

(2002) 03 AHC CK 0012
In the Allahabad High Court
Case No : F.A.F.O. No. 316 of 2002

Chaturvedi Steel Ltd.

APPELLANT

Vs

U.P. State Electricity Board and Others

RESPONDENT

Date of Decision : 20-03-2002

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Section 9

Citation : (2003) 2 AWC 1127

Hon'ble Judges : Vineet Saran, J;G.P. Mathur, J

Bench : Division Bench

Advocate : N.C. Rajvanshi and M.K. Rajvanshi, for the Appellant;

Final Decision : Dismissed

Judgement

G. P. Mathur and Vineet Saran, JJ.—This appeal under Order XLIII, Rule 1 (a), Code of Civil Procedure, has been filed challenging the order dated 4.2.2002 of Civil Judge (Senior Division), Jhansi, by which it was held that the Court at Lucknow alone had territorial jurisdiction to try the suit and the Court at Jhansi had no territorial jurisdiction to try the same.

2. The plaintiff-appellant filed a suit against the defendant-respondent claiming the following reliefs :

(a) The a decree for declaration to this effect that, both the Bank Guarantees Nos. 84/4 and 84/5 dated 13.8.1984 and 18.10.1984, respectively given in Tender Contract No. 18-84-85 and 19-84-85 Steel Cell department of the Defendant Nos. 1 to 3 by Defendant No. 4 are not enforceable, as there is no default on the part of the plaintiff and no amount is due to the Defendant Nos. 1 to 3, be ordered to be passed in favour of the plaintiff against the Defendant Nos. 1 to 4.

(b) That the Defendant No. 4 be restrained by means of prohibitory permanent injunction, restraining the defendants from encashing two bank guarantees the details of which has been given in Sub-clause (a) of Clause 1 of this relief.

(c) Cost of the suit be awarded.

(d) Any other relief to which the plaintiff is found entitled legally as well as equitably be also passed.

3. The defendant filed a written statement and one of the pleas taken therein was that the courts at Jhansi had no jurisdiction to try the suit. There is no dispute that the parties had entered into an agreement on 19.10.1984 and Clause 17 of the agreement provided that in case of any dispute, the Court at Lucknow alone will have jurisdiction to decide the dispute.

4. The learned civil Judge held that in view of the aforesaid clause in the agreement, the Court at Lucknow alone had territorial jurisdiction to try the suit.

5. Sri N. C. Rajvanshi, learned senior advocate, appearing for the appellant has contended that a part of cause of action had arisen at Jhansi as the factory of appellant is situated at Jhansi and the bank guarantees had also been furnished through Allahabad Bank, Jhansi and, thereafter, the Court at Jhansi had also jurisdiction to try the suit.

6. We have given our careful consideration to the submission made by Sri Rajvanshi, it is well-settled that where two courts have jurisdiction to try the suit, the parties can enter into an agreement that in the event of a dispute only one of the courts will have the jurisdiction. It has been held in *Hakam Sing Vs. Gammon (India) Ltd.*, 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 therein, if the parties to the contract agree to vest in one such court the jurisdiction to try the dispute which might arise as between themselves, the agreement would be valid. This view has been reiterated in *A.B.C. Laminart Pvt. Ltd. and Another Vs. A.P. Agencies, Salem*, .

7. In view of the settled legal position, the learned civil Judge rightly held that the Court at Lucknow alone had the territorial jurisdiction to try the suit. We, therefore, find no merit in this appeal, which is hereby dismissed under Order XLI, Rule 11, Code of Civil Procedure.