to have been entered into by the parties concerned in the city of Bombay. In any event the respondents have their principal office in Bombay and they were liable in respect of a cause of action arising under the terms of the tender to be sued in the courts at Bombay. It is not open to the parties by agreement to confer by their agreement jurisdiction on a Court which it does not possess under the Code. But where two courts or more have under the Code of Civil Procedure jurisdiction to try a suit or proceeding an agreement between the parties that the dispute between them shall be tried in one of such Courts is not contrary to public policy. Such an agreement does not contravene Section 28 of the Contract Act.

(emphasis supplied)

13. *A decade later, another coordinate Bench had the occasion to deal with a similar exclusive jurisdiction clause in Globe Transport Corpn. v. Triveni Engg. Works. One sentence in paragraph 3 captures the essence of the law, reading as follows:*

3. It is now settled law that it is not competent to the parties by agreement to invest a court with jurisdiction which it does not otherwise possess but if there are more than one forums where a suit can be filed, it is open to the parties to select a particular forum and exclude the other forums in regard to claims which one party may have against the other under a



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contract....

14. A few years later came the decision in *A.B.C. Laminart Pvt. Ltd. v. A.P. Agencies, Salem*. This Court held that:

21. From the foregoing decisions it can be reasonably deduced that where such an ouster clause occurs, it is pertinent to see whether there is ouster of jurisdiction of other courts. When the clause is clear, unambiguous and specific accepted notions of contract would bind the parties and unless the absence of *ad idem* can be shown, the other courts should avoid exercising jurisdiction. As regards construction of the ouster clause when words like “alone”, “only”, “exclusive” and the like have been used there may be no difficulty. Even without such words in appropriate cases the maxim “*expressio unius est exclusio alterius*” — expression of one is the exclusion of another — may be applied. What is an appropriate case shall depend on the facts of the case. In such a case mention of one thing may imply exclusion of another. When certain jurisdiction is specified in a contract an intention to exclude all others from its operation may in such cases be inferred. It has therefore to be properly construed.

15. In *Swastik Gases (P) Ltd. (supra)*, a three-judge Bench of this Court succinctly articulated the purport of an exclusive jurisdiction clause in any contract in the following words:

32. 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



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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 28 of the Contract Act in any manner.

(emphasis supplied)

16. *There are multiple other decisions of this Court upholding similar exclusive jurisdiction clauses. The decisions in Patel Roadways Ltd. v. Prasad Trading Co., Angile Insulations v. Davy Ashmore India Ltd., New Moga Transport Co. v. United India Insurance Co. Ltd., Shree Subhlaxmi Fabrics (P) Ltd. v. Chand Mal Baradia, Rajasthan SEB v. Universal Petrol Chemicals Ltd. and A.V.M. Sales Corpn. v. Anuradha Chemicals (P) Ltd. are some of them providing ample guidance in this behalf.*



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17. The issue as to how an exclusive jurisdiction clause has to be read and understood is, thus, no longer *res-integra*.

18. A bare perusal of the above decisions leads to the conclusion that for an exclusive jurisdiction clause to be valid, it should be (a) in consonance with Section 28 of the Contract Act, i.e., it should not absolutely restrict any party from initiating legal proceedings pertaining to the contract, (b) the Court that has been given exclusive jurisdiction must be competent to have such jurisdiction in the first place, i.e., a Court not having jurisdiction as per the statutory regime cannot be bestowed jurisdiction by means of a contract and, finally, (c) the parties must either impliedly or explicitly confer jurisdiction on a specific set of courts. These three limbs/criteria have to be mandatorily fulfilled.

(Emphasis Supplied)

11. Applying the above principles to the present case, the invoices, on the basis of which the Suit has been filed, made the transaction subject to the exclusive jurisdiction of courts at Haryana. In fact, the defendant is working for gain at Sonipat, Haryana, and the plaintiff itself is also working for gain and, as per its registration, has principal place of business at Sonipat, Haryana. The E-way bills also show that the goods were dispatched from Haryana to be delivered at Haryana. There is also no document to prove the vague statement of the appellant that the order for supply of the garment accessories was place by the respondent on the appellant at Delhi. It is also not supported with the testimony of the only witness examined by the



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appellant, Mr. Nitin Bansal (PW1), Partner of the appellant firm. We, therefore, find that no part of the cause of action has arisen in Delhi. Merely because the appellant chose to deposit the cheque issued by the respondent in its bank account maintained at Delhi, would not vest jurisdiction in a Court at Delhi, especially in light of the Clause vesting exclusive jurisdiction in Courts at Haryana and cause of action also having arisen within the jurisdiction of those Courts. In this regard, we may also draw support from the judgment in **A V Industries v. Neo Neon Electrical (P) Ltd.**, 2023 SCC OnLine Del 5397.

12. Faced with the above, the appellant has now filed an application under Order VII Rule 10 (B) of the CPC, being CM Appl. 27552/2025, praying that the Suit be allowed to be filed in the District Court at North-West District, Rohini Courts, under whose jurisdiction the bank at which the bank account is maintained by the appellant at Delhi would fall.

13. For the reasons recorded herein above, we do not find any merit in the application. As noted herein above, the Court at North-West District, Delhi, shall have no territorial jurisdiction to adjudicate the Suit.

14. In view of the above, we find no merit in the present appeal as also the application.



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15. The appeal and the pending applications are accordingly dismissed.

NAVIN CHAWLA, J

RENU BHATNAGAR, J

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Click here to check corrigendum, if any