



C.M.A.No.570 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

WEB COPY JUDGMENT RESERVED ON : 17.04.2023

JUDGMENT PRONOUNCED ON : 07.07.2023

CORAM

THE HON'BLE MRS.JUSTICE N.MALA

C.M.A.No.570 of 2023
and C.M.P.NO.4873 OF 2023

S.Thangaraj ...Appellant
vs.

Mr.K.T.Chithiraimuthu (a) K.T.Muthu ... Respondent

Prayer: Civil Miscellaneous Appeal is filed under Order 43 Rule (1) of CPC, praying to set aside the impugned order dated 18.02.2022 passed in unnumbered O.S.Sr.No.15925 of 2021 by the learned I Additional City Civil Judge, FAC V Additional Judge, Chennai and thereby to direct the registry to number the Summary Suit bearing O.S.Sr.No.15925 of 2021 by taking the same on the file of the learned City Civil Court, Chennai.

For Appellant : Ms.S.K.Inthu

For Respondent : No appearance

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J U D G M E N T

This Civil Miscellaneous Appeal is filed by the appellant to set aside the impugned order dated 18.02.2022 passed in unnumbered O.S.Sr.No.15925 of 2021 by the learned I Additional City Civil Judge, FAC V Additional Judge, Chennai and thereby to direct the registry to number the Summary Suit bearing O.S.Sr.No.15925 of 2021 by taking the same on the file of the learned City Civil Court, Chennai.

2. According to the learned counsel for the appellant he got acquainted with the respondent in the year 2015, through a common friend. The respondent requested the appellant for financial assistance and the appellant had advanced a total sum of Rs.7,00,000 as hand loan to the respondent. For repayment of such loan the respondent had issued two cheques dated 01.03.2021 for Rs.7,14,000/- and another dated 10.03.2021 for Rs.7,14,000/- for the total sum of Rs.14,28,000/- towards repayment of Rs.7,00,000/- and interest amount of Rs.7,28,000/- (i.e.) 2% per month for



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52 months from October 2016 till March 2021. The said cheques were drawn on Indian Bank, Ramapuram Branch, Chennai. When the appellant presented the cheques for encashment in his bank i.e. at Karur Vysya Bank, Chennai Main Branch, Parrys, Chennai – 600 001 for clearance on 19.03.2021, the same was dishonoured for want of sufficient funds. The dishonour of the aforesaid cheques was intimated through Banker's Memo dated 20.03.2021 to the appellant. The appellant therefore filed the above summary suit for recovery of Rs.14,28,000/-, viz. the value of the returned cheques among other reliefs. The learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court vide the impugned order dated 18.02.2022 returned the plaint under Order VII Rule 10 CPC for presentation before the proper Court of Territorial Jurisdiction, on his finding that the City Civil Court, Chennai had no territorial jurisdiction to try the case. Aggrieved by the order passed by the learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court, the above appeal is filed by the plaintiff/appellant.

3.The learned counsel for the appellant among other grounds raised in



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the grounds of appeal submitted that the learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court erred in returning the plaint without considering the fact that the Court had absolute territorial jurisdiction to adjudicate the summary suit against the respondent.

4.The learned counsel for the appellant submitted that the suit was filed under Order 37 Rule (1) of CPC for recovery of the admitted amount of Rs.14,28,000/- as evidenced by the returned cheques. The learned counsel further submitted that as the cheques were dishonoured on presentation in the appellant's bank viz., Karur Vysya Bank, Chennai Main Branch, Parrys, Chennai – 600 001, the City Civil Court, Chennai had jurisdiction to try the case. The learned counsel further submitted that the learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court failed to note that there was a Memorandum of Understanding entered between the parties on 21.10.2016, wherein it was agreed by both the appellant and the respondent that the disputes arising out of the said money transactions would be submitted to the jurisdiction of the Chennai Court. The learned counsel on these and other grounds raised in the grounds of appeal



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submitted that the order of the learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court deserved to be set aside and the appeal allowed.

5.I have heard the learned counsel for the appellant and have perused the materials on record.

6.A reading of the plaint in so far as it relates to the territorial jurisdiction of the Court in Chennai is concerned is as follows:

“8. It is submitted that, without any other go, the Plaintiff was keep on demanding for the payment with the defendant. Further, after various follow ups to recover the said sum, several months later, the Defendant came forward and agreed to pay the total principal along with interest in two tranches and issued two cheque dated 01.03.2021 for Rs.7,14,000/- and another cheque dated 10.03.2021 for Rs.7,14,000/- for the total sum of Rs.14,28,000/- (Rupees Fourteen Lakhs and Twenty Eight Thousand Only) towards the repayment of Principal amount of Rs.7,00,000/- and Interest amount of Rs.7,28,000/- (i.e.) 2% per month for 52 months from October 2016



till March 2021). The details of the said Cheques are the first Cheque bearing No.478213 dated 01.03.2021 for Rs.7,14,000/- drawn on Indian Bank, Ramapuram Branch, Chennai and the second Cheque bearing No.478214 dated 10.03.2021 for Rs.7,14,000/- drawn on Indian Bank, Ramapuram Branch, Chennai.

9.The Plaintiff further submits that trusting upon the Defendant words, the Plaintiff presented the above cheque in his Bank (i.e.) Karur Vysya Bank, Chennai Main Branch, Parrys, Chennai – 600 001 for clearance on 19.03.2021 and to the shock and surprise of the Plaintiff, the said cheque got dishonoured for the reason “FUNDS INSUFFICIENT”. The dishonor of the Cheque bearing No.478213 dated 01.03.2021 & 478214 dated 10.03.2021 was intimated through Banker's memo dated 20.03.2021 to the Plaintiff by his bank.”

7.According to the learned counsel for the appellant the cheques were dishonored on presentation of the same for encashment in his bank (i.e. Karur Vysya Bank, Chennai Main Branch, Parrys, Chennai – 600 001) and



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the same was returned as dishonored for want of sufficient funds through the Banker's memo dated 20.03.2021, a part of the cause of action arose within the jurisdiction of the City Civil Court, Chennai and therefore the City Civil Court, Chennai had jurisdiction to try the case. The learned counsel also submitted that the aforementioned averments were made a part of the cause of action for filing the suit. The question therefore to be considered in this appeal is whether mere dishonor of the cheques on presentation in the appellant's bank at Chennai would bring the case within the territorial jurisdiction of the Chennai Court.

8.It is seen from a reading of the entire plaint that the appellant as well as the respondent were residents of Valasarwakkam and Ramapuram respectively. The cheques were drawn by the respondent on Indian Bank, Ramapuram branch, where he was residing. The learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court found that as the appellant and the respondent were residing at Ramapuram and Valsarwakkam, the Courts at Poonamallee alone would have jurisdiction to entertain the suit. The learned Judge rejected the Memorandum of



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Understanding on the ground that the jurisdiction could be conferred only when both the Courts at Chennai and Poonamallee had jurisdiction. On the above said finding, the learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court returned the plaint for presentation before the Court having territorial jurisdiction. As already stated above, a very small part of the cause of action is stated to have arisen within the jurisdiction of the Chennai Court. The appellant relied on the dishonor of the cheques in his bank at Parrys corner, Chennai to file the suit in the City Civil Court, Chennai. The question is whether the above would confer territorial jurisdiction in the Court at Chennai.

9.Mulla on the Code of Civil Procedure while commenting on Section 20 of the Civil Procedure Code defined cause of action in following words:-

"The expression 'cause of action' has acquired a judicially settled meaning. In the restricted sense 'cause of action' means the circumstances forming the infraction of the right or the immediate occasion for the action. In the wider sense, it means the necessary conditions for the maintenance of the suit, including not



only the infraction of the right, but the infraction coupled with the right itself. Compendiously the expression means every fact by which it would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the Court.....
.....”

10.P. Ramanatha Aiyar in Advanced Law Lexicon, 3rd Edition, Volume 1, has defined the cause of action in following words:-

“‘Cause of action’ has been defined as meaning simply a factual situation the existence of which entitles one person to obtain from the Court a remedy against another person. The phrase has been held from earliest time to include every fact which is material to be proved to entitle the plaintiff to succeed, and every fact which a defendant would have a right to traverse. "Cause of action" has also been taken to mean that particular act on the part of the defendant which gives the plaintiff his cause of complaint, or the subject matter of the grievance founding the action, not merely the technical cause of action.”



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11.Black's Law Dictionary defines the cause of action in following words:-

“A group of operative facts giving rise to one or more bases for suing; a factual situation that entitles one person to obtain a remedy in court from another person.....”

12.From the above definition of cause of action, it is seen that the cause of action is a bundle of facts which the petitioner must prove, if traversed, to entitle him to a judgment in his favour. Therefore every material fact which the plaintiff has to prove to succeed and every fact which the defendant would have a right to defendant forms the cause of action for the suit. It is also settled in law that cause of action is depend more on the character of the relief prayed for by the plaintiff, but has no relation to the defence which may be set up by the defendant. Therefore to find out if the Court had territorial jurisdiction to entertain the suit the facts as set forth in the plaint would have to be looked into.



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13. In other words to decide the question of territorial jurisdiction the bundle of facts on which the plaintiff invokes the Court to arrive at a conclusion in his favour has to be considered. In the case on hand, the plaintiff's case is that the cheques issued by the defendant were presented by him in his bank at Chennai and the same were dishonored. The relief prayed for in the suit was based on the dishonored cheques and hence I am of the view that the dishonor of cheques at Chennai which is a part of the cause of action for the plaintiff's suit would bring the suit within the territorial jurisdiction of the Chennai Court.

14. The Hon'ble Supreme Court in the case of Shanti Devi Alias Shanti Mishra vs Union Of India reported in 2020 10 SCC 766, while considering the meaning of cause of action with reference to territorial jurisdiction, but with reference to a case arising out of service law held that even if a small fraction of cause of action accrues within the jurisdiction of the Court, the Court will have jurisdiction in the matter. Therefore following the aforesaid Judgment of the Hon'ble Supreme Court and on the basis of the facts of the present



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case, I am of the view that the Lower Court fell into error in rejecting the
plaint for want of territorial jurisdiction.

15.In the result, this Civil Miscellaneous Appeal is allowed. The order dated 18.02.2022 made in unnumbered O.S.Sr.No.15925 of 2021 by the learned V Additional Judge, City Civil Court, Chennai (FAC) I Additional City Civil Court is set aside. There shall be no order as to costs. Consequently, the connected miscellaneous petition is closed.

07.07.2023

Index : yes/no
Internet : yes/no
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To

1.The V Additional Judge, City Civil Court, Chennai
(FAC) I Additional City Civil Court,
Chennai.



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2.The Section Officer,
V.R.Section,
High Court,
Madras.

N.MALA, J.

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PRE-DELIVERY JUDGMENT IN
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