

IN THE HIGH COURT OF JAMMU & KASHMIR AND LADAKH AT JAMMU

Reserved on: 22.08.2025

Pronounced on: 09.09.2025

MA No.37/2025

CM Nos.4592/2025 & 4829/2025

PAL SALES AND SERVICE PVT LTD THROUGH AKSHAY NAGPAL

... APPELLANT(S)

Through: Mr. Amit Sibal, Sr. Advocate with Mr. Rohan Jaitley, Advocate (through VC) Mr. Pranav Kohli, Sr. Advocate (through VC) with Mr. Vishnu Mahajan, Advocate and Ms. Neha Nagpal, Advocate.

Mr. Vastav Sharma, Advocate

Mr. Aftab Malik, Advocate.

Mr. Ankit Handa, Advocate

Ms. Avantika Sharma, Advocate.

V/s

DAIMLER INDIA COMMERCIAL VEHICLES PVT. LTD TAMIL NADU

...RESPONDENT(S)

Through: Mr. Niranjana Reddy, Sr. Advocate with Ms. Shreya Sarkar, Advocate.

Mr. Vikram Sharma, Sr. Advocate with Ms. Anju Sharma, Advocate.

Mr. Siddharth Sethi, Advocate.

Mr. Sachin Dev Singh, Advocate.

Mr. Kunal Saini, Advocate.

CORAM: HON'BLE MR. JUSTICE RAJNESH OSWAL, JUDGE

HON'BLE MR. JUSTICE RAHUL BHARTI, JUDGE

JUDGMENT

OSWAL 'J'

1) This Civil 1st Miscellaneous Appeal under Order XLIII Rule 1 of the Code of Civil Procedure (hereinafter to be referred in short as "CPC"), 1908 emerges out of an order dated 24th July, 2025 passed by the Court of learned Additional District Judge (Commercial Court), Jammu (for

short “the trial court”) in a suit bearing file No.37/2025 titled “*Pal Sales & Services Pvt. Ltd. vs. Daimler India Commercial Vehicle Pvt. Ltd.*”, whereby the plaint has been returned to the plaintiff for its presentation before the proper court on account of its lack of territorial jurisdiction.

2) For the sake of easy reference, so as to retain original perspective, we shall hereinafter be referring to the appellant as plaintiff and the respondent as defendant.

FACTUAL MATRIX:

3) A suit came to be filed on 27.02.2025 by the plaintiff against the defendant before the learned trial court for the grant of the following reliefs:

- a. Decree in favour of the Plaintiff and against the Defendant awarding damages of INR 35.65 crores, for loss of business opportunities, loss of revenues from repair & services, loss of profits, on account of the Defendant's failure to act as per the Dealership Agreement dated 30.08.2021 along with pendente-lite and future interest;
- b. Decree of declaration by declaring the impugned show cause notice dated 27.01.2025 as null and void, inoperative and non-est in the eyes of law;
- c. Permanent prohibitory injunction restraining the Defendant from taking any coercive measures pursuant to the show-cause notice dated 27.01.2025, such as termination of the Dealership Agreement and/or appointment of any other dealer for the UT of J&K and Ladakh;
- d. A Decree of Permanent Prohibitory Injunction restraining the defendant from presenting the cheque bearing No. 001894 Dated NIL for its encashment;
- e. Pass a decree awarding the costs of litigation in favour of the Plaintiff;

4) The underlying basis of the plaintiff's suit is a duly notarized **Dealer Agreement** dated **30th August 2021**, establishing a contractual relationship of principal and agent between the defendant and the plaintiff admittedly, entered into and executed at Delhi, whereby the plaintiff was appointed as a non-exclusive dealer for the sale and service of goods of the defendant manufactured contract goods of completely built-up new commercial vehicles including chassis, its new genuine parts, accessories, components etc., as fully defined in annexure I to the agreement in the Union Territory of J&K and Union Territory of Ladakh.

5) The facts and circumstances prompting and leading the plaintiff to file the above-mentioned suit need not to be adverted to by us as the contention in issue is only in respect of the availability or lack of jurisdiction of the learned trial court to entertain and adjudicate the suit.

6) Pursuant to the summons issued by the learned trial court, the defendant caused appearance through its counsel and at first instance instead of filing a written statement laid a motion under Order VII Rule 11(a) and 11(d) read with Rule 10 of the CPC seeking rejection of the plaint or in the alternative return thereof, on number of

grounds including the one that in view of Article 17 of the **Dealer Agreement**, there is a purported ouster of the jurisdiction of court(s) in of UT of J&K and UT of Ladakh and only the exclusive courts at Chennai are meant to have the jurisdiction to entertain and decide the lis/dispute between the parties arising under or relating to the **Dealer Agreement**. In its application, the defendant urged that the plaint be returned to the plaintiff to be presented before the appropriate court at Chennai but without hinting or mentioning which appropriate court in Chennai is meant to have the jurisdiction to entertain the suit. In part III of its application precisely in para 36-45, the defendant came to set up and stress its plea about lack of jurisdiction of the trial court in terms of intendment and import of Article 17 of the Dealer Agreement. Except for pressing the plea in its application that Article 17 of the Dealer Agreement provides for exclusive jurisdiction of the courts in Chennai to deal with the disputes, controversies and claims between the parties to the Dealer Agreement, the defendant has not explicated as to by which reference be it by cause of action, place of making of Dealer Agreement or the situs of the defendant, the jurisdiction of the courts at Chennai stood reserved impliedly to the exclusion of the jurisdiction of the trial court.

7) In 86 para-based plaint, it has been averred by the plaintiff in para 80-83 that Article 17 (2) of the **Dealer Agreement** as being *void ab initio*, which purportedly reserved the exclusive courts at Chennai for submission of all disputes, controversies and/or claims between the parties, as no cause of action, either in whole or in part, ever accrued within the jurisdiction of the courts at Chennai rendering the courts at Chennai **coram non judice**. The institution of the suit by the plaintiff in Jammu before the trial court is sourced to cause of action having arisen because of Dealer Agreement being operated within the territorial jurisdiction of the trial court. No cause of action or any part thereof is said to have arisen or occurred in Chennai to vest jurisdiction for Chennai courts to entertain the plaintiff's suit. Further the situs of the defendant is pleaded in the plaint to be not in Chennai by its corporate/registered address.

8) The plaintiff resisted the defendant's application on number of grounds including the one that the plaintiff operates its dealership business in terms of the **Dealer Agreement** in the Union Territory of Jammu and Kashmir and also in Union Territory of Ladakh by which reference the cause of action in its entirety, in fact, has arisen within the Union Territory of Jammu and Kashmir whereby in

terms of Section 20 of CPC, the learned trial court only has the jurisdiction in every sense of the matter to entertain and adjudicate the suit.

9) The plaintiff also stated that the **registered office** of the defendant is at **“SIPCOT Industrial Growth Centre, Oragadam, Mathur Post, Kundrathur Taluk, Kanchipuram District, 602118, Tamil Nadu”** and its **corporate office** is situated at **“RMZ Millennia Business Park”, Campus-II, Building 2A, 10th Floor, No.143, Dr. MGR Road, Kanthanchavadi, Perungudi, Chennai”** and by that reference the Chennai District Court has no jurisdiction whatsoever to entertain the plaintiff's suit. Likewise, as the corporate office of the defendant being situated within the local limits of Chengalpattu District, therefore the Chennai District Court again has no jurisdiction.

10) In expounding further, the plaintiff has also stated that as per Madras High Court (Jurisdictional Limits) Act, 1927 and the Madras High Court (Jurisdictional Limits) Extension Act, 1985, both the addresses related to the defendant mentioned above fall outside the territorial limits of the Madras High Court. The Chennai City Civil Court Act, 1892, which prescribes territorial limits commensurate

with the Madras High Court jurisdiction renders any civil court not the appropriate court because no cause of action has arisen within Chennai, therefore, the Courts in Chennai have no jurisdiction and for that very reason the Article-17 of the **Dealer Agreement** is incorrect because the parties that is the plaintiff and the defendant cannot confer and could not have conferred jurisdiction by consent upon a court that otherwise actually had and has no jurisdiction.

11) Precisely, the plaintiff sought the dismissal of the application filed by the defendant on the ground that Chennai civil court inherently lacks territorial jurisdiction to entertain the plaintiff's suit because the registered as well as corporate office of the defendant is situated beyond the territorial limits of Chennai civil courts and surely no cause of action whatsoever accrued or was envisaged to accrue within the territorial jurisdiction of Chennai civil courts when the parties had purportedly consented to confer jurisdiction on the courts at Chennai to adjudicate the dispute/s to arise between the two.

12) The learned trial court, in terms of its order dated 24.07.2025, by holding that it lacks territorial jurisdiction to try the suit, returned the plaint to the plaintiff for its

presentation before the proper court thereby purportedly acting under Order VII rule 10 CPC.

13) Aggrieved of the order dated 24.07.2025, the plaintiff, in its present appeal, has come to assail the same on the grounds set out in the memo of appeal, *inter-alia*, that Article 17 of the **Dealer Agreement** *ibid* was not invocable at the instance of the defendant for return the plaint for its presentation before the Chennai court because no part of cause of action had arisen in Chennai and the parties cannot, be it by consent or constraint, confer jurisdiction on a court for suit adjudication which inherently lacks it under the Civil Procedure Code, 1908. It is also contended that the entire commercial relationship between the parties was anchored in the Union Territory of Jammu and Kashmir under the **Dealer Agreement** with all the transactions thereunder including supply of vehicles, issuance and receipt of payments, execution of obligations and exchange of communications having taken place in Jammu, as such, only the learned trial court had the jurisdiction to adjudicate the dispute between the parties.

Submissions:

14) Mr. Amit Sibal and Mr. Pranav Kohli, learned senior counsel representing the plaintiff, by drawing reference

from and understanding of the Madras High Court (Jurisdictional Limits) Act, 1927, Madras High Court (Jurisdictional Limits) Extension Act, 1985 and the Chennai City Civil Court Act, 1892, have submitted that while the **Dealer Agreement** between the parties was entered into at Delhi and though Article 17 thereof was incorporated but the same was and is non-est in the eyes of law for a very simple reason in the eyes of law that at the relevant point of time when the **Dealer Agreement** was entered into between the parties, no court whatsoever at Chennai was and even as on date is having any jurisdiction by any stretch of claim and contention to adjudicate the dispute present or even a prospective dispute between the parties and thus at the very time of making of the **Dealer Agreement** the jurisdiction was not meant to be and could not have been conferred, be it by design or default, on a court otherwise inherently lacking it.

15) Both learned counsel have strenuously submitted that in terms of the Acts *ibid*, the civil courts at Chennai and even the Madras High Court, have no jurisdiction to entertain the suit to adjudicate the dispute between the parties as the registered office of the defendant is situated in Kanchipuram and its corporate office is situated in Perungudi. Therefore, in terms of Section 20 of the CPC,

the suit at the best could have been filed by the plaintiff in a court of competent jurisdiction either in **Chengalpattu, Delhi** and/or **Jammu** but surely in no manner the same could have been filed at any point of time before any civil court at Chennai.

16) Mr. Amit Sibal, learned senior counsel, has laid much stress that territorial jurisdiction of a court is not dependent upon the territorial limits of an administrative district which is only carved out for administrative convenience and exigencies. In support of the submissions, the learned senior counsel for the plaintiff has relied upon the following judgments:

- (I) **Rakesh Kumar Verma v. HDFC Bank Ltd**, 2025 SCC Online SC752;
- (II) **Interglobe Aviation Ltd. vs. N. Satchidanan**, (2011) 7 SCC 463;
- (III) **ABC Laminart Pvt. Ltd. & anr. Vs. A. P. Agencies, Salem**, (1989) 2 SCC 163;
- (IV) **Patel Roadways Ltd. Bombay vs. Prasad Trading Company**, (1991) 4 SCC 270;
- (V) **Swastik Gases Pvt. Ltd. Vs. Indian Oil Corporation Ltd.** (2013) 9 SCC 32

17) *Per contra*, Mr. Niranjan Reddy and Mr. Vikram Sharma, learned senior counsel appearing for the defendant have argued with equal counter vehemence that once the parties mutually agreed for settlement of their disputes relatable to the **Dealer Agreement** in a civil suit

by implied exclusion of all other court by an express mention and inclusion of the courts at Chennai, then only the courts at Chennai only shall have jurisdiction to entertain the suit filed by any of the parties hereto. Both the learned senior counsel have placed reliance upon the emails exchanged to demonstrate that in the month of January, 2024, a meeting had taken place in Chennai, therefore, in terms of Article 17 of the agreement, if the plaintiff had any cause to file a suit against the defendant, the same ought to have been filed only before the civil court in Chennai and not before the learned trial court in Jammu. They have further argued that the sites of the corporate office of the defendant forms part of Chennai District and the official website of the Chennai District categorically mentions Perungudi as a local body under the Greater Chennai Corporation.

18) Learned senior counsel for the defendant has relied upon the following judgments:

- (I) **ONGC Ltd. v. Modern Construction & CO.** (2014) 1 SCC 648;
- (II) **Krishna Ral Estate Enterprise Pvt. Ltd. vs. Gurcharana Singh Syal and others**, 2025 SCC OnLine Del 689;
- (III) **Laxman Prasad v. Prodigy Electronics Ltd.** (2008) 1 SCC 618;
- (IV) **Ambalal Sarabhai Enterprises Ltd. v. K. S. Infraspace**, (2020) 15 SCC 585;

- (V) **Rajasthan SEB v. Universal Petrol Chemicals Ltd.** (2009) 3 SCC 10;
- (VI) **A.B.C Laminart (P) Ltd. vs. A. P. Agencies,** (1989) 2 SCC 163;
- (VII) **Swastik Gases (P) Ltd. v. Indian Oil Corpn. Ltd.** (2013) 9 SCC 32

19) Heard and perused the record.

Appraisal and Analysis:

20) Article 17 of the **Dealer Agreement**, the main pivot around which the entire controversy hinges around, is extracted as under:

Article 17-Governing Law and Jurisdiction

- (1) This Agreement is made in and will be construed and governed by Indian laws.
- (2) All disputes, controversies or claims arising from the interpretation, performance or non-performance of this Agreement or any and all transactions related to this Agreement shall be submitted to the exclusive Courts at Chennai, which will have exclusive jurisdiction over disputes between the Parties arising under, or relating to this Agreement.

21) Before we proceed further, we remind ourselves with a well-entrenched and often iterated legal position that where two courts or more have under the Code of Civil Procedure jurisdiction to try a suit or a proceeding, an agreement between the parties that the disputes between them shall be tried in one of such courts is not contrary to public policy and that such an agreement does not contravene Section 28 of the Contract Act. This is just like an option

reserved to contracting parties, otherwise having two or more than two courts having simultaneous jurisdiction to deal with their contract related dispute to update their KYC- Know Your Court and once having done that not to stray away from opted KYC. However, it surely does not mean and ever meant to mean it is open to the parties to confer jurisdiction by their agreement, knowingly or unknowingly, on a court which it does not possess under the Code of Civil Procedure.

22) In terms of Article (supra), it is to be said as confirmed admitting of no denial and doubt that the parties herein expressly agreed that all disputes, controversies or claims arising for the interpretation, performance or non-performance of the agreement and all transactions relating to the agreement shall be submitted to the courts at Chennai exclusively, meaning thereby that the available jurisdiction at the relevant point of reference of all other courts was impliedly ousted which meant even jurisdiction of the trial court in Jammu.

23) Now, in order to grasp as to with which intent and objective Article 17 of the **Dealer** Agreement envisaged to reserve and vest the jurisdiction of adjudication exclusively in courts at Chennai, the following ponderable issues pose themselves for consideration at first instance:

- (I) Whether on the premise of Perungudi being a part of Chennai District as such the courts at Chennai to have jurisdiction to try the suit?
- (II) If the issue No.1 is not answered in affirmative, whether the courts at Chennai are still rightly mentioned to stay vested with the jurisdiction by the parties to settle their dispute thereby ousting the legitimate jurisdiction of other courts?

Issue No.(I): Whether on the premise of Perungudi being a part of Chennai District as such the courts at Chennai to have jurisdiction to try the suit?

24) Section 20 of CPC is extracted as under:

20. Other suits to be instituted where defendants reside or cause of action arises.—Subject to the limitations aforesaid, 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 the 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 works for gain, as aforesaid, acquiesce in such institution; or
- (c) The cause of action, wholly or in part, arises.

Explanation.—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.

25) In terms of Section 20 (supra), a suit can be instituted in a court within the local limits of whose jurisdiction the defendant or each of the defendants, at the time of commencement of the suit, actually and voluntarily resides or carries on business or personally works for gain which in the context of present case would refer to the defendant.

26) So far as the original jurisdiction of the Madras High Court in respect of entertainment of civil suits is concerned, it is governed by the Schedules appended to the Madras High Court (Jurisdictional Limits) Act 1927 and the Madras High Court (Jurisdictional Limits) Extension Act 1985.

27) Perungudi *per se* does not find mention in the Schedules (supra). The dispute between the parties is admittedly a 'commercial dispute' within the meaning of Commercial Courts Act, 2015. If the contention of the defendant is accepted that only the courts at Chennai are meant to have jurisdiction, then only the commercial court Chennai is to be the competent court to adjudicate the dispute between the parties. In this context, it would be apt to make a reference to the judgment of the Commercial Court at Chennai (though the same is not meant to be binding on this court) in a case titled **"Integrated Digital**

Info. Services Ltd. Vs. The Tamil Nadu Industrial Investment Corporation & Anr., decided on 31.10.2023, wherein relying upon the notification VII in G.O (MS) No.555, Home(Court-II) Department dated 06-12-2021, the said court has held that it has the territorial jurisdiction with the entire judicial District of Chennai, but not in respect of subject matter of mortgage situated at Perungudi, Kanchipuram District. Thus, it can be safely held that the Perungudi as a territorial entity does not fall within the territorial limits of Chennai Civil Courts Act.

28) It is submitted before us that the official website of the Chennai District categorically mentions Perungudi as a local body under the Greater Chennai Corporation, therefore the courts at Chennai shall have jurisdiction to try the suit by reference to Perungudi.

29) The territorial limits of the civil courts are not always in congruence and conformity with the administrative units. In U.T of J & K, section 14 of the Civil Courts Act Svt. 1977 vests power with the Government to divide the territories of State (now U.T) in to civil districts and alteration of limits of such civil districts can be directed by the Government but upon the recommendation of the High Court.

30) Almost a similar controversy arose before Madras High Court in case titled “***T. Ekambaram v. Bhavani Sagari***”, 2013 SCC Online Mad 1308, wherein it has been held as under:

20. The Government Order in G.O.Ms. No. 97, dated 19.07.2011 upon which the lower Court has made reliance will not alter the territorial jurisdiction of the Madras High Court and the City Civil Court, Chennai since the said G.O. has been issued in exercise of power conferred under the Chennai City Municipal Corporation Act. The said G.O. will therefore cover only the subject dealt with in the said Act. Apart from that, since the jurisdiction of the Madras High Court is governed by Statutes, the same cannot be altered or modified by means of any Government Order. As I have already pointed out, unless, the above said Acts are amended by the State Legislature or a new legislation is brought into force by the State Legislature, the territorial jurisdiction of the Madras High Court will be governed by the Madras High Court (Jurisdictional Limits) Act, 1927 and the Madras High Court (Jurisdictional Limits) Extension Act, 1985. **Thus, I hold that the lower Court was not right in holding that Kathirvedu Village falls within the territorial limits of the City Civil Court, Chennai since mere addition of new areas to the Chennai City Corporation for the purpose of local administration will not have any bearing in the matter of the territorial jurisdiction of the Madras High Court or the City Civil Court, Chennai.**

31) In view of the above, we do not find any force in this submission of the defendant’s side and as such the same is rejected.

32) The issue No.(I) is answered in negative.

Issue No.(II) If the issue No.1 is not answered in affirmative, whether the courts at Chennai were rightly vested with the jurisdiction by

the parties to settle their dispute thereby ousting the jurisdiction of other courts?

33) The Hon'ble Supreme Court of India in **A. B. C. Lamniart Pvt. Ltd. and another vs. A. P. Agencies, Salem**, (1989) 2 SCC 163, has held that in the matter of a contract there may arise cause of action of various kinds. In a suit for damages for breach of contract, the cause of action consists of the making of the contract and of its breach, so that the suit may be filed either at the place where the contract was made or at the place where it is to be and should have been performed and the breach occurred. So long as the parties to the contract do not oust jurisdiction of all the courts which would otherwise have jurisdiction to entertain and decide a civil suit with a cause of action under the law, it cannot be said that the parties have by their contract ousted the jurisdiction of the court. If under law, several courts would have simultaneous jurisdiction and the parties volunteer and agree to submit to one of these jurisdictions and exclude other or others of them, it cannot then be said that there is total ouster of jurisdiction.

34) The same proposition of law was traced in **InterGlobe Aviation Ltd. v. N. Satchidanand**, (2011) 7 SCC 463, wherein it has been held as under:

22. As per the principle laid down in *A.B.C. Laminart* [(1989) 2 SCC 163], any clause which ousts the jurisdiction of all courts having jurisdiction and conferring jurisdiction on a court not otherwise having jurisdiction would be invalid. It is now well settled that the parties cannot by agreement confer jurisdiction on a court which does not have jurisdiction; and that only where two or more courts have the jurisdiction to try a suit or proceeding, an agreement that the disputes shall be tried in one of such courts is not contrary to public policy. **The ouster of jurisdiction of some courts is permissible so long as the court on which exclusive jurisdiction is conferred, had jurisdiction. If the clause had been made to apply only where a part of cause of action accrued in Delhi, it would have been valid. But as the clause provides that irrespective of the place of cause of action, only courts at Delhi would have jurisdiction, the said clause is invalid in law,** having regard to the principle laid down in *A.B.C. Laminart* [(1989) 2 SCC 163]. The fact that in this case, the place of embarkation happened to be Delhi, would not validate a clause, which is invalid.

35) The ratio laid down by the Hon'ble Apex Court in the aforesaid case is that where the parties to a contract agree to submit their contract related lis for adjudication before a particular court which would otherwise have jurisdiction, then the jurisdiction to determine the dispute shall exclusively vest with that court only notwithstanding the fact that the other courts would also have jurisdiction to try and settle the lis but for the exclusion provided in the agreement between the parties.

36) The two learned senior counsel representing the defendant have stressed upon the averments made in para (34) of the plaint to submit that on 18th January, 2024, a

meeting was held in Chennai, therefore, in terms of Article 17 of the dealership agreement by reference of part of cause of action having arisen in Chennai, so only the courts at Chennai shall have exclusive jurisdiction to settle and determine the disputes between the parties. In paras 34 and 35 of the plaint, it is mentioned that certain issues were highlighted to the defendant, though it was submitted by Mr. Sibal, learned senior counsel for the plaintiff, that the expression “city Chennai” referred in paras 34 & 35 of the plaint, is in fact, referable to the office of the defendant, which, admittedly, is in Perungudi, Chennai as per the letter head of the defendant, which falls within the Judicial District of Chengalpattu.

37) In para 85 of the suit, it is averred by the plaintiff that the cause of action initially arose in June, 2021, when the defendant approached the plaintiff with a business opportunity offering its dealership rights in the Union Territory of Jammu and Kashmir, later on 30.08.2021, when the parties entered into the dealership agreement (*ibid*), then in March, 2022, when serious issues including clutch failures and defective parts surfaced and the plaintiff raised these concerns with the defendant vide number of emails. It is also stated that multiple meetings were held throughout the year 2024 but the defendant failed to

provide adequate resolutions causing significant losses and operational challenges to the plaintiff. The cause of action further arose on 22.11.2024, when the plaintiff informed the defendant in respect of customer dissatisfaction and on 10th December, 2024, when the plaintiff accused the defendant of fraud/misrepresentation and further cause of action arose in January, 2025, when the plaintiff discovered the efforts of the defendant to appoint a new dealer in the UT of Jammu and Kashmir and finally on 17.01.2025 when the defendant threatened to encash the security cheques submitted by the plaintiff.

38) It is an admitted and settled position of law that the parties by an agreement can vest the jurisdiction in one court for their convenience to determine their disputes where other courts may also have jurisdiction provided at the time of making of such an agreement the court reserved the jurisdiction. If the reserved court at the time of such an agreement does not have jurisdiction, then the parties cannot just by consent vest the jurisdiction with such a court.

39) In this context, it would be appropriate to take note of the judgement of the Hon'ble Supreme Court of India in

Rakesh Kumar Verma vs. HDFC Bank Ltd. 2025SCC

Online Sc 752, wherein it has been held as under:

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)

40) We have examined the order passed by the learned trial court wherein it has returned a finding that the plaintiff has itself succumbed to the jurisdiction of the court at Chennai where the corporate office of defendant is situated. It is evident that the learned trial court stood swayed by the purported address reference of the corporate office of the defendant, which no doubt forms part of Chennai Greater Corporation but is part of separate judicial district of Chengalpattu. The learned trial court has further observed that the meetings admittedly were held in Chennai in January 2024, the fact disputed by Mr. Sibal learned senior counsel by reference to the address of corporate office of the defendant.

41) The learned trial court has nowhere adverted to the issue as to when the parties restricted the settlement of their disputes through the medium of courts at Chennai, then which given court/s at Chennai had/has the vested jurisdiction at the relevant time to adjudicate the dispute or not. The approach adopted by the learned trial court in returning the plaint to the appellant for its presentation before the appropriate court in Chennai cannot be countenanced in law. The issue No.(II) is decided accordingly.

Conclusion:

42) In view of above discussion, we have reached to an ineluctable conclusion that the suit, in the present case, could have been filed by the appellant before any of the competent court at Kanchipuram District or at Chengalpattu Judicial District or at Jammu, where the cause of action has accrued to the appellant. As such, the order impugned is not sustainable in the eyes of law and the same is set aside. The matter is remanded back to the learned trial court for disposal in accordance with law. The interim directions issued by this court are vacated and the interim directions issued by the learned trial court are restored. The amount deposited by the appellant/plaintiff be released in his favour. The learned trial court is

requested to decide the application for grant of interim relief within the statutory period and no un-necessary adjournments be granted to either of the parties. Parties to appear before the learned trial court on 15.09.2025. Record if received in original be sent back forthwith.

43) Allowed.

(RAHUL BHARTI)
JUDGE

(RAJNESH OSWAL)
JUDGE

Srinagar
09.09.2025
“Bhat Altaf”

Whether the **Judgment** is speaking: **YES**
Whether the **judgment** is reportable: **YES**

