

**IN THE HIGH COURT OF MADHYA PRADESH  
AT INDORE  
BEFORE**

**HON'BLE SHRI JUSTICE HIRDESH**

**ON THE 5<sup>th</sup> OF FEBRUARY, 2024**

**CIVIL REVISION No. 241 of 2015**

**BETWEEN:-**

**MR. SUNIL LULLA S/O NOT MENTION OCCUPATION: BUSINESS,  
MANAGING DIRECTOR-EROS INTERNATIONAL MEDIA LIMITED  
901/902 SUPREME CHAMBERS OFFICE VEERA DESAI PRASAD  
ANDHERI WEST (MUMBAI) (MAHARASHTRA)**

**.....PETITIONER**

***(SHRI SAMEER ATHAWALE, LEARNED COUNSEL FOR THE PETITIONER)***

**AND**

- 1. NIRMALA JANKI CINEMAS PVT.LTD. THRU.PRAKASH JAJU  
MANAGING DIRECTOR 01, AYODHYAPURI COLONY GRAM  
KODARIYA TEH.MHOW (MADHYA PRADESH)**
- 2. KUNAL KOHLI OCCUPATION: BUSINESS KUNAL KOHLI  
PRODUCTION LIMITED, FIRST FLOOR, FLAT NO. 3, AMARDEEP  
BUILDING, 17, NORTH AVENUE ROAD, GURU GOVINDSINGH JI  
MARG, SANTA CRUZ(WEST) MUMBAI (MAHARASHTRA)**
- 3. VICKY BAHARI OCCUPATION: BUSINESS, KUNAL KOHLI  
PRODUCTIONS LIMITED, FIRST FLOOR, FLAT NO. 03, AMARDEEP  
BUILDING, 17 NORTH AVENUE ROAD, GURU GOVINDSINGHJI  
MARG, SANTA CRUZ(WEST) MUMBAI (MAHARASHTRA)**
- 4. MR. KAMAL JAIN OCCUPATION: BUSINESS,CEO EROS  
INTERNATIONAL MEDIA LTD.SUPREME CHAMBERSOFFICE :  
VEERA DESAI PRASAD, ANDHERI WEST( MUMBAI)  
(MAHARASHTRA)**
- 5. MR. KISHORE LULLA OCCUPATION: BUSINESS, JOINT MANAGING  
DIRECTOR EROS INTERNATIONAL MEDIA LTD. SUPREME  
CHAMBERS,OFFICE VEERA DESAI PRASAD, ANDHERI WEST  
(MUMBAI) (MAHARASHTRA)**

.....RESPONDENTS

*(SHRI LOKESH MEHTA, LEARNED COUNSEL FOR THE RESPONDENT [R-1])*

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*This civil revision coming on for orders this day, the court passed the following:*

**ORDER**

This civil revision under Section 115 of CPC has been preferred against the impugned order dated 10.07.2015 passed by Second Additional District Judge, Mhow, District-Indore in Civil Suit No.8-B/2013, whereby an application filed by the petitioner under Order 7 Rule 10 of CPC challenging the jurisdiction of the court to try the suit has been dismissed.

2. Brief facts of the case are that petitioner and respondent Nos.4 and 5 are the office bearers of M/s. Eros International Media Ltd., Mumbai engaged in the business of purchasing and distributing the films. The respondent No.1 filed a civil suit before the court at Mhow, District-Indore against the petitioner and respondent Nos.2 to 5 for the recovery of amount of Rs.74,11,600/- on the ground that the plaintiff/respondent No.1 happens to be a limited company and are engaged in the business of commission agent in the film distribution, sale and purchase of films and they receive 2% as the commission in the process but in the present case this commission was 1.5%. The case of the plaintiff is that the defendant Nos.1 and 2 (respondent Nos.2 and 3) produced a film "Teri Meri Kahani" which was to be distributed throughout India for which services of plaintiff was availed. The contention of the plaintiff is that he got a deal struck with M/s. Wave Industries Pvt. Ltd. who agreed to purchase the film for consideration of Rs.48 Crores, therefore, petitioner is entitled

for receiving his commission as Rs.72 Lacs. According to the plaintiff, the negotiation in this regard took place at various places like Mumbai, Delhi and Gaziabad and certain phone calls were also made from the plaintiff's registered office at Mhow. Hence, the cause of action has arisen at Mhow.

3. The petitioner and respondent Nos.4 and 5 preferred an application under Order 7 Rule 10 of CPC before the Court at Mhow contending that no cause of action has arisen at Mhow where the office of the plaintiff/respondent No.1 is situated and if at all a cause of action has arisen, the same would have arisen either at Mumbai or at Delhi. The aforesaid application was opposed by the respondent No.1 by filing a reply.

4. The contention of the learned counsel for the petitioner is that the lower court without properly considering the application of the petitioner vide order dated 10.07.2015 held that the jurisdiction to try the case of the plaintiff lies at Mhow court only, as the registered office of the plaintiff is at Mhow, District-Indore and certain e-mails and phone calls have been placed from Mhow, which has also given rise to the jurisdiction of Mhow Court. He further submits that impugned order is contrary to facts and law on record as no cause of action has arisen at Mhow. The negotiations took place at Mr. Ponty Chaddhas Farm House at New Delhi thus, no cause of action has arisen at Mhow and one of the defendants has never had any negotiations or agreements at Mhow and as such nothing material has taken place at Gram Kodariya, Tehsil, Mhow. He further submits that Section 20 of CPC does not entitle a person to file a suit where he resides or has place of business.

5. Learned counsel for the petitioner has placed reliance upon the judgment

delivered by the Apex Court in the case of **Archana Sarees, Chanderi, Dist. Ashok Nagar Vs. M.P. Handicraft and Handloom Development Corporation Ltd., Bhopal and others, 2010 (MA No.958/2007 decided on 19.02.2020, Gwalior) MPLJ 88.**

6. Learned counsel for the respondent opposed the petition and supported the impugned order stating that cause of action has arisen at Mhow and the Court at Mhow certainly has the jurisdiction to entertain the suit. He placed reliance upon the judgment delivered by the Apex Court in the case of **Trimax International FZE Limited, Dubai Vs. Vedanata Aluminium Limited, India, 2010 (3) SCC, 1.**

7. Heard learned counsel for the parties at length and perused the record of the case.

8. In the present case, the contention of the petitioner is the court at Mhow has passed the order without having territorial jurisdiction. Section 20 of CPC reads as under;-

**“20.** Other suits to be instituted where defendants reside or cause of action arises:-

Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction-

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises.

<sup>1</sup>[\* \* \*]

<sup>2</sup>[Explanation].-A corporation shall be deemed to carry on business at its sole or principal office in <sup>3</sup>[India] or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place.

9. In the case of **Archana Sarees, Chanderi, Dist. Ashok Nagar (supra)** a coordinate Bench of this Court has discussed the latest judgment of Supreme Court demonstrating the cause of action and territorial jurisdiction. Para 14 of the judgment reads as under;

“14. A close analysis of the latest Judgment of the Supreme Court demonstrate that the Phrases "Cause of Action" and "Territorial Jurisdiction" have been meticulously examined by the Supreme Court, in the context of a variety of Laws, for ascertaining the accrual of the cause of action and in a recent Judgment reported as **Sonic Surgical Vs. National Insurance Company Ltd.**, the Supreme Court, while analyzing Section 17 of the Consumer Protection Act, has clarified about the accrual of a cause of action at the Branch Office that a "Branch Office" of a Corporation would mean only "that Branch Office", where the cause of action has actually arisen and not all the Branch Offices of a Corporation. Relevant Paragraphs of this Judgment are quoted herein below ;

10. In our opinion, an interpretation has to be given to the amended Section 17(2)(b) of the Act, which does not lead to an absurd consequence. If the contention of the learned Counsel for the appellant is accepted, it will mean that even if a cause of action has arisen in Ambala, then too the complainant can file a claim petition even in Tamil Nadu or Gauhati or anywhere in India where a branch office of the Insurance Company is situated. We cannot agree with this contention. It will lead to absurd consequences and lead to bench-hunting. In our opinion, the expression "branch office" in the amended Section 17(2)

would mean the branch office where the cause of action has arisen. No doubt this would be departing from the plain and literal words of Section 17(2)(b) of the Act but such departure is sometimes necessary (as it is in this case) to avoid absurdity. (Vide G.P. Singh's Principles of Statutory Interpretation, 9th Edn., 2004).

**11.** In the present case, since the cause of action arose at Ambala, the State Consumer Disputes Redressal Commission, Haryana alone will have jurisdiction to entertain the complaint.

**10.** The term “cause of action” has certainly not been defined in civil procedure code but, Courts of India have perceived the entire bundle of facts to be the relevant facts for constituting a cause of action, which relate the place of occurrence. The facet of “cause of action” would postulate accrual of all relevant facts at a place for attracting “territorial jurisdiction” of a court and as such the phrase. In respect of any cause of action arising at any place where it has also a subordinate office, at such place” used in the explanation appended to Clause (c) of Section 20, Civil Procedure Code would acquire prominence for appreciating the fact of the accrual of the cause of action at particular place.

**11.** In the present case, according to plaintiff negotiation took place in Delhi at Mr. Ponty Chaddhas Farm House, thus no cause of action has arisen at Mhow as none of the defendants has ever had any negotiation or agreement at Mhow which may give rise to the cause of action at Mhow as such, nothing material has taken place at village-Kadoria, Tehsil-Mhow.

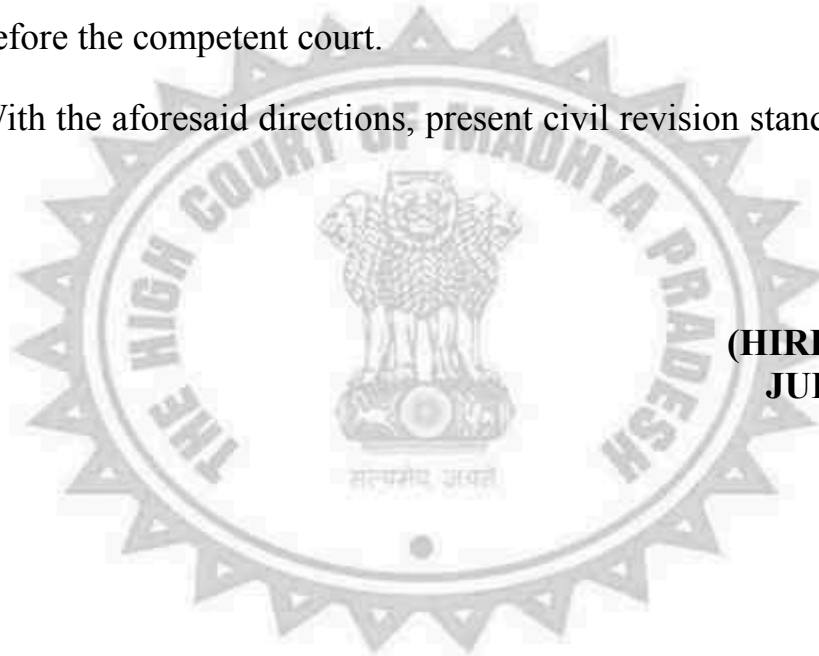
**12.** In the considered opinion of this Court, findings of the court below is that plaintiff had received certain e-mails and phone calls at Mhow, hence, cause of action has arisen at Mhow is totally misplaced. All the defendants resided in Bombay and no corporate office of the defendants

is situated at Mhow and no negotiation took place at Mhow and, therefore, E-mails do not create any cause of action regarding negotiation, hence, in the considered opinion of this Court, trial court has committed error in holding that court at Mhow has territorial jurisdiction to try the suit filed by respondent.

13. In view of the foregoing discussion, in the opinion of this Court, the impugned order passed by trial court is bad in eye of law, which deserves to be set aside and is accordingly, set aside. Trial court is directed to return the plaint to the respondents with liberty to file the plaint before the competent court.

14. With the aforesaid directions, present civil revision stands disposed of.

N.R.



**(HIRDESH)  
JUDGE**