



WEB COPY



O.A.No.188
in C.S.No.20 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 10.03.2023

DELIVERED ON: 13.03.2023

CORAM:

THE HON'BLE MR.JUSTICE K.KUMARESH BABU

O.A.No.188 of 2023
in C.S.No.20 of 2022

Madras Race Club,
Rep. by its Secretary,
Mr.Nirmal Prasad,
Having Registered Office at
Post Box No.2639,
Madras Race Club, Guindy,
Chennai – 600 032.

... Applicant

Vs.

The Tamil Nadu Cricket Association,
Rep. by its Hon. Secretary,
R.S.Ramasaamy,
Having Office at
M.A.Chidambaram Stadium,
Victoria Hostel Road, Chepauk,
Chennai – 600 005.

... Respondent

Prayer: Original Application filed under Order XIV Rule 8 of Original Side Rules r/w Order XXXIX Rule 1, 2 and Section 151 of CPC, to pass an order of ad interim temporary injunction restraining the respondent/defendant from in any manner preventing the applicant/plaintiff from taking the benefit of complimentary tickets and discounted tickets that it continuously received until the last match held on 15.12.2019 as per the Memorandum of Understanding



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entered between the parties, dated 21.04.1997, and the consequently directing the respondent to continue to issue tickets for the upcoming One Day International Match between India and Australia on 22.03.2023 to be held at M.A.Chidambaram Stadium, Chepauk, Chennai pending disposal of the above suit.

For Applicant : Mr.P.H.Arvind Pandian, Senior Counsel
for Mr.T.Balaji

For Respondent : Mr.P.R.Raman, Senior Counsel
for Mr.C.Seethapathy

ORDER

The instant application has been filed seeking for an ad interim temporary injunction restraining the respondent/defendant from in any manner preventing the applicant/plaintiff from taking the benefit of complimentary tickets and discounted tickets that has been continuously received until the last match held on 15.12.2019 as per the Memorandum of Understanding entered between the parties, dated 21.04.1997, and consequently directing the respondent to continue to issue tickets for the upcoming One Day International Match between India and Australia on 22.03.2023 to be held at M.A.Chidambaram Stadium, Chepauk, Chennai pending disposal of the above suit.



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2.The suit has been originally filed for a mandatory injunction to direct the respondent/defendant to specifically perform the Memorandum of Understanding dated 21.04.1997 by issuing 600 complimentary tickets and 1300 tickets to the plaintiff at concessional rates and to issue 10 complimentary tickets for the officials of the plaintiff for One Day International Cricket Matches, including Indian Premier League and any other Premier League at M.A.Chidambaram Stadium.

3.Thereafter an amendment was sought for and the suit has been amended with an additional prayer to declare the termination of the Memorandum of Understanding dated 21.04.1997 vide a letter of termination dated 22.01.2022, as null and void and not binding on the plaintiff.

4.Heard Mr.P.H.Arvind Pandian, learned Senior Counsel appearing on behalf of Mr.T.Balaji, learned counsel for the applicant and Mr.P.R.Raman, learned Senior Counsel appearing on behalf of Mr.C.Seethapathy, learned counsel for the respondent.

5.Mr.P.H.Arvind Pandian, learned Senior Counsel appearing on behalf of the applicant would submit that the applicant is a Company registered under



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Section 25 of the Companies Act and had been established in the year 1896 for promotion of racing sports and other gaming activities. He would submit that the erstwhile President of the Madras Cricket Association had approached the applicant vide a letter dated 02.11.1969 seeking to raise funds for the promotion of the sport of cricket by construction of a Stadium in the City of Chennai. The applicant was promised that in return of such contribution/donation, a certain number of complimentary tickets as well as tickets on discounted rates would be made available to the donor/contributor. Based on the said request, considering that such donation would be for the benefit of development of a sport and also taking into consideration, the members of the applicant club would also be benefitted by the offer it had contributed Rs.8 lakhs for the construction of M.A.Chidambaram Stadium. A stand in the Stadium was also named after the applicant club viz., MRC stand. As per its commitment, the respondent has also provided complimentary tickets and discounted tickets. Due to the change in Office Bearers of the respondent Association there was an attempt to wriggle out of the understanding.

6.Hence, the applicant club had initiated a suit in C.S.No.1520 of 1994 before this Court and also interim orders were made to implement the understanding and as the interim orders were sought to be violated, the



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applicant had approached this Court by way of a Contempt Petition in Cont.P.No.368 of 1994, wherein this Court was pleased to issue certain directions. In compliance with the directions Memorandum of Understanding was entered between the applicant and the respondent, wherein the applicant had agreed to issue 600 complimentary tickets, 1300 tickets at a concessional rate of 75% of the price of the tickets and also agreed to issue 10 complimentary tickets for the use of officials of the applicant in stand "A". Such Memorandum of Understanding was entered upon on 21.04.1997, and thereafter, by letter dated 22.04.1997 the then Secretary of the respondent had issued tickets for the match that was held on 21.05.1997. He would submit that the said Memorandum of Understanding had been implemented continuously till the match that was last conducted on 15.12.2019 between India and West Indies.

7.He would submit that while the said understanding had been continuously acted upon by both the parties. The applicant was served with a letter by the respondent dated 07.12.2021, wherein a decision of the respondent to discontinue the tickets to the applicant was intimated. He would submit that the said letter was stoutly replied to through their lawyer and had called upon the respondent to withdraw their letter dated 07.12.2021 and to reaffirm the



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Memorandum of Understanding dated 21.04.1997. In reply to the said notice, the respondent through their lawyer had replied stating that since the old Stadium for which the applicant had contributed had been demolished and a new Stadium had been constructed, there was no necessity to adhere to the earlier Memorandum of Understanding, since the substratum of the Memorandum of Understanding dated 21.04.1997 had been eroded. It was further indicated that it is bound by the resolution dated 06.12.2021 made at the Annual General Meeting of the respondent to discontinue the issuance of tickets based upon the Memorandum of Understanding.

8.Mr.P.H.Arvind Pandian, learned Senior Counsel would submit that the Memorandum of Understanding dated 21.04.1997 would continue to be binding on the parties unless and until it is mutually agreed upon to be rescinded. He would submit that the applicant had been instrumental by making the contribution as requested by the respondent for development of the sport of cricket. For the contribution that had been initially made by the applicant and such other persons, M.A.Chidambaram Stadium would not have come into existence.



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9.He would also submit that 1300 tickets were issued to the applicant at a concessional rate, which the applicant had agreed to purchase, as it would go towards the maintenance of Stadium. He would further submit that the respondent having entered upon a Memorandum of Understanding with the respondent cannot now take shelter under the alleged unilateral resolution dated 06.12.2021 to make a tall claim that it will not adhere to the bilateral Memorandum of Understanding. He would also further submit that even in spite of the Stadium being reconstructed in the year 2011, the respondent had been continuously honouring the commitment made under the Memorandum of Understanding and now cannot turn around and say substratum of Memorandum of Understanding had eroded as the old Stadium was demolished and a new Stadium had been constructed. He would submit that the conduct of the respondent in honouring the Memorandum of Understanding even after the new Stadium which has been admittedly constructed in the year 2011 would only espouse the claim of the applicant that the Memorandum of Understanding is binding upon the parties unless or until it is mutually rescinded.

10.He would also rely upon a judgment of this Court in a Contempt Petition in Cont.P.No.410 of 1995, which is interse parties to submit that only



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based upon the Memorandum of Understanding and apology that has been tendered, the Contempt Petition was closed with a direction to give effect to the Memorandum of Understanding without waiting for the orders either from this Court or other Courts. He would further rely upon a judgment of the Hon'ble Apex Court in ***Hindustan Petroleum Corpn. Ltd. vs. Sriman Narayan and Another*** reported in ***2002 (5) SCC 760*** to contend that the Court while dealing with an interlocutory relief must weigh one need against another and determine where the balance of convenience lies so as to mitigate the risk of injustice. Hence, he would plead that the application may be ordered as prayed for.

11.Countering his arguments, Mr.P.R.Raman, learned Senior Counsel appearing on behalf of the respondent would submit that the applicant is seeking a perpetual claim under the Memorandum of Understanding. He would submit that it is true that the applicant had made some contributions for construction of a Stadium in the early 70'S. At that point of time, the Stadium had a capacity of 50,000 audience. As the old Stadium became weak and dilapidated, a decision was taken by the respondent Association to construct a new Stadium and the permission has also been granted by the Authorities to construct a Stadium with a seating capacity of 35,000 only. He would therefore submit that the capacity of the Stadium had been substantially decreased.



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12.He would further submit that the applicant had approached this Court in C.S.No.204 of 1996 and C.S.No.810 of 2004 on the basis of the very same understanding. The suit in C.S.No.810 of 2004 has been disposed of without passing any decree in favour of the applicant. Therefore, he would submit that the present suit as framed by the applicant itself is not maintainable. He would vehemently contend that the instant application made by the applicant deserves no consideration. He would submit that the Hon'ble Apex Court had appointed a Committee under the Chairmanship of Hon'ble Justice Lodha for administration of BCCI, the parent body of the respondent. The said Committee had made various recommendations which had been accepted by the Hon'ble Apex Court and was directed to be implemented by the BCCI and also the affiliated Associations. Once such recommendation was with regard to issuance of tickets for the matches to be conducted by the respective Associations. He would submit that pursuant to the directions issued amendments have also been made to the Byelaws of the Association not to issue complimentary tickets to any person whomsoever. On the ground itself, he would submit that the terms of the Memorandum of Understanding has been impliedly effaced.



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13.He would further submit that a resolution had been carried out by the members of the respondent to discontinue the complimentary tickets and tickets at a concessional rate to the applicant. Since a resolution has been passed unanimously by the members of the respondent Association, the respondent is bound by it. Therefore, he would submit that there is no infirmity in the decision of the respondent in declining to issue tickets as agreed under the Memorandum of Understanding that had been entered between the parties 35 years back.

14.He would further submit that, in view of the subsequent change of events, the claim of the applicant that the Memorandum of Understanding dated 21.04.1997 will have to be acted upon in perpetuity is wholly unfounded. Therefore, he would submit that there is no balance of convenience in favour of the applicant and if any such interim order is passed, it would only affect the rights of the respondent as the income and expenditure with regard to the match that is to be conducted on 22.03.2023 has already been finalised. Hence, any interim order passed in favour of the applicant would have a direct impact in the conduct of the match and therefore it would cause great inconvenience to the respondent.



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15.In reply, Mr.P.H.Arvind Pandian, learned Senior Counsel would submit that only reason that has been made in the alleged order of termination is that a resolution had been made by the members of the Association considering the fact that the old Stadium had been demolished and new Stadium had been constructed. Therefore, he would request this Court to not to look into other arguments made by the learned Senior Counsel for the respondent to which, Mr.P.R.Raman, learned Senior Counsel for the respondent relying upon a judgment of the Hon'ble Apex Court in ***Juggilal Kamlapet vs. Pratapmal Rameshwar*** reported in ***1978 (1) SCC 69*** would submit that the arguments made by the learned Senior Counsel for the applicant that no reasons other than the reason assigned in the order of termination could not be accepted would only be applicable to a writ proceedings. In civil proceedings, where the rights of the parties have been determined the reasons of termination of Memorandum of Understanding can also be sustained based upon the reasons that were all available to the respondent at the time of termination.

16.I have considered the rival submissions made by the learned Senior Counsel appearing on either side and perused the materials available on record before this Court.



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17.It is an admitted case that the applicant had been issued with 600 complimentary tickets to its members, 1300 tickets at a concessional rate to its members and 10 complimentary tickets to its officials which had been extended by the respondent based upon an understanding which to be culminated into a written Memorandum of Understanding on 21.04.1997 and which had been acted upon till 2019. The present dispute had arisen inter se parties when the respondent decided to not honour the Memorandum of Understanding based upon a resolution passed by the Annual General Meeting of the members of the respondent Association.

18.The suit had been initiated originally to seek for a mandatory injunction to direct the respondent/defendant to perform their part of the Memorandum of Understanding. The respondent by a letter dated 07.12.2021 had informed the applicant that they have taken a decision to discontinue the issuance of tickets based upon the Memorandum of Understanding. The said communication dated 07.12.2021 would be worthwhile to be analysed. The reason assigned for discontinuation of Memorandum of Understanding is that based upon a resolution which was placed a member club during the Annual General Meeting held on 06.12.2021 with regard to discontinuing 600 complimentary tickets, 1300 tickets at a concessional rate and 10



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complimentary tickets offered to applicant at various stand for all BCCI matches and that the members present had unanimously decided to approve the resolution. Pursuant to the said letter, a legal notice was issued by the applicant calling upon the respondent to withdraw the letter dated 07.12.2021 and reaffirm the Memorandum of Understanding dated 21.04.1997.

19.A reply to the said legal notice has also been effected by the respondent. Reply reiterates the resolution passed at the Annual General Meeting of the respondent on 06.12.2021. The said reply of the respondent is dated 22.01.2022. An amendment to the plaint had been sought for by the applicant which has also been accepted by the Court and amendment has been carried out. The amendment had been made based upon a letter issued by the respondent on 22.01.2022 terminating the Memorandum of Understanding dated 21.04.1997 stating that the very substratum of Memorandum of Understanding had disappeared and the Memorandum of Understanding is not binding. Originally, the applicant had also filed an application for interim relief in O.A.No.37 of 2022.

20.A typed set of papers had been filed by the respondent in the same, has also been relied upon by the learned Senior Counsel for the respondent in the



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present application also. An email dated 21.01.2022 which had emanated from the office of the respondent had been annexed in the same. The said email had emanated from the office of the respondent at 5.30 P.M. It is relevant to extract the said email for better appreciation of the facts in the present application.

TO:

*Office – Bearers and Members of the Apex Council of the
TNCA*

RESOLUTION BY CIRCULATION

It is hereby resolved to terminate the MOU dated 21.04.1997 signed between TNCA and MRC by the Members of the Apex Council pursuant to the motion passed in 89th AGM of the Association held on 06.12.2021.

EXPLANATORY NOTE

As you may be aware the old stadium was demolished and a new Stadium was rebuilt in 2011. In the AGM held on 06th December 2021 a resolution was placed by a Member Club with regards to discontinuing the 600 Free tickets, 1,300 Concessional tickets (priced at 75% of the cost) and 10 Complimentary tickets being offered to Madras Race Club at various stands for all BCCI matches as per TNCA letter dated 24.04.1997 along with an MOU signed between the TNCA and Madras Race Club dated 21.04.1997.

(R.S.Ramasamy)



Hon Secretary

Members are requested to approve the resolution through E-Mail.

21.A reading of the email would show that a resolution was sought to be passed to terminate the Memorandum of Understanding dated 21.04.1997 by circulation, based upon a motion by a member club in the Annual General Meeting held on 06.12.2021. The said email had been circulated only to the Office Bearers and the members of the Apex Council of Tamil Nadu Cricket Association who seems to have approved the same by reply emails from such members from 05.22 P.M on 21.01.2022 and the last of such email at 10.10 P.M. on 25.01.2022. Further as claimed by the respondent in letter addressed to the application on 07.12.2021, the resolution has not been unanimously approved by the members of the respondent Association on the Annual General Meeting held on 06.12.2021. This is supported by the email of the office of the respondent, wherein it has categorically in clear terms stated that in the Annual General Meeting held on 06.12.2021, a resolution was moved by a member club to discontinue the issuance of tickets to the applicant. The said subject was placed only before the Office Bearers and members of the Apex Council of the respondent by way of circulation and therefore, the statement made by the respondent it is communication dated 07.12.2021 seems to have been ill



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placed. Further, it is also worthwhile to note that the respondent had issued a letter of termination of the Memorandum of Understanding dated 21.04.1997 on 22.01.2022. It is not known as to why the termination notice dated 22.01.2022 was not mentioned in the reply notice of the respondent dated 22.01.2022 sent to the applicant.

22. Even according to the various communications sent by the respondent, it has been specifically stated that a new Stadium had come up in the year 2011. Even an explanatory note to the email addressed by the office of the respondent to its members dated 21.01.2022 also speaks about the same. The relevant portion of the said email is extracted hereunder:

TO:

*Office – Bearers and Members of the Apex Council of the
TNCA*

RESOLUTION BY CIRCULATION

It is hereby resolved to terminate the MOU dated 21.04.1997 signed between TNCA and MRC by the Members of the Apex Council pursuant to the motion passed in 89th AGM of the Association held on 06.12.2021.

EXPLANATORY NOTE

As you may be aware the old stadium was demolished and a new Stadium was rebuilt in 2011.



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23.It is an admitted case that the respondent have been extending the complimentary tickets and tickets at concessional rates till that last match was played in the year 2019. Hence, the respondent had been honouring its commitment under the Memorandum of Understanding even after the new Stadium had been built for almost nearly a decade.

24.Further arguments made by the learned Senior Counsel for the respondent, that pursuant to the recommendations of Hon'ble Justice Lodha Committee, the Hon'ble Apex Court had issued directions to amend the byelaws in respect of the sale of tickets and in view of such directions also there is a prohibition to provide complimentary tickets. It is relevant to note Hon'ble Justice Lodha Committee had submitted a report in the year 2015 and the Hon'ble Apex Court has passed final orders in the year 2016. The respondent had been honouring its commitment till the year 2019 which would only presuppose even after the directions issued by the Hon'ble Apex Court, the respondent had been honouring its commitment in favour of the applicant.

25.In view of the aforesaid discussions and findings, I am prima facie convinced that the applicant is entitled to receive the complimentary tickets and also the tickets at concessional rates. But, however, considering the fact



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that the termination of the Memorandum of Understanding is the subject matter of the suit and if the applicant fails to succeed in the suit, it would cause great prejudice to the respondent. Therefore, considering the balance of convenience of either party, I direct the respondents to issue 600 complimentary tickets and 1300 tickets at a concessional rate. But, however, the applicant shall deposit the actual value of 600 tickets and 25% of the value of 1300 tickets to the credit of the suit. The applicant shall pay 75% of the value of 1300 tickets to the respondent directly. Considering the fact that the match is to be held on 22.03.2023, the said payment shall be made on or before 16.03.2023 and on such payment as directed supra, the respondent shall issue tickets to the applicant on or before 20.03.2023. As regards 600 complimentary tickets issued, it shall be utilized by its members only, as the same has been agreed only to be issued for the benefit of the members of the applicant.

26. With the aforesaid directions, the application is disposed of. However, there shall be no order as to costs.

13.03.2023

Index: Yes/no
Speaking order: Yes/no
Neutral citation: Yes/no

Issue order copy on 13.03.2023

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K.KUMARESH BABU, J.

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