
(2004) 07 AP CK 0055

In the Andhra Pradesh High Court

Case No : Civil Revision Petition No. 2538 of 2003

Mr. S.S.V. Prasad

APPELLANT

Vs

Mr. Y. Suresh Kumar Dass and Mr. Y. Agasteen Swamy Dass

RESPONDENT

Date of Decision : 23-07-2004

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 14 Rule 2, 151, 16, 17, 18
Negotiable Instruments Act, 1881 (NI) — Section 118, 15, 30, 4, 68

Citation : AIR 2005 AP 37 : (2004) 5 ALD 57 : (2004) 5 ALT 814 : (2005) 1 BC 330 : (2005) 1 CivCC 759

Hon'ble Judges : L. Narasimha Reddy, J

Bench : Single Bench

Advocate : M. Venkata Narayana, for the Appellant; M. Subba Reddy, for the Respondent

Final Decision : Dismissed

Judgement

L. Narasimha Reddy, J.—The question that arises for consideration in this C.R.P. is, as to whether it is competent for the holder in due course of a negotiable instrument, to institute a suit in a Court within whose jurisdiction the indorsement on the instrument takes place.

2. The petitioner filed O.S.No.57 of 1999 in the Court of Principal Junior Civil Judge, Kavali, against the respondents for recovery of certain amount, on the strength of a promissory note, dated 20-09-1995. The promissory note is said to have been executed by the respondents in favour of one Dasari Vajayalakshmi. She, in turn, had indorsed the promissory note in favour of the petitioner on 01-04-1998, for a consideration of Rs.30,000/-, at Kavali.

3. The respondents filed written statement. They pleaded that they did not borrow any amount from Dasari Vijayalakshmi and denied execution of the promissory note. They have also disputed her capacity to lend the amount. One of the contentions raised by them is, that they are the residents of Ongole proper, and no cause of action has arisen at Kavali.

4. At one stage, the matter came to be dealt with by this Court in C.R.P.No.592 of 2001. It was disposed of on 25-06-2001, directing the trial Court to frame the following additional issues:

1. "Whether the suit promissory note is true, valid and binding on the defendants ?

2. Whether the Court below has jurisdiction to try the suit ?"

5. Respondents filed I.A.No.2108 of 2001, under Order 14 Rule 2, read with Section 151 C.P.C., requesting the trial Court to decide the preliminary issue, touching on the jurisdiction of the Court. The respondents reiterated their plea that no part of cause of action has arisen within the territorial jurisdiction of the trial Court, and that the plaint deserves to be returned. The application was resisted by the petitioner. Through its order dated 26-07-2002, the trial Court held that it does not have the territorial jurisdiction to entertain the suit, and accordingly returned the plaint, to be presented in a proper Court, having territorial jurisdiction over the matter. Hence this revision.

6. Sri P. Sridhar Reddy, learned counsel for the petitioner submits that the promissory note was indorsed in favour of the petitioner, and thereby he became a holder in due course, as defined under Negotiable Instruments Act (hereinafter referred to as "the N.I. Act"). He submits that since the indorsement has taken place within the territorial jurisdiction of the trial Court, the suit ought not to have been returned. He contends that being a holder in due course, the petitioner can maintain the suit. After referring to the various provisions of the N.I. Act, learned counsel submits that the obligation arising out of a negotiable instrument can be enforced at any place, including the one where it passes on to the holder in due course. Placing reliance upon several judgments rendered by different High Courts, learned counsel submits that the trial Court, in which the suit was presented, did possess the territorial jurisdiction.

7. Sri M. Subba Reddy, learned counsel for the respondents, on the other hand, submits that basically a suit is to be filed in a Court within whose jurisdiction the defendants reside, or where the suit transaction has taken place. He contends that the respondents have not borrowed any amount from Dasari Vijayalakshmi, much less, executed any promissory note in her favour. He contends that even assuming that a promissory note has been executed at Ongole, the suit has to be filed in a competent Court at that place. Learned counsel contends that the so called indorsement, in favour of the petitioner, cannot be pleaded as a cause of action, either in its entirety, or in part, and in that view of the matter, no exception can be taken to the order under revision.

8. Petitioner filed O.S.No.57 of 1999 in the Court of Principal Junior Civil Judge, at Kavali, against the respondents for recovery of certain amount, on the strength of a promissory note said to have been endorsed in his favour, by one Dasari Vijayalakshmi. The respondents filed a written statement, denying the very factum of borrowing the amount from the indorser of the promissory note.

They also raised an objection touching on the territorial jurisdiction. As observed earlier, the matter had come to this Court on earlier occasion, and on the strength of an order passed in C.R.P.No.592 of 2001, two additional issues referred to above were framed. The respondents filed application to decide the preliminary issue, and the trial Court ultimately held that it did not have the territorial jurisdiction. Therefore, it needs to be seen, as to whether it was competent for the petitioner to file a suit in the Court of Junior Civil Judge, Kavali.

9. Even according to the petitioner, the respondents jointly borrowed a sum of Rs.19,000/- on 20-09-1995, from one Vijayalakshmi and jointly executed a promissory note in her favour. This transaction is said to have taken place at Ongole. Vijayalakshmi, in turn, has transferred the promissory note in favour of the petitioner on 01-04-1998, for a consideration of Rs.30,000/-. This indorsement appears to have taken place at Kavali. The petitioner proceeded on the basis that a part of the transaction has taken place at Kavali, and therefore, filed a suit in the Court at that place. In the paragraph dealing with cause of action, he has referred to the two dates, viz., 20-09-1995, when the respondents are said to have executed the promissory note in favour of Dasari Vijayalakshmi; and 01-04-1998, when she is alleged to have transferred the promissory note in his favour.

10. Sections 16 - 21 of C.P.C. lay down the broad principles for identification of the Courts, with reference to the territorial jurisdiction, for the purpose of filing of the suits. Sections 16, 17 and 18 deal with the cases, relating to immovable properties. Section 19 deals with compensation for wrongs to persons or movables. Since the present proceedings relate to recovery of money, it is not necessary to deal with those provisions. The provision, which applies to the suits of this nature, is Section 20. It is useful to extract the provision in its entirety.

Section 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."

11. The predominant factors under this provision are, the place of residence, or

activity of the defendant, and the place where the cause of action in its entirety, or a part, has arisen. Admittedly, the respondents are not residents within the territorial jurisdiction of the trial Court. The basis for the petitioner in instituting the suit at Kavali, is that the cause of action, at least, in part, has arisen at that place.

12. The term "cause of action" is not defined in the C.P.C., or for that matter, in any other enactment. In fact, the phenomenon is such that it is not susceptible to any precise definition. Discussion by jurists, and pronouncement by Courts are to the effect that cause of action is a bundle of facts, which, if proved, would entitle the plaintiff to be granted the relief by the Courts. The expression may take in its fold, the various developments that have taken place, in relation to the transaction, or dispute between the plaintiff, on the one hand, and the defendant, on the other. Notwithstanding the fact that the expression is incapable of being defined, one thing, which was clearly indicated is, that it cannot include the evidence that is needed to prove the facts or the descriptive particulars of the transaction. It has a greater purpose to serve, than being a mere factor to decide the territorial jurisdiction.

13. Cause of action, in the larger context has two components, viz., a) existence of a duty in the defendant towards the plaintiff and its breach; and, b) the damage or loss arising out of that breach. Such duty may arise out of a contract or on the strength of the corresponding legal rights and obligations of the parties, prescribed by the law for the time being in force. Both these aspects are to be pleaded with specific reference to the defendant. A factor, which is unrelated to the defendant or a development, which has taken place without reference to or participation of the defendant, cannot constitute a cause of action vis-?-vis such defendant.

14. In *Ittappan v. Manavikrama*, 21 Mad. 153 (156), the Madras High Court described cause of action as "all the circumstances alleged by the plaintiff to exist, which if proved or admitted, will entitle him to the relief prayed for". The existence or otherwise of a cause of action does not depend on the defence that may be pleaded by the defendants. In its operation, it substantially differs from the concepts, such as action, right, remedy, relief etc. There are several pronouncements by various Courts, which dealt with the content of cause of action. It would suffice to refer to *A.B.C. Laminart Pvt. Ltd. and Another Vs. A.P. Agencies, Salem*, , where the Supreme Court held as under:

"Para-12: A cause of action means every fact, which, if traversed, it would be necessary for the plaintiff to prove in order to support his right to a judgment of the Court. In other words, it is a bundle of facts which taken with the law applicable to them gives the plaintiff a right to relief against the defendant. It must include some act done by the defendant since in the absence of such an act no cause of action can possibly accrue. It is not limited to the actual infringement of the right sued on but includes all the material facts on which it is founded. It does not comprise evidence necessary to prove such facts, but every fact

necessary for the plaintiff to prove to enable him to obtain a decree. Everything which if not proved would give the defendant a right to immediate judgment must be part of the cause of action. But it has no relation whatever to the defence which may be set up by the defendant nor does it depend upon the character of the relief prayed for by the plaintiff".

In view of this authoritative and exhaustive statement of law, it is not necessary to refer to other judgments or juristic works.

15. It is important to note that such of the facts or assertions, which it is not necessary for the plaintiff to plead or prove, cannot constitute any cause of action, or its part. If the plaintiff has taken certain aspects of the matter for granted and if it is not necessary to prove them, they do not form part of cause of action. Conversely, such facts, even if referred to in the plaint, cannot constitute the basis to determine the forum, from the point of view of clause (c) of Section 20 C.P.C.

16. The question as to whether on an indorsement on a negotiable instrument, by the holder of it to another would give rise to a cause of action, depends much upon the nature of relief, pleaded in the suit. If the validity of indorsement is in dispute, the act of indorsement can certainly constitute an independent cause of action. Under the N.I. Act, a promissory note, as defined u/s 4, is treated as one of the categories of negotiable instruments (see section 30). A person, in whose favour a promissory note is executed is termed as holder u/s 8 of that Act. The holder of a negotiable instrument has a right to realize the amount covered by it, by himself, or to enable any other person to negotiate the same, by signing on any part of the negotiable instrument itself, or on a stamped paper, for this purpose. This process is defined u/s 15 of the N.I. Act as "indorsement". The holder, who makes such indorsement is called "indorser" and the person in whose favour the indorsement is made called "indorsee". On such indorsement the negotiable instrument stands transferred in favour of indorsee. He is recognized as one of the categories of persons known as "holders in due course", as defined u/s 9 of the N.I. Act.

17. When a promissory note is indorsed or transferred by the holder of it, in favour of a holder in due course, the latter steps into the shoes of the former. The holder in due course of a promissory note would be entitled to same rights and subject to same obligations, as the holder thereof. If he intends to proceed to recover the amount covered by the promissory note, from the person who is said to have executed it, he is required to take same steps, in similar fashion, as the holder of the promissory note is entitled, or subject, to. The facts that constitute cause of action for him would be the same as those in relation to the holder. The indorsement in his favour would become part of cause of action, if only there exists any dispute as regards the same. In other words, as long as the holder of the promissory note does not dispute the factum of indorsement in favour of the holder in due course, an indorsement does not become a fact in issue, or a relevant fact, within the doctrine of *res gestae*. Consequently, it does

not have any role to play in bringing about any cause of action. Therefore, the holder in due course of a promissory note cannot subject the maker of it, to any proceedings, which the holder himself could not have instituted. For the same reason, he can not institute the proceedings in a Court where the holder of the promissory note could not have.

18. There is another way of examining the matter. The emphasis in the process of choosing the forum, u/s 20 C.P.C., for the purpose of institution of a suit, is the residence of the defendant, or his being engaged in an activity germane to the suit claim. Clauses (a) and (b) of that section specifically deal with the place of residence, or engagement of the defendant in business or other activity. In determining the place where the cause of action had arisen, participation of the defendant in the transaction, giving rise to it, becomes a predominant factor. It is rather difficult to imagine the existence of a transaction, or a factor giving rise to a cause of action, without participation of defendant. Such participation may be direct or indirect. But, it must exist as a fact. Once the denial by defendant, of the entitlement of a plaintiff is sine qua non of a cause of action; absence of any transaction or interaction between the defendant and the plaintiff would rule out, the emergence of cause of action between such parties. If the plaintiff has chosen to acquire any rights to be enforced against the defendant, without the participation of the latter, the same cannot be recognized by law. In the field of contracts, unilateral acquisition of rights is an unknown phenomenon.

19. It is true that the holder in due course of a negotiable instrument acquires a right to recover the amount covered under it from the holder of the negotiable instrument, and the indorsement can take place without the participation of the maker. However, what the holder in due course acquires is the same right, which the holder of the instrument possessed, and he can neither improve upon it, nor modify the liability under it. For example, if a promissory note is tainted with factors, such as, fraud, undue influence, coercion, incapacity, rendering it void, or voidable, indorsement of the same, in favour of a 3rd person, cannot make the transaction better or worse. The holder in due course of the negotiable instrument has to stand, or fall on the strength or weakness, as the case may be, of the indorser.

20. Once it emerges that the transaction of indorsement is different from the one of making the negotiable instrument, from the point of view of cause of action, it cannot be said that the suit to recover the amount, covered by the promissory note, can be filed in a Court, where the holder of the promissory note could not have filed it. As observed earlier, the place where the indorsement was made would become relevant from the point of territorial jurisdiction, if only there is any dispute in relation thereto. In the present case, the petitioner did not plead that there was any denial by the holder of the promissory note, as regards making of indorsement. It is for that reason, that he has not chosen even to implead the holder, much less pleaded any facts, touching on any denial. The holder of the promissory note could have filed the suit, either at the place of

residence of the respondents, or the place at which the promissory note was said to have been made by them. Except that the indorsement has taken place in favour of the petitioner, Kavali, has no relevance in choosing the Court at that place.

21. Judicial opinion is divided on the question as to whether assignment of a debt, or indorsement of a promissory note can be treated as part of cause of action, u/s 20(c) C.P.C. Counsel for both the parties in the revision have rendered useful assistance in this regard, in citing the cases decided by various Courts. A Division Bench of the Rajasthan High Court in Abdul Gafoor v. Sensmal, AIR 1955 Rajasthan 53 had discussed at length, the purport of cause of action occurring in Section 20(c) C.P.C., in the context of assignment of debts. Reference was also made to an oft quoted observation of Lord Esher in Read v. Brown (1889) 22 QBD 128 (C) which runs thus:

"What is the real meaning of the phrase "a cause of action arising in the City?" It has been defined in - "Cooke v. Gill" (1873) 8 CP 107 (D) to be this: every fact which it would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the Court. It does not comprise every piece of evidence which is necessary to prove each fact but every fact which is necessary to be proved. It has been suggested today in argument that this definition is too broad, but I cannot assent to this, and I think that the definition is right. If that is so, the question arises whether the plaintiff, in order to be entitled to succeed in his action, would not be bound to prove the assignment to him of the debt; not merely whether he would be bound to prove it in an action in the Mayor's Court, but whether he would be bound to prove it in any court in which he might sue, and whether an allegation of the assignment might not have been traversed by the defendant. I cannot bring myself to entertain a doubt that the assignment is a fact which the defendant might traverse; and if that be so, the plaintiff would be bound to prove it."

It was ultimately held as under:

"Our answer to the reference, therefore, is that in a suit brought by an assignee of a debt, the cause of action partly arises because of the assignment of debt and therefore the Court within whose territorial jurisdiction the assignment is made would be competent to entertain and decide the suit subject of course to the pecuniary and other limitations."

22. In Chittaruvu Radhakrishnamurthy v. Bollapalli Chandrasekhara Rao 1966 An.W.R. 282 Justice Gopal Rao Ekbote, as he then was, held as under:

"It will thus be clear that where the right of the plaintiff depends upon the assignment of a promissory note in his favour the assignment would constitute part of the cause of action and the Court within whose jurisdiction the assignment took place would have jurisdiction to entertain the suit on the promissory note."

This was followed by Justice Sharfuddin Ahmed in *P.S. Kothandarama Gupta v. Sidamsetty Vasant Kumar* 1969 An.W.R. 222. In *K.A. Padmanabhaiah v. K. Subbaiah Setty* 1978 (2) (H.C) A.P.L.J. 245, Justice Laxmaiah, of this Court maintained the distinction between an indorsement of a negotiable instrument for limited purpose to receive the contents and an absolute transfer of the same. It was held that in the former case the indorsee will be only an agent and that he can file the suit, only at a place, where his principal could have filed. For this proposition, reliance was placed upon the judgment of the Madras High Court in *Govindaswami Achari and Others Vs. Kandaswami Achari and Others*,

23. The Allahabad High Court struck a different note altogether. In *Alopi Prasad and Sons Pvt. Ltd. and Another Vs. Harish Chandra and Another*, , it was held that unless the indorsement of the negotiable instrument itself is at issue, it cannot form part of cause of action. There does not appear to be any authoritative pronouncement from the Supreme Court.

24. Most of the decisions touching on the subject turned on the meaning assigned to the expression "cause of action". From a reading of the observation of Lord Esher, referred to above, it is evident that way back in the year 1889, there was a strong claim from deviation from what was observed in *Cooke v. Gill* (1873) 8 CP 107 (D). The question as to whether the indorsements or the assignments, as the case may be, in those cases, were made with the participation or knowledge of the makers of the promissory notes, or the original debtors, is not clear. The hardship caused to the makers of promissory notes, in being sued at a place unrelated to the making of the promissory note, was taken note of by the Calcutta High Court in *Harnathrai Binjraj Vs. Churamoni Shah and Others*, (E), way back in 1934 . It was observed therein as under:

"It might have been more satisfactory if the rule were otherwise i.e. that an assignee in taking an assignment of a debt should take such assignment with only such right of suing as the assignor had and could sue where the assignor could sue and nowhere else. I do see difficulties in the present system under which an assignor can create jurisdiction in any place where the CPC applies but I do not think it would be right for me to attempt to change it."

25. It does not appear that the primacy accorded u/s 20 C.P.C., for the availability of the defendant through his residence or other engagement, within the territorial jurisdiction of the Court, where the suit is filed has been taken note of. Clause (c) of that section appears to have taken as a factor alien to clauses (a) and (b).

26. It may be noted that Section 118 of the N.I. Act, provides for certain presumptions to be drawn, vis-?-vis negotiable instruments. One such presumption is provided for under clause (g), which reads as under:

"Clause (g): that holder is a holder in due course: that the holder of a negotiable instrument is a holder in due course:

Provided that, where the instrument has been obtained from its lawful owner, or from any person in lawful custody thereof, by means of an offence or fraud, or has been obtained from the maker or acceptor thereof by means of an offence or fraud or for unlawful consideration, the burden of proving that the holder is a holder in due course lies upon him."

27. In view of this presumption, the holder in due course of a negotiable instrument is spared of the necessity to prove the indorsement or transfer in his favour, unless, confronted by the holder of it. Except for explaining the manner in which the holder in due course came into picture, the indorsement or transfer cannot become a bone of contention or part of cause of action, in a suit filed by him to recover the amount covered by such instrument. Such narration would neither give rise to an issue nor would form part any cause of action. The observation of the Allahabad High Court in this regard is apt to be quoted: (9 supra).

"When it is not necessary for the holder to prove that he is the holder in due course of the negotiable instrument, it is not one of the points which he must establish before he can be granted a decree, and therefore, it cannot constitute "cause of action."

This reasoning appears to be in harmony with provisions of procedural law, on the one hand, and substantive law, on the other.

28. Another important aspect, which needs to be taken note of, is that the N.I. Act itself provides for presentation of negotiable instruments for payment. It is beneficial to extract Sections 68, 69 and 70, which deal with these aspects:

Section 68. Presentment for payment of instrument payable at specified place and not elsewhere.-A promissory note, bill of exchange or cheque made, drawn or accepted payable at a specified place and not elsewhere must, in order to charge any party thereto, be presented for payment at that place.

Section 69: Instrument payable at specified place.-A promissory note or bill of exchange made, drawn or accepted payable at a specified place must, in order to charge the maker or drawer thereof, be presented for payment at that place.

Section 70: Presentment where no exclusive place specified.-A promissory note or bill of exchange, not made payable as mentioned in Sections 68 and 69, must be presented for payment at the place of business (if any), or at the usual residence, of the maker, drawee, or acceptor thereof, as the case may be."

29. From a reading of these provisions, it is evident that where a place is indicated in presentation of the negotiable instruments, it shall be presented at that place alone, and where no such place is mentioned, it must be presented for payment at a place of business or at the usual residence of the maker, drawee, or acceptor thereof. The place of residence of the holder, or holder in due course does not find any place in these provisions. A right inheres in the maker of a negotiable instrument, not to be insisted upon to honour it, except when it is

presented in accordance with sections 68 to 70 of the N.I. Act. The corresponding obligation of the holder, or holder in due course to present the instrument only at such places, would certainly have a direct and important bearing on the manner in which the cause of action can accrue to him.

30. For the most part of it, accrual of cause of action, in a given case would depend on the provisions of substantive law, governing the rights of the parties. Procedural law, such as C.P.C., would have almost no role to play, except to insist that cause of action, as such must exist. In the context of the N.I. Act, a cause of action can be said to have accrued to a person when he presents a negotiable instrument in accordance with Sections 68 - 70 of the N.I. Act and the maker of it refuses to honour it. The place where the negotiable instrument is actually presented, or is required to be presented under the said provisions, becomes significant from the point of view of Section 20(c) C.P.C.

31. Further, the N.I. Act is a self-contained and exhaustive code, in relation to making, transfer, presentation and enforcement of negotiable instruments. When the N.I. Act in clear terms provides for presentation of the negotiable instruments at a particular place, such a mandate cannot be watered down through a process of treating the indorsement or transfer of a Negotiable Instrument Act, as part of cause of action. The attention of this Court was drawn to these provisions in *P.S. Kothandarama Gupta v. Sidamsetty Vasant Kumar* (6 supra). The contention advanced on the strength of these provisions was repelled with the following observations:

"Section 70 of the Negotiable Instruments Act does not lay down the place where the suit has to be filed. Further, it does not deal with the case of assignment which has been held to constitute a part of the cause of action."

32. With great respect to the learned Judge, I doubt whether the reasoning accords with settled principles of law. As far as the first part of the observation, it is to be stated that it is wholly in the realm of the procedural law to prescribe the parameters to decide the proper forum to sue. Regarding the second part of the observation, it is to be noted that Sections 68 - 70 of the N.I. Act, indicate the place of presentation of the negotiable instrument, irrespective of the nature of persons, who hold it, and the manner in which they gain possession thereof. The emphasis is on the place specified on the instrument and in the absence of the same, the place of business or place of residence of the maker. In fact, these two parameters straightaway fit into the clauses (a) and (b) of Section 20 C.P.C. There is no conflict as such, so as to require the Court to choose between the provisions of the N.I. Act, on the one hand, and the C.P.C., on the other. Even assuming that there is conflict, it has to be noted that the N.I. Act is specially enacted, to define and amend the law relating to promissory notes, bills of exchange and cheques; whereas CPC is a general enactment, dealing with procedural aspects. It is settled principle of law that the special law shall always prevail over the general. Further, procedural law cannot be permitted to shatter the scheme framed under the substantive law governing the matter.

33. Apart from what is referred to above, it may be seen that if the holders in due course of a promissory note or negotiable instrument are permitted to file suits in Courts of their choice, it may result in disastrous consequences. A defendant would be subjected to face litigation with a person, who is a stranger to him and at a place where he is neither resides nor has undertaken any activity, if the suit is filed on the strength of a promissory note said to have been indorsed by the holder. The primacy given to the place of residence or activity of the defendant within the territorial jurisdiction of the Court gets watered down. If a suit in relation to a promissory note executed at Ongole, can be filed at Kavali, on the basis of indorsement, it can be filed in a Court, in any remote place, in any corner of the country, by stating that the indorsement was made at that place. With impunity, a seasoned litigant can harass his opponent to face such litigations. Further, if the holder is not made a party to the suit, as in the present case, the defences, such as non-execution of the promissory note, the discharge of obligation under it, either in its entirety or in part, vis-?-vis the holder of the instrument, would either be not available, or cannot be adjudicated upon. In such cases, the Courts have to proceed as though the instrument is valid in all respects.

34. For the foregoing reasons, this Court is of the view that the purpose underlying various provisions of the N.I. Act was either not brought to the notice of this Court, when it rendered judgments in *P.S. Kothandarama Gupta v. Sidamsetty Vasant Kumar* (6 supra) and *Chittaruvu Radhakrishnamurthy v. Bollapalli Chandrasekhara Rao* (5 supra), that the expression cause of action was unduly enlarged to take in its fold; facts which were not required to be proved and thereby relevant provisions of N.I. Act, such as Sections 68 - 70 were rendered otiose.

35. Therefore, it is held that the holder in due course, of a negotiable instrument can present a suit to recover the amount, covered by it, only in a Court within whose territorial jurisdiction the defendants therein reside, or carry on business; or in a Court within whose territorial jurisdiction, the place at which such negotiable instrument, can be presented, under Sections 68 - 70 of the N.I. Act, is situated.

36. The C.R.P. is accordingly dismissed. There shall be no order as to costs.