



WEB COPY



A.No.3002 of 2024 in C.S(COMM DIV)No.215 of 2023

A.No.3002 of 2024 in
C.S(COMM DIV)No.215 of 2023

P.VELMURUGAN, J.

The respondent/plaintiff filed Application No.1868 of 2023 to grant leave to sue the applicant/defendant in the suit filed by the plaintiff for the recovery of money for goods supplied by him, which was allowed on 30.03.2023. To revoke the leave to sue granted vide the said order dated 30.03.2023, the present application has been filed by the applicant/defendant.

2. The learned counsel for the applicant/defendant submits that no cause of action has arisen within the jurisdiction of this Commercial Division. The applicant's registered office is situated at Ramnagar Extension, Rudrampet, Anantapur, Andhra Pradesh, and the goods were delivered to the applicant/defendant in Anantapur, Andhra Pradesh, which is outside this jurisdiction. Furthermore, the goods were supplied from a godown located in Vadaperumbakkam, which is also outside the territorial jurisdiction of this Commercial Division. Therefore, this Court has no jurisdiction to entertain the suit.

3. The learned counsel for the respondent/plaintiff submits that part of the cause of action arose within the jurisdiction of this Commercial Division.



A.No.3002 of 2024 in C.S(COMM DIV)No.215 of 2023

The transactions and invoices were issued from the head office within this jurisdiction. He has also submitted that the goods were supplied under various invoices from Chennai, demand notices were issued from Chennai, and payments were made into the plaintiff's HDFC and SBI bank accounts in Chennai. Additionally, he contends that other related activities occurred within this jurisdiction. The bottom of the invoices stated "ALL DISPUTES TO CHENNAI JURISDICTION," and Clause 7 of the terms and conditions on the back of the tax invoice specified that any dispute would be subject to Chennai jurisdiction. Therefore, this court has jurisdiction to entertain the suit. Though initially the plaintiff approached the NCLT since it was a money transaction, the plaintiff later approached this Court and issued a mediation notice to comply with the provision under Section 12A of the Commercial Courts Act. Despite receiving the notice, the defendant did not appear or participate in the mediation proceedings. Since part of the cause of action arose within the jurisdiction of this Commercial Division, the application for granting leave was filed and the same was allowed by this court on 30.03.2023. No valid reason has been given by the applicant/defendant for revoking the leave to sue granted vide order dated 30.03.2023 and hence, the learned counsel prays for dismissal of the application.

4. Heard the learned counsel on either side and perused the materials available on record.



A.No.3002 of 2024 in C.S(COMM DIV)No.215 of 2023

5. A reading of the plaint, along with the documents annexed to the plaint, including letters, invoices, and other email communications, clearly shows that the registered office of the respondent/plaintiff is within the jurisdiction of this court. The invoices were issued from the head office located at Purasawakkam, Chennai, which is within the jurisdiction, and payments were made within the jurisdiction through bank transactions. Although the physical movement of the goods occurred outside the jurisdiction and they were delivered to the defendant's office outside the jurisdiction, part of the cause of action arose within the jurisdiction of this Commercial Division. Additionally, the invoices state at the bottom, "ALL DISPUTES TO CHENNAI JURISDICTION," and Clause 7 of the terms and conditions on the reverse side of the tax invoice specifies that any dispute will be subject to Chennai jurisdiction.

6. It is to be noted that since this is a commercial dispute, the respondent/plaintiff invoked Section 12A of the Commercial Courts Act and filed an application to grant leave. The respondent made all efforts before filing the suit and complied with Section 12A. The Court, after considering the entire averments made in the plaint and the documents annexed, held that part of the cause of action arose within the jurisdiction of this Commercial Division. Therefore, leave was granted.



A.No.3002 of 2024 in C.S(COMM DIV)No.215 of 2023

WEB COPY

7. It is pertinent to note that summons were served to the applicant/defendant, who entered an appearance through counsel and filed a written statement. After the completion of pleadings, the court framed issues. At the time of the case management schedule, the defendant filed the present application to revoke the leave granted by this court. Further, one of the issues framed by this Court on 05.06.2024 pertains to jurisdiction. Since the respondent/plaintiff established a *prima facie* case regarding jurisdiction, this court finds no reason to revoke the leave to sue granted on 30.03.2023. Therefore, the application is dismissed. However, the applicant/defendant is at liberty to address jurisdictional issues during the trial.

01.08.2024

r n s



WEB COPY



A.No.3002 of 2024 in C.S(COMM DIV)No.215 of 2023

P.VELMURUGAN, J.

r n s

A.No.3002 of 2024 in
C.S(COMM DIV)No.215 of 2023

01.08.2024