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

BEFORE

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

\+ **CS(OS) 208/2024, I.A. 39720/2024, I.A. 39722/2024, I.A. 48920/2024 & I.A. 6123/2025**

MR. GAURAV RAJGARIA
S/O SH. PAWAN KUMAR RAJGARIA,
R/O HOUSE NO. 7, H3,
GROUND FLOOR, VATIKA INDIA NEXT,
SECTOR 82, GURUGRAM,
HARYANA- 122004 ....PLAINTIFF

(Through: Ms. Madhura M. N., Mr. Abhishek Tongar and Ms. Vanshika Mittal, Advs.)

Versus

MARUTI SUZUKI INDIA LIMITED
THROUGH ITS MANAGING DIRECTOR& CEO,
HAVING ITS REGD. OFFICE AT:
1, NELSON MANDELA ROAD, VASANT KUNJ,
NEW DELHI - 110070

....DEFENDANT NO.1

MR. RAJESH UPPAL
MEB (HR, SAFETY, IT& DE)
MARUTI SUZUKI INDIA LIMITED,
PAIAM GURGAON ROAD, UDYOG VIHAR
GURUGRAM, HARYANA - 122015
MOBILE NO. 9873187725

....DEFENDANT NO.2

MR. AJAY SETH
CFO,
MARUTI SUZUKI INDIA LIMITED,

PALAM GURGAON ROAD, UDYOG VIHAR
GURUGRAM, HARYANA - 122015
MOBILE NO. 9811668454

....DEFENDANT NO.3

MS. MANJAREE CHOWDHARY
SR. EO (LEGAL),
MARUTI SUZUKI INDIA LIMITED,
1, NELSON MANDELA ROAD, VASANT KUNJ,
NEW DELHI - 110070
MOBILE NO. 9632015489

....DEFENDANT NO.4

MR. SALIL LAL BIHARI
EXECUTIVE VICE PRESIDENT (HR)/SR DVM (PIR),
MARUTI SUZUKI INDIA LIMITED,
PALAM GURGAON ROAD, UDYOG VIHAR
GURUGRAM, HARYANA - 122015
MOBILE NO. 9711809503

....DEFENDANT NO.5

(Through: Mr. Sanjeev Sindhwani, Sr. Adv. with Mr. Siddharth Nath, Mr. Asjad Hussain, Mr. Gaurav Sindhwani and Mr. Anunay Chawdhary, Advs. for D-1.
Mr. Suden Singh Juneja, Adv. for D-2 to 5.)

% Reserved on: 07.05.2025
Pronounced on: 02.07.2025

JUDGMENT

I.A. 38359/2024 *(Under Order VII Rule 11 of CPC, filed on behalf of defendant no.1/applicant No.1 for rejection of plaint)* in **CS(OS) 208/2024**

1. The present application has been filed by defendant no.1/applicant under Order VII Rule 11 of the Code of Civil Procedure, 1908 (hereinafter

referred to as "CPC"), seeking rejection of the plaint on the grounds that the plaint does not disclose a cause of action and that the suit is barred by law. The application relies on the 'contractual nature' of the relationship between the parties and the express 'termination clause' contained in the appointment letter dated 06.02.2006, which is stated to have governed the plaintiff/non-applicant's employment with the defendant no.1/applicant company, i.e.,Maruti Suzuki India Limited.

Factual Background

2. The facts of the present case would evince that the plaintiff/non-applicant, who was employed in a 'managerial capacity' with defendant no.1/applicant, has instituted the present civil suit alleging that his termination from service, effected through the termination letter dated 13.02.2023, was unlawful. Consequently, he seeks a declaration to that effect, along with a prayer for reinstatement to service and compensation amounting to a sum of Rs.2,00,00,000/- on account of loss of income, harassment, and undue hardship purportedly resulting from the said termination.

3. It remains undisputed that the employment of the plaintiff/non-applicant was governed by the terms of the appointment letter dated 06.02.2006,which unequivocally permits either party to terminate the contract upon giving three months' prior notice or by payment in lieu thereof. Notably, the plaintiff/non-applicant himself places reliance on the said document and does not dispute having received his contractual dues pursuant to the said termination. In view of this admitted 'contractual

framework', defendant no.1/applicant contends that no triable cause of action arises from the plaint and that the reliefs sought therein are *ex facie* barred by law.

4. It is in this backdrop that the defendant no.1/applicant has moved the present application under Order VII Rule 11 CPC, seeking rejection of the plaint in *limine*.

Submissions

5. Mr. Sanjeev Sindhwani, learned senior counsel appearing on behalf of defendant no.1/applicant has submitted as follows:

5.1 As a preliminary submission, learned senior counsel for defendant no.1/applicant submitted that the present suit is liable to be rejected under Order VII Rule 11(a) and (d) CPC, as it discloses no cause of action as well as is barred by law. It was further contended that the relationship between the plaintiff/non-applicant and defendant no.1/applicant is purely contractual in nature, governed exclusively by the terms of the appointment letter dated 06.02.2006, which permits termination by either party upon giving three months' notice or salary in lieu thereof. The plaintiff/non-applicant has neither pleaded any breach of these terms by the defendant no.1/applicant nor denied having received his contractual dues. Therefore, in the absence of any actionable breach, it was submitted that the plaint is fundamentally devoid of any cause of action and, accordingly, deserves to be rejected at the threshold.

5.2 Learned senior counsel further contended that, although not necessary

in light of the 'contractual termination clause', the termination in the present case was occasioned by repeated breaches of the employment contract and the Employee Governing Policy by the plaintiff/non-applicant. It was submitted that the plaintiff/non-applicant was afforded due opportunity to respond to and defend against the allegations levelled against him. However, after due consideration, defendant no.1/applicant concluded that termination was the appropriate course of action. It was emphasised that, even *de hors* such violations, the defendant No.1/applicant was legally entitled to terminate the employment, as the contract in question permits 'termination simpliciter' without assigning cause, upon compliance with the prescribed notice requirements.

5.3 Proceeding further, he submitted that the reliefs sought by the plaintiff/non-applicant, including a declaration of illegal termination, and reinstatement to service are *ex facie* barred under Section 14(d) of the Specific Relief Act, 1963 (hereinafter referred to as "SRA, 1963"). According to him, the plaintiff/non-applicant seeks specific performance of a 'determinable contract' and a 'contract of personal service', both of which are statutorily prohibited.

5.4 In addition, it was submitted that the plaintiff/non-applicant's claim for a decree of Rs. 2 Crores is not only excessive and unsubstantiated, but also contrary to the terms of the appointment letter, which limits the defendant no.1/applicant's liability to three months' notice pay. It was his submission that even in the event of alleged 'wrongful termination', no claim exceeding the contractual entitlement can be sustained in law.

5.5 Mr. Sindhwani submitted that the plaintiff/non-applicant's claim for distress and emotional hardship, as articulated under prayer (ii) of the plaint, is barred by limitation under Article 79 of Part VII of the Schedule to the Limitation Act, 1963 (hereinafter referred to as "Limitation Act"). As per the averments made in the plaint, the alleged distress commenced in December 2022, with the initiation of the inquiry, and continued until 13.02.2023, i.e., the date on which the plaintiff/non-applicant's services were formally terminated by defendant no.1/applicant. It was, therefore, contended that the institution of the present suit on 07.03.2024 is patently beyond the prescribed limitation period of one year. Accordingly, he submitted that the suit is not only devoid of merit but also constitutes an abuse of the process of law, ostensibly intended to exert undue pressure upon defendant no.1/applicant.

5.6 To bolster his submissions, learned senior counsel placed reliance on the decisions rendered by the Supreme Court in the cases of ***Pearlite Liners (P) Ltd. v. Manorama Sirsi***[1], ***J. Tiwari v. Jwala Devi Vidya Mandir***[2], ***Army Welfare Education Society v. Sunil Kumar Sharma***[3]and ***S.S. Shetty v. Bharat Nidhi Ltd.***[4],and by this Court in***Pawan Kumar Dalmia v. HCL Infosystems Ltd.***[5],***Satya Narain Garg v. DCM Ltd.***[6]and ***Naresh Kumar v. Hiroshi Maniwas***[7].

6. *Per contra*, while vehemently opposing the aforesaid submission, Ms.

[1](2004) 3 SCC 172
[2](1979) 4 SCC 160
[3]2024 SCC OnLine SC 1683
[4]1957 SCC OnLine SC 29
[5]2012 SCC OnLine Del 1508
[6]2011 SCC OnLine Del 5205
[7]2015 SCC OnLine Del 13315.

Avshreya Pratap Singh Rudy, learned counsel for the plaintiff/non-applicant, advanced the following arguments:

6.1 She submitted that the application filed by defendant no.1/applicant under Order VII Rule 11 CPC is wholly misconceived and devoid of merit. According to her, the plaint clearly discloses a valid cause of action, arising from a sequence of events that culminated in the alleged illegal and arbitrary termination of the plaintiff/non-applicant's employment, in contravention of the principles of 'natural justice'. Learned counsel specifically referred to paragraph no. 49 of the plaint, which delineates the chronology of events, including the issuance of the suspension order, the chargesheet, the termination letter, subsequent correspondence, and the legal notice dated 26.12.2023.

6.2 She underscored that the plaintiff/non-applicant has rendered over 18 years of unblemished service with defendant no.1/applicant, during which he received multiple fast-track promotions on merit, reflecting his professional competence and sustained dedication. It was contended that the termination in question was not a 'simpliciter disengagement' in accordance with the terms of appointment, but a 'punitive measure' undertaken pursuant to disciplinary proceedings allegedly vitiated by procedural infirmities.

6.3 It was also her submission that no genuine or reasonable opportunity was afforded to the plaintiff/non-applicant to respond prior to the issuance of the chargesheet and the termination letter. As per Ms. Rudy, the abrupt and summary manner in which the plaintiff/non-applicant, who had served with defendant no.1/applicant since the inception of his career, was terminated further exemplifies the arbitrary character of the impugned action.

6.4 Elaborating on her submission, learned counsel further submits that the plaintiff/non-applicant's claim for compensation and damages on account of mental harassment and loss of reputation is not barred under Article 79 of Part VII of the Schedule to the Limitation Act, as alleged by the defendant no.1/applicant. She contended that the said claim squarely falls within the ambit of Articles 58 and 113 of the Schedule to the Limitation Act, both of which prescribe a limitation period of three years. It was further argued that the issue of limitation, in the facts of the present case, raises mixed questions of law and fact, which cannot be conclusively determined at the threshold stage under Order VII Rule 11 CPC, and should instead be adjudicated upon after the parties have led the evidence.

6.5 It was further submitted that the application proceeds on a selective reading of the plaint, overlooking the broader factual matrix and legal context, which collectively disclose substantial and triable issues. She then invited the attention of the Court to the alleged well-settled proposition of law that a plaint cannot be rejected solely on the ground that some reliefs sought therein may not ultimately be granted. As per her understanding, the suit, as framed, raises serious questions, necessitating adjudication upon a full-fledged trial and cannot, therefore, be dismissed at the threshold under Order VII Rule 11 CPC.

6.6 She placed reliance on ***Hema Gusain v. India International Centre***[8], to buttress her submission that a cause of action arising from the forced resignation of the plaintiff/non-applicant, amounting to illegal termination and a corresponding claim for compensation in respect thereof, cannot be

[8]2022 SCC OnLine Del 1972

decided at the stage of Order VII Rule 11 CPC, as it necessitates the production of evidence.

Issues

7. Having heard the rival submissions advanced by the learned counsel for the parties and upon perusal of the record, it comes to the fore that the present dispute requires consideration of four key issues. The first is whether the plaint filed by the plaintiff/non-applicant is maintainable or barred by law. This question is closely linked to the second issue—whether the 'employment contract' between the plaintiff/non-applicant and defendant no.1/applicant is of a 'determinable nature' within the meaning of Section 14(d) of the SRA, 1963,which bars specific performance of such contracts. The third issue, linked to the admitted fact that the employment was contractual and governed by the terms of the appointment letter containing an 'express termination clause', is whether the relief of reinstatement can be granted or whether the plaint is liable to be rejected under Order VII Rule 11 CPC. The final issue, which is in a way dependent upon the aforesaid issues, is whether the termination of the plaintiff/non-applicant from service was unlawful and, as a sequitur, whether the claim for compensation of Rs.2,00,00,000/- on grounds of loss of income, harassment, and undue hardship is legally sustainable.

Analysis

8. Since at the stage of deciding an application under Order VII Rule 11 CPC, the Court is required to examine only the averments made in the plaint, therefore, it is important to briefly discuss the scope of Order VII

Rule 11 CPC before adverting to the factual matrix. Undeniably, the scope of such an application is limited solely to determining whether, on the basis of the plaint as it stands, a cause of action is disclosed or if the suit is barred by any law. No reference can be made to the written statement or any defence raised, as the assessment must be confined strictly to the pleadings of the plaintiff/non-applicant.

9. For the sake of clarity, Order VII Rule 11 CPC, which enumerates the grounds for rejection of a plaint, is extracted as under:

> *"**11. Rejection of plaint.** - The plaint shall be rejected in the following cases-*
>
> *(a) where it does not disclose a cause of action;*
>
> *(b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;*
>
> *(c) where the relief claimed is properly valued, but the plaint is written upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;*
>
> *(d) where the suit appears from the statement in the plaint to be barred by any law:*
>
> *(e) where it is not filed in duplicate;*
>
> *(f) where the plaintiff fails to comply with the provision of rule 9: Page 15 of 49*
>
> *Provided that the time fixed by the Court for the correction of the valuation or supplying of the requisite stamp-paper shall not be extended unless the Court, for reasons to be recorded, is satisfied that the plaintiff was prevented by any cause of an exceptional nature for correcting the valuation or supplying the requisite stamp-paper, as the case may be, within the time fixed by the Court and that refusal to extend such time would cause grave injustice to the plaintiff."*

10. This Court, while discussing the real objective of Order VII Rule 11 CPC in the case of ***Meena Vohra v. Master Hosts (P) Ltd.***[9],has held as under:

> ***"11.*** *The real object of Order VII Rule 11 CPC is to keep out irresponsible lawsuits from the Courts and it provides for an independent remedy for the defendant no.1/applicant to challenge the maintainability of the suit itself, irrespective of his right to contest the same on merits. The Supreme Court in Sopan Sukhdeo Sable v. Asstt. Charity Commr.[9], held as under:*
>
> > *"17. .. The real object of Order 7 Rule 11 of the Code is to keep out of Courts irresponsible law suits. Therefore, Order 10 of the Code is a tool in the hands of the Courts by resorting to which and by a searching examination of the party, in case the Court is prima facie of the view that the suit is an abuse of the process of the Court, in the sense that it is a bogus and irresponsible litigation, the jurisdiction under Order 7 Rule 11 of the Code can be exercised.*
> >
> > ***
> >
> > *20….Rule 11 of Order 7 lays down an independent remedy made available to the defendant no.1/applicant to challenge the maintainability of the suit itself, irrespective of his right to contest the same on merits. The law ostensibly does not contemplate at any stage when the objections can be raised, and also does not say in express terms about the filing of a written statement. Instead, the word "shall" is used, clearly implying thereby that it casts a duty on the Court to perform its obligations in rejecting the plaint when the same is hit by any of the infirmities provided in the four clauses of Rule 11, even without intervention of the defendant no.1/applicant. In any event, rejection of the plaint under Rule 11 does not preclude the plaintiff/non-applicants from presenting a fresh plaint in terms of Rule 13.""*

11. At the same time, it is equally important to bear in mind that a sentence or a particular passage from a judgment ought not to be extracted and interpreted in isolation or out of context, as was held by the Supreme

[9]2025 SCC OnLine Del 1758

Court in the case of ***Hardesh Ores (P) Ltd.* v. *Hede & Co***.[10]. It is rather the substance and not merely the form, which has to be looked into. The plaint has to be construed as it stands, without addition or subtraction of words. If the allegations in the plaint *prima facie* show a cause of action, the Court cannot embark upon an enquiry as to whether the allegations are true in fact or not. Therefore, a roving inquiry akin to the appreciation of evidence is not contemplated at the stage of deciding an application under Order VII Rule 11CPC.

Determinable contracts and the bar to specific performance

12. The words 'determinable' or 'determinability' are not defined in the SRA, 1963. While Merriam Webster's dictionary defines 'determinability' as "*liable to be terminated*", Black's Law Dictionary, 2nd Ed. and Collins' Dictionary define 'determinability' as "*liable to termination under certain conditions*." The former definition suggests that a contract which can be terminated irrespective of the conditions for termination would be a terminable contract, whereas the latter definition suggests that a contract which can be terminated under certain conditions would be a determinable contract. In conclusion, a contract which in its nature is 'determinable' cannot be specifically enforced by the Courts.

13. However, these definitions are juxtaposed to the judicial meaning which has been ascribed by the Indian Courts to "*a contract which is in its nature determinable*". This is so because of the different termination clauses contained in different kinds of agreements. The concept of determinability

[10] (2007) 5 SCC 614

of a contract has always been a subject matter which has been highly contested between parties, and various Courts have taken different views.

14. The issue of 'specific performance of determinable contracts' was dealt with by the Supreme Court in ***Indian Oil Corpn. Ltd. v. Amritsar Gas Service***[11], whereby the Court held as 'determinable' a distribution contract which either party could terminate by giving 30 days' notice and without assigning any reason for termination. It was held that such a contract could not be specifically enforced. The Supreme Court further held that for forthwith termination, the "*only relief which could be granted was the award of compensation for the period of notice, that is, 30 days*" (i.e., the notice period during which the contract could have been performed by the terminating party). Notably, though the terminating party invoked the clause for termination which provided for 'termination upon happening of certain circumstances' / 'termination for cause', the Supreme Court proceeded on the fact that under the said contract, parties were entitled to terminate 'without cause' as well, by giving a 30 days' notice.

15. Moreover, this Court had, more than two decades earlier, broadened the meaning and purport of 'determinability'. In the case of ***Rajasthan Breweries Ltd. v. Stroh Brewery Co***.[12], the Division Bench, while dealing with a technical know-how agreement and a technical assistance agreement, held as follows:

> *"19. Even in the absence of specific clause authorising and enabling either party to terminate the agreement in the event of happening of the events specified therein, from the very nature of the agreement, which is*

[11](1991) 1 SCC 533
[12]2000 SCC OnLine Del 481

private commercial transaction, the same could be terminated even without assigning any reason by serving a reasonable notice. At the most, in case ultimately it is found that termination was bad in law or contrary to the terms of the agreement or of any understanding between the parties or for any other reason, the remedy of the appellants would be to seek compensation for wrongful termination but not a claim for specific performance of the agreements and for that view of the matter learned Single Judge was justified in coming to the conclusion that the appellant had sought for an injunction seeking to specifically enforce the agreement. Such an injunction is statutorily prohibited with respect of a contract, which is determinable in nature. The application being under the provisions of Section 9(ii)(e) of the Arbitration and Conciliation Act, relief was not granted in view of Section 14(i)(c) read with Section 41 of the Specific Relief Act. It was rightly held that other clauses of Section 9 of the Act shall not apply to the contract, which is otherwise determinable in respect of which the prayer is made specifically to enforce the same."

16. It is beneficial to refer to the decision of this in ***Beoworld (P) Ltd. v. Bang & Olufsen Expansion***[13], whereby, while relying upon ***Rajasthan Breweries,*** it was held that even an agreement which provides for termination for cause is also determinable. The relevant excerpt of the decision in ***Beoworld (P)*** reads as under:

"19. The argument of Mr. Mehta that the MDA and PA were not in the nature of determinable contracts because it could only be terminated for a cause by the defendant is also flawed. The reason being that a determinable contract is not only one which can be terminated or brought to an end at will by a party against whom specific performance is sought by giving a reasonable notice, albeit, without cause but is also one which can be terminated on account of the conduct of the party which is seeking specific performance. Both in Rajasthan Breweries case as well as in Amritsar Gas Service case termination was sought to be made for a cause.

19.1 Statement of law, on this aspect, is set forth in Treitel "The Law of Contract" [7th Edition; G.H. Treitel] at page 797:
"Terminable Contracts

[13]2020 SCC OnLine Del 3250

If a party against whom specific performance is sought is entitled to terminate the contract, the order will be refused as the defendant could render it nugatory by exercising his power to terminate. This principle applies where the contract is terminable under its express terms or on account of the conduct of the parties seeking specific performance.""

The case at hand

17. For an appropriate adjudication of the reliefs sought in the present suit and their legal viability, it becomes necessary to closely examine the pleadings set out in the plaint, along with the 'judicial precedents' cited by both parties. Such scrutiny is essential to determine whether the suit is maintainable or barred by law.

18. For the facility of reference, the reliefs claimed in the instant suit are as follows:

> ***"i.*** *Pass a decree declaring the termination letter dated 13.02.2023 issued by Defendant No. 5 to the Plaintiff, thereby terminating his services with Defendant No. 1, as null and void;*
>
> ***ii.*** *Pass a decree for Rs.2,00,00,000/- (Rupees Two Crores only) in favour of the Plaintiff and against the Defendants for loss of income and on account of continuous harassment, undue hardship, and victimization allegedly caused by the Defendants;*
>
> ***iii.*** *Pass a decree directing Defendant No. 1 to reinstate the Plaintiff in service with continuity and full back wages, along with all consequential benefits;*
>
> ***iv.*** *Award the cost of the suit and such other costs as this Hon'ble Court may deem fit and proper."*

19. Since the defendantno.1/applicant relies on the contention that the contract is 'determinable' in nature and resultantly barred from specific enforcement under the SRA, 1963, it becomes essential to reproduce Section

14 of the said Act to examine the legal position. The said provision reads as under:

> *"14.* ***Contracts not specifically enforceable****-*
>
> *The following contracts cannot be specifically enforced, namely:--*
>
> *(a) where a party to the contract has obtained substituted performance of contract in accordance with the provisions of section 20;*
>
> *(b) a contract, the performance of which involves the performance of a continuous duty which the Court cannot supervise;*
>
> *(c) a contract which is so dependent on the personal qualifications of the parties that the Court cannot enforce specific performance of its material terms; and*
>
> *(**d)a contract which is in its nature determinable**"*

20. At this juncture, the question which falls for or consideration of this Court is whether the 'employment contract' between the plaintiff/non-applicant and the defendant no.1/applicant is 'determinable' or not. Notably, Clause 18 of the contract unequivocally states that the services may be terminated by either party upon giving three months' notice or salary (including dearness allowance) in lieu thereof, even in cases of shorter notice. On this issue, since our examination would be within the four corners of Clause 18 of the said contract, it is reproduced as under for full reading:

> *"18. After successful completion of the training period and absorption as a regular employee, services may be terminated by giving three months' notice by either party or pay plus Dearness Allowance in lieu of such notice, or in case of shorter notice, pay plus Dearness Allowance for the period falling short of such three months' notice, subject always to the conditions of the Agreement executed by you/your surety."*

21. A bare reading of the aforesaid Clause makes it abundantly clear that the 'employment contract' is of a 'determinable' nature, at the behest of either of the parties, without any conditions attached. Resultantly, the said contract is not specifically enforceable as per Section 14 of the SRA, 1963.In addition to this, the plaintiff/non-applicant does not dispute that he has received three months' salary and dearness allowance in lieu of notice. This fact stands uncontroverted and is rather admitted by the plaintiff/non-applicant. It is, therefore, evident that the contract is 'determinable' and cannot be specifically enforced.

22. An obvious reason to deny the specific performance of a contract which is determinable can be that even if the Court were to grant specific performance, one or both of the parties will still be entitled to terminate the contract without cause thereafter. This can also be traced in "The Law of Contract" (7th Edition) by G.H. Treitel at page 797. The pertinent portion is extracted as under:

> ***"Terminable Contracts***
>
> *If a party against whom specific performance is sought is entitled to terminate the contract, the order will be refused as the defendant could render it nugatory by exercising his power to terminate. This principle applies where the contract is terminable under its express terms or on account of the conduct of the parties seeking specific performance."*

23. It must also be noted that the very foundation of contract law is the idea that individuals and entities are free to enter into agreements and to determine the terms by which they will be bound. This freedom extends not just to the formation of the contract but also to its duration and termination. When parties explicitly include a 'termination clause' (e.g., notice period

termination without cause), they are exercising this inherent legal right to define the boundaries of their commitment. An express 'termination clause' in a contract is the clearest manifestation of the parties' intent regarding the contract's longevity. By signing a contract that includes such a clause, both parties signal their acceptance that the relationship is not permanent and can be dissolved. To then compel specific performance of such a contract would be to override the very terms they mutually assented to.

24. Upon analysing the second relief claimed in the suit, it is evident that the plaint lacks any specific averments substantiating the plaintiff/non-applicant's entitlement to a decree of Rs.2 Crores for the alleged harassment, hardship, and victimisation. The fundamental pleadings necessary for substantiating how such a sizeable monetary claim of Rs. 2 Crores for non-pecuniary losses was arrived at are conspicuously absent. Furthermore, the remaining reliefs—whether the prayer for a declaration that the termination was void, a decree for loss of income, or reinstatement—are all predicated on the alleged illegality of the termination and proceed on the assumption that the employment contract was not determinable.

25. The contractual terms relating to termination have been duly complied with, and there are no pleadings in the plaint explaining how the plaintiff/non-applicant has suffered any damages beyond what is provided for under the contract. The core legal issue, therefore, is also whether the reliefs sought are legally sustainable. It is copiously settled through judicial pronouncements that a contract of 'personal service' cannot ordinarily be specifically enforced, as held in the ***Executive Committee of Vaish Degree***

College v. Lakshmi Narain[14].However, this general rule of law is not absolute and is subject to three well-established exceptions, as has been held in numerous cases, including the ***Executive Committee of Vaish Degree College***. These arise (i) in cases involving the removal of a public servant from service in contravention of Article 311 of the Constitution of India; (ii) where a worker's reinstatement is sought following dismissal under the ambit of Industrial Law; and (iii) when a statutory body acts in breach or violation of its mandatory statutory obligations.

26. With regard to the contract of 'personal service', reliance can also be placed on Halsbury's Laws of England, Fourth Edition, Volume 44, at page 407, which states that specific performance of contracts for personal work or services, including employment contracts, is generally not granted. This doctrine is rooted in the Court's reluctance to compel parties to maintain involuntary, continuous personal and confidential relations. For ease of reference, the said principle is stated as follows:

> *"**407.Contracts for personal work or services.-** A judgment for specific performance of a contract for personal work or services is not pronounced, either at the suit of the employer or the employee. The Court does not seek to compel persons against their will to maintain continuous personal and confidential relations. However, this rule is not absolute and without exception. It has been held that an employer may be restrained from dismissing an employee in breach of contract if there is no loss of confidence between employer and employee or if (at least in a contract of employment to carry out a public duty) the employee has been dismissed in a manner which does not comply with statutory or contractual regulations governing dismissal. No Court may, whether by way of an order of specific performance of a contract of employment or an injunction restraining a breach or threatened breach of such a*

[14](1976) 2 SCC 58

> *contract, compel an employee to do any work or attend at any place for the doing of any work.*
> *This principle applies not merely to contracts of employment, but to all contracts which involve the rendering of continuous services by one person to another, such as a contract to work a railway line..."*

27. Similarly, the above enunciated principle also finds mention in the classic work, i.e., "A Treatise on the Specific Performance of Contracts" by Edward Fry (2nd Edition) at page 40, under the title "Where the enforced performance of the contract would he worse than its non-performance". The relevant paragraph is extracted as follows:

> *"The relation established by the contract of hiring and service is of so personal and confidential a character that it is evident that such contracts cannot be specifically enforced by the Court against an unwilling party with any hope of ultimate and real success ; and accordingly the Court now refuses to entertain jurisdiction in regard to them."*

28. It may be pertinent to note that any contract, particularly those involving personal service or ongoing business relationships, inherently depends on subjective elements like mutual trust, confidence, goodwill, and seamless cooperation. If this trust breaks down, forcing the continuation of such a relationship through specific performance is often impractical and undesirable. In case employers are forced to reinstate an employee with whom they have lost trust, who otherwise does not have any legal right to continue, the possibility of an unworkable and potentially hostile work environment, leading to inefficiency and further disputes, cannot be ruled out. Put otherwise, the ability to discontinue certain professional or business associations is an important aspect of commercial freedom. Nevertheless, the case of an employee governed by a statute or subordinate legislation is

placed on a different footing, as was held in the case of the ***Executive Committee of Vaish Degree College***. For reference, the relevant excerpt from the said judgment is reproduced as under:

> "32…*The doctrine that a contract of personal service cannot be specifically enforced would not stand in the way of the employee, because the termination being null and void, there being no repudiation at all in the eye of the law, there would be no question of enforcing specific performance of the contract of employment. What the employee would be claiming in such a case is not enforcement of a contract of personal service but declaration of statutory invalidity of an act done by the employer*…"

29. If the facts of the present case are tested on the touchstone of the aforesaid enunciation of law, it is discernible that this case does not fall within any of the aforementioned three exceptions. The plaintiff/non-applicant is neither a "workman" as defined under Section 2(s) of the Industrial Disputes Act, 1947, nor is the defendant no.1/applicant a 'statutory body'. There is no specific statute governing the service conditions as well. Instead, the present matter concerns a case of private employment, governed solely by agreed-upon terms of the employment contract between the plaintiff/non-applicant and the defendant no.1/applicant.

30. Furthermore, it is a settled law that the rights and obligations of employees in private institutions are governed by the terms of an 'employment contract'. Even in cases of wrongful termination by a private employer, the employee may, at best, be entitled to damages, provided the contract is not determinable. Any such relief must be properly pleaded and justified in the plaint.

31. The Supreme Court in ***S.S. Shetty*** authoritatively reaffirmed the settled position under common law that, where a master wrongfully dismisses a servant, the servant is entitled only to such damages as would compensate for the loss of income during the notice period or until alternative suitable employment is secured, whichever is earlier. Where the employment contract provides for termination by notice, the quantum of damages is ordinarily restricted to the wages payable during that notice period.

32. The Supreme Court in the aforesaid decision further clarified that compensation cannot be awarded for emotional distress, injury to reputation, or the added difficulty in obtaining new employment resulting from the dismissal. A wrongfully dismissed employee is under a duty to mitigate damages by making reasonable efforts to secure other employment, and any suitable offer received may be taken into account in assessing the final amount of compensation. Paragraph no. 12 of the judgment specifically reinforces this principle, and the same reads as under:

> *"12. The position as it obtains in the ordinary law of master and servant is quite clear. The master who wrongfully dismisses his servant is bound to pay him such damages as will compensate him for the wrong that he has sustained. "They are to be assessed by reference to the amount earned in the service wrongfully terminated and the time likely to elapse before the servant obtains another post for which he is fitted. If the contract expressly provides that it is terminable upon,. e.g., a month's notice, the damages will ordinarily be a month's wages .... No compensation can be claimed in respect of the injury done to the servant's feelings by the circumstances of his dismissal, nor in respect of extra difficulty of finding work resulting from those circumstances. A servant who has been wrongfully dismissed must use diligence to seek another employment, and the fact that he has been offered a suitable post may be taken into account in assessing the damages." (Chitty on Contracts, 21st Edn., Vol. (2), p. 559 para 1040)."*

33. Further, in ***J. Tiwari***, which has been strenuously relied upon by defendant no.1/applicant, the Supreme Court, while following the decision in ***Executive Committee of Vaish Degree College***, reaffirmed that where an employment contract is terminable by notice, the only remedy available to the employee even in cases of wrongful termination is compensation by way of damages, not reinstatement. Therefore, in the present case, reliefs such as reinstatement or damages for loss of expected future income are barred under Section 14(d) of the SRA, 1963, as the contract is determinable in nature and specifically provides for termination upon giving three months' notice or salary in lieu thereof.

34. Insofar as the reliance placed on ***Binny Ltd. v. V. Sadasivan***[15]., the Supreme Court conclusively held that the principles of public law and administrative law do not apply to private employment. This principle has been consistently followed by this Court in a series of decisions, including ***Satya Narain Garg***, ***GE Capital Transportation Financial Services Ltd. v. Tarun Bhargava***[16], ***Pawan Kumar Dalmia,*** and ***L.M. Khosla v. Thai Airways International Public Co. Ltd.***[17], thereby reinforcing the legal position that private employment contracts are governed strictly by the terms of the contract and not by principles applicable to public employment.

35. The judgment of ***L.M. Khosla*** delineates the legal principles with clarity and from their correct perspective. Paragraph 24, in particular, succinctly sets out the applicable legal doctrines, which are summarised below:

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[15] (2005) 6 SCC 657
[16] 2012 SCC OnLine Del 1684
[17] 2012 SCC OnLine Del 4019

(i) Contracts of private employment are distinct from public employment and do not invoke public law principles.

(ii) Where a contract provides for termination by notice, onlythe pay corresponding to that notice period is recoverable.

(iii) Under Section 14(1)(c) of the Specific Relief Act, contracts that are determinable cannot be specifically enforced.

36. In ***Pearlite Liners (P) Ltd.***, the Supreme Court held that where the relief claimed in a suit is not legally tenable, such a suit should be dismissed at the threshold and need not be proceeded to trial. This principle reflects the importance of evaluating the legal sustainability of the reliefs sought at the initial stage.

37. Furthermore, the judicial pronouncements relied upon by the plaintiff/non-applicant are clearly distinguishable. In ***Hema Gusain***, the Court allowed the suit to proceed under Order VII Rule 11 CPC on the ground that the issue of damages arising from alleged illegal termination warranted adjudication at trial. However, the decision was based on the presence of a specific and well-pleaded claim for damages directly linked to the alleged wrongful termination. In contrast, the present case does not involve a claim for damages on account of wrongful termination, but rather seeks a decree of Rs. 2 Crores for alleged harassment, hardship, and victimisation claims that lack the requisite pleadings and are not legally tenable in the context of a determinable contract.

38. Therefore, any alleged loss of income or suffering resulting from harassment, hardship, or victimisation is not independently compensable

when the underlying employment contract is determinable by notice. Such claims lie outside the ambit of enforceable reliefs, as they do not arise from a breach of contractual obligations but rather from general grievances, which the law does not recognise as a basis for substantial monetary compensation in this context.

39. Bearing in mind the aforesaid analysis, the legal principles laid down in ***S.S. Shetty*** and a series of consistent precedents squarely apply to the present case. These authoritative pronouncements unequivocally establish that in matters involving determinable contracts, the only permissible remedy, if any, is compensation strictly in accordance with the terms of the contract. The Courts have repeatedly held that reinstatement or damages beyond what the contract expressly provides are impermissible. Accordingly, the reliefs sought by the plaintiff/non-applicant, being contrary to the established legal framework, are not maintainable, and the suit is liable to be rejected as barred by law.

40. In view of the aforesaid, the instant application is allowed and the plaint is rejected.

41. Accordingly, the instant civil suit bearing CS(OS) 208/2024 stands disposed of along with all pending applications.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

JULY 02, 2025
Nc