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**IN THE HIGH COURT OF BOMBAY AT GOA**  
**APPEAL FROM ORDER NO. 1523 OF 2025(F)**

Chowgule Industries Private Limited,  
A Private Limited Company incorporated  
under the Companies Act, 1956,  
Having its registered office at 503,  
5<sup>th</sup> floor, Gabmar Apartment,  
Vasco da Gama, Goa-403802.  
Duly represented by its Authorized Signatory,  
Mrs. Tejashri Pai,  
56 years of age,  
Residing at Kamat Classic, Phase IV,  
Building No. 7, S-3 Caranzalem,  
Panaji, Goa-403001.

... Appellant

*Versus*

ICRA Limited,  
B-710, Statesman House 148,  
Barakhamba Road,  
New Delhi-110001.

...Respondent

Mr. Shivan Desai, Advocate for the applicant.

Mr. Prashant Pakhiddey with Mr. Sadgururaj Gaonkar and Mr.  
Vito Roger D'souza, Advocates for the Respondent.

**CORAM : NIVEDITA P. MEHTA, J.**  
**RESERVED ON : 9<sup>TH</sup> SEPTEMBER, 2025.**  
**PRONOUNCED ON : 19<sup>TH</sup> SEPTEMBER, 2025.**

**JUDGMENT:**

1. Heard learned Counsel Mr. S. Desai for the Petitioner and learned Counsel Mr. P. Pakhiddey, for the Respondent.
2. Admit.
3. Learned Counsel Mr. P. Pakhiddey waives service on behalf of the Respondent.
4. The present Appeal is filed challenging the order dated 25.04.2025, passed by the learned Civil Judge Senior Division, Vasco, Goa in Special Civil Suit No. 8/2025, whereby the Respondent's application for return of the plaint was allowed.
5. Succinctly, the brief facts of the case are that the Appellant is a private limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at Vasco Da Gama, Goa. The Appellant is engaged in the business of automobile dealership and conducts its principal commercial operations within the territorial limits of Goa.

6. The Respondent is a reputed credit rating agency duly recognized by the Securities and Exchange Board of India (SEBI). On 15.12.2020, the Appellant entered into a Multi-Product Rating Agreement (hereinafter referred to as the "MPRA") with the Respondent for the purpose of obtaining credit ratings, inter alia, to facilitate institutional borrowings.

7. Pursuant to the said agreement, the Respondent published three credit rating reports dated 31.05.2024, 07.06.2024, and 15.07.2024, which were made available on its official website, <https://www.icra.in>. Although these reports were ostensibly published for the benefit of banks and institutional investors, they allegedly contained incorrect, misleading, and defamatory statements concerning the Appellant.

8. It is the case of the Appellant that the aforementioned reports were publicly accessible and were in fact viewed, acted upon, and circulated among multiple banks, financial institutions, and stakeholders, all of whom operate within Vasco, Goa, where the Appellant's registered office and primary business activities are situated.

9. The Appellant asserts that the said reports made false assertions regarding group affiliations, misrepresented its shareholding in third-party entities, questioned its financial transparency, and wrongly associated it with enforcement actions against other entities within the Chowgule group. As a result, the Appellant alleges that its reputation among financial institutions and clients based in Goa, particularly in Vasco, suffered significant harm.

10. As a direct consequence of the publication and circulation of these reports, the Appellant claims to have experienced a substantial erosion of creditworthiness, delays in processing of ongoing loan and renewal facilities with its partner bank in Goa, and adverse effects on its commercial relationships and employee morale. On account of the above, a legal notice dated 04.09.2024 was issued by the Appellant to the Respondent seeking rectification and retraction of the alleged defamatory content. The Respondent, vide its reply dated 19.09.2024, acknowledged certain inaccuracies but declined to retract the impugned statements.

11. In light of the continued dissemination of the impugned reports and the alleged damage caused thereby, the Appellant

instituted Special Civil Suit No. 8/2025/A before the Court of the Civil Judge, Senior Division at Vasco-da-Gama, Goa, seeking damages for defamation and a permanent injunction restraining the further publication or dissemination of the said reports.

12. In response, the Respondent filed an application under Order VII Rule 10 read with Section 151 of the Code of Civil Procedure, 1908, seeking return of the plaint on the ground of lack of territorial jurisdiction. The Respondent contended that the plaint failed to disclose any averments substantiating the territorial jurisdiction of the Vasco Court, as required under Order VII Rule 1(f) CPC. It was further contended that the MPRA, dated 15.12.2020, contains an express clause conferring exclusive jurisdiction upon the courts at Delhi in respect of all contractual and non-contractual obligations arising between the parties.

13. The Appellant filed its reply opposing the said application, contending that the cause of action arose within the territorial jurisdiction of the Court at Vasco-da-Gama, Goa. It was submitted that the defamatory content was published, accessed, and acted upon within Vasco, thereby causing reputational and commercial harm within the jurisdiction. The Appellant further contended that the tortious claim for defamation is independent and distinct

from the contractual obligations under the MPRA, and hence not subject to the jurisdiction clause therein.

14. After hearing both parties, the Trial Court allowed the application of the Respondent by its order dated 10.04.2025. The Trial Court observed that the plaint does not contain clear and specific averments establishing the jurisdiction of the Vasco Court. It further held that the terms of the MPRA reflect the parties' intent to subject all disputes, including non-contractual obligations, arising from or in relation to the agreement to the exclusive jurisdiction of the Courts at Delhi.

15. The Trial Court further noted that the claims in the suit primarily emanate from the credit rating reports prepared pursuant to the MPRA, and not from any independent or unrelated act. It was held that the alleged defamatory publications were not published *suo-motu* by the Respondent but were instead the direct result of the contractual engagement under the MPRA. Accordingly, the Trial Court concluded that the Plaintiff's cause of action stems from the performance of contractual obligations under the MPRA, and in such cases, the jurisdiction clause is binding. Additionally, the Court held that where more than one Court has jurisdiction to entertain a suit, the parties may, by

mutual agreement, choose one of such Courts as having exclusive jurisdiction, and such stipulation is not contrary to public policy.

16. After due deliberation to the facts of the case and the Judgment relied upon by the parties, the Trial Court concluded that the Court at Delhi has exclusive jurisdiction to deal with the subject matter of the suit and return the plaint of the Plaintiff for presentation before the Court at Delhi. The Court has also extensively discussed the Judgments relied upon by the parties which are ***Escorts Ltd. V/s Tejpal Singh Sisodia, (2019) SCC OnLine Del 7607, Ajay Pal Sharma V/s Udaiveer Singh, 2020:DHC:2408, Globe Transport Corporation V/s Triveni Engineering Works and anr, (1983) 4 SCC 707, Swastik Gas Pvt. Ltd. V/s Indian Oil Corporation Ltd., (2013) 9 SCC 32, Garware Marine Industries Limited V/s Integrated Finance Co. Ltd., 2024 (2) Mh.L.J. 281 and Rakesh Kumar Verma V/s HDFC Bank Ltd., 2025 SCC OnLine SC 752.***

17. Learned Counsel for the Appellant submitted that the Trial Court committed a grave error in holding that the exclusive jurisdiction clause contained in the MPRA dated 15.12.2020 ousted the jurisdiction of all courts except those at Delhi,

notwithstanding the fact that the Appellant's cause of action arises in tort.

18. It was contended that the suit instituted before the Civil Court at Vasco was founded upon allegations of defamation and resultant reputational harm, constituting a civil wrong independent of any contractual relationship. As the cause of action is in tort, the jurisdiction is governed by Section 19 of the Code of Civil Procedure, 1908, which confers jurisdiction upon the court within whose territorial jurisdiction the wrongful act was committed or where the consequence thereof ensued.

19. Learned Counsel submitted that it is a settled principle of law that forum selection clauses in contracts cannot override or nullify statutory provisions governing tortious liability. The Appellant's claim does not pertain to a breach of any contractual obligation or term under the MPRA, but rather concerns the publication of defamatory material which allegedly caused injury to the Appellant's reputation and commercial standing within the jurisdiction of Vasco, Goa. The cause of action arises from an act of defamation, not from any failure to perform contractual duties. Thus, the Trial Court's reliance on the jurisdiction clause in the



MPRA to oust its jurisdiction was misplaced and contrary to settled legal principles.

20. It was further submitted that while parties may contractually select one of multiple competent forums for adjudication of disputes arising under the contract, such a stipulation is inapplicable to claims sounding in tort, unless the tortious act is inextricably linked to the contract itself. In the present case, the alleged defamatory publications were not contractually mandated, but were unilateral and discretionary acts of the Respondent, disseminated to third parties beyond the scope of the contractual arrangement.

21. The Appellant's Counsel argued that the Trial Court erred in concluding that the tortious claim flowed from the contract. The existence of a contractual relationship does not, by itself, convert all disputes into contractual claims. The distinction between contractual disputes and those arising independently or in relation to the contract has been consistently maintained by the Courts. A defamation claim premised on the dissemination of inaccurate credit reports, absent any direct breach of contractual obligations, cannot be subsumed within the jurisdictional ouster clause of the MPRA.

22. Lastly, it was emphasized that in a suit for defamation, the cause of action arises not only at the place of creation of the defamatory content but also where the said content is published and causes harm. In the present case, it has been specifically pleaded that the defamatory material was accessed and relied upon in Goa, thereby adversely impacting the Appellant's goodwill and reputation in the place of its registered office and principal place of business.

23. In support of his contentions, learned Counsel for the Appellant placed reliance upon the decisions of the Hon'ble Supreme Court in ***Escorts Limited v. Tejpal Singh Sisodia<sup>1</sup> and P.K. Kalasami Nadar v. Ponnuswami Mudaliar (Deceased) & Ors.<sup>2</sup>***, wherein the distinction between contractual and tortious claims, and the limits of jurisdictional ouster clauses, have been clearly elucidated. Reliance is also placed in the matter of ***Jaya Laxmi Salt Works (P) Ltd Vs. State of Gujarat<sup>3</sup>***, where the definition of tortious law is considered.

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<sup>1</sup> (2019) SCC OnLine Del 7607

<sup>2</sup> 1961 SCC OnLine MAD 11

<sup>3</sup> (1994) 4 SCC 1

24. Learned Counsel for the Respondent submitted that in terms of Section 19 of the Code of Civil Procedure, 1908, two courts may possess territorial jurisdiction in respect of a claim founded in tort: (i) the court within whose jurisdiction the wrongful act is alleged to have been committed; and (ii) the court within whose jurisdiction the defendant resides, carries on business, or personally works for gain. It is not in dispute that, on a plain reading of Section 19 CPC, both the Civil Court at Vasco, Goa and the Courts at Delhi may, at first glance, appear to have jurisdiction over the present dispute.

25. However, it was contended that the parties, through a duly executed and valid contractual arrangement, specifically conferred exclusive jurisdiction upon the Courts at Delhi to adjudicate all disputes arising out of or in connection with the agreement, whether such disputes are contractual or non-contractual in nature, including tortious claims such as defamation, negligence, or any other form of injury, loss, or damage, whether direct or indirect.

26. It was submitted that the allegations made in the plaint relate to rating reports dated 31.05.2024, 07.06.2024, and 15.07.2024, which were admittedly prepared and disseminated by

the Respondent pursuant to and in furtherance of its obligations under the Memorandum of Purchase and Resale Agreement (MPRA). In the absence of the MPRA, the Respondent would have had no occasion or obligation to undertake such rating activity. Thus, the impugned acts are not independent torts but are intrinsically connected to the performance of the contractual duties agreed upon between the parties.

27. Learned Counsel invited the Court's attention to Clause T(IV) of the MPRA, which clearly stipulates that any dispute, whether contractual or non-contractual, arising from or in connection with the agreement, shall be governed by the laws of India and shall be subject to the exclusive jurisdiction of the Courts at Delhi. This clause, when read in conjunction with other relevant provisions of the agreement, reinforces the parties' intention to centralise adjudication of all related disputes in Delhi.

28. A combined reading of Clause B (Work and Fees), Clause D (Acceptance/Non-Acceptance and Use of Rating), Clause F (Changes in Ratings), Clause I (Information Required), Clause J (Undertaking), and Clause O (Limitation of Liability), reveals that the agreement comprehensively governs the terms and

consequences of rating activity, including the extent and nature of liability, and includes explicitly tortious and statutory liabilities within its scope.

29. Particular emphasis was laid on Clause O, which categorically provides that the Respondent shall not be liable in contract, tort (including negligence), breach of statutory duty, or otherwise for any loss, claim, injury, or cost, whether direct or indirect, arising from or in connection with the agreement or the services rendered thereunder, including the issuance of rating reports. This clause clearly illustrates that the parties not only contemplated the possibility of tortious claims arising from the contractual relationship but also agreed to have them resolved exclusively before the Courts at Delhi.

30. Learned Counsel argued that the contractual intention of the parties was unequivocal. The exclusive jurisdiction clause was not limited to contractual breaches. Still, it was drafted in broad terms to include any dispute "arising from or connected with" the agreement, regardless of whether such dispute is framed in tort or otherwise. Even the Appellant's allegation that it did not accept the rating reports falls within the ambit of the MPRA and is accordingly subject to its jurisdictional clause.

31. It was further submitted that the plaint itself records the Respondent's principal office as being situated in Delhi. Thus, even under Section 19 of the CPC, the courts in Delhi are a statutorily competent forum. However, more critically, the Appellant has not averred anywhere in the plaint that the Civil Judge, Senior Division, Vasco, Goa, has jurisdiction to entertain or adjudicate the present suit. In the absence of any such jurisdictional pleading, and in light of the explicit jurisdiction clause contained in the MPRA, the plaint is ex facie defective.

32. In view of the above, the Respondent has filed an application under Order VII Rule 10 of the Code of Civil Procedure seeking the return of the plaint for presentation before the appropriate court. It is argued that when the plaint does not disclose a cause of action within the jurisdiction of the court where it has been filed, or where the parties have expressly agreed to the exclusive jurisdiction of another competent court, in this case, the court at Delhi, the court is obliged to return the plaint.

33. In support of his submissions, learned Counsel relied upon the following decisions:

i) ***Globe Transport Corporation v. Triveni Engineering Works and Another.***<sup>4</sup>,

ii) ***Swastik Gases Private Limited v. Indian Oil Corporation Limited.***<sup>5</sup>;

ii) ***Rakesh Kumar Verma v. HDFC Bank Ltd.***<sup>6</sup>

Accordingly, it was submitted that the present dispute, being inextricably linked to and arising from the contractual arrangement between the parties, falls squarely within the scope of the exclusive jurisdiction clause, and hence, only the Courts at Delhi are competent to adjudicate the present suit.

34. Upon a careful consideration of the pleadings, the contents of the plaint, the terms of the Agreement dated 15.12.2020 (MPRA), and the respective submissions of learned counsel for both parties, this Court is of the considered view that the submissions advanced by the Appellant cannot be sustained. The averments in the plaint, when read holistically, clearly reveal that the entire cause of action pleaded by the Appellant emanates from the contractual relationship established under the MPRA. The alleged wrongful act, the issuance and publication of credit rating

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<sup>4</sup> (1983) 4 SCC 707

<sup>5</sup> (2013) 9 SCC 32

<sup>6</sup> 2025 SCC OnLine SC 752

reports, is inextricably linked to and arises directly from the contractual obligations undertaken by the Respondent.

35. The MPRA, executed between the parties on 15.12.2020, contains an express and unambiguous exclusive jurisdiction clause. Clause T(IV) stipulates that *“the Agreement and any contractual or non-contractual obligations arising from or connected to it shall be governed by and construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of Delhi.”* Further, Clause O (Limitation of Liability) specifically contemplates liability not only in contract but also in tort (including negligence), statutory duty, or otherwise, for any form of loss or injury arising from or in connection with the agreement or the services rendered, including the dissemination of rating reports.

36. In addition, Clause D (Acceptance/Non-Acceptance and Use of Ratings) and Clause J(III) (Undertaking) place specific obligations on the Appellant to notify the Respondent in case of disagreement with the ratings. These clauses reinforce the position that even the Appellant’s grievance regarding the publication of allegedly inaccurate or harmful ratings is governed and addressed within the four corners of the contract.



37. The Appellant's attempt to characterise the suit as one arising in tort, independent of the agreement, is inconsistent with the factual matrix disclosed in the plaint and contrary to the clear contractual terms.

38. The judgment of the Hon'ble Supreme Court in **Rakesh Kumar Verma** (supra) is squarely applicable to the facts of the present case and decisively governs the issues herein. For the purpose of clarity and convenience, paragraphs 15, 16, 17, 18, 19, and 33 of the said judgment are reproduced hereunder to elucidate the relevant legal principles: -

*"15. In Swastik Gases (P) Ltd. (supra), a three-judge Bench of this Court succinctly articulated the purport of an exclusive jurisdiction clause in any contract in the following words:*

*32. For answer to the above question, we have to see the effect of the jurisdiction clause in the agreement which provides that the agreement shall be subject to jurisdiction of the courts at Kolkata. It is a fact that whilst providing for jurisdiction clause in the agreement the words like "alone", "only", "exclusive" or "exclusive jurisdiction" have not been used but this, in our view, is not decisive and does not make any material difference. The intention of the parties-by having Clause 18 in the agreement—is clear and unambiguous that the courts at Kolkata shall have jurisdiction which means that the courts at Kolkata alone shall have jurisdiction. It is so because for construction of jurisdiction clause, like Clause 18 in the agreement, the maxim expressio unius est exclusion alterius comes into play as there is nothing to indicate to the contrary. This legal maxim means that*

expression of one is the exclusion of another: By making a provision that the agreement is subject to the jurisdiction of the courts at Kolkata, the parties have impliedly excluded the jurisdiction of other courts. Where the contract specifies the jurisdiction of the courts at a particular place and such courts have jurisdiction to deal with the matter, we think that an inference may be drawn that parties intended to exclude all other courts. A clause like this is not hit by Section 23 of the Contract Act at all. Such clause is neither forbidden by law nor it is against the public policy. It does not offend Section 28 of the Contract Act in any manner. (emphasis supplied)

16. There are multiple other decisions of this Court upholding similar exclusive jurisdiction clauses. The decisions in *Patel Roadways Ltd. v. Prasad Trading Co.*, *Angile Insulations v. Davy Ashmore India Ltd.* *New Moga Transport Co. v. United India Insurance Co. Ltd.*, *Shree Subhlaxmi Fabrics (P) Ltd. v. Chand Mal Baradia*, *Rajasthan SEB v. Universal Petrol Chemicals Ltd.* and *A.V.M. Sales Corpn. v. Anuradha Chemicals (P)Ltd.* are some of them providing ample guidance in this behalf.

17. The issue as to how an exclusive jurisdiction clause has to be read and understood is, thus, no longer *res-integra*.

18. A bare perusal of the above decisions leads to the conclusion that for an exclusive jurisdiction clause to be valid, it should be (a) in consonance with Section 28 of the Contract Act, i.e., it should not absolutely restrict any party from initiating legal proceedings pertaining to the contract, (b) the Court that has been given exclusive jurisdiction must be competent to have such jurisdiction in the first place, i.e., a Court not having jurisdiction as per the statutory regime cannot be bestowed jurisdiction by means of a contract and, finally, (c) the parties must either impliedly or explicitly confer jurisdiction on a specific set of courts. These three limbs/criteria have to be mandatorily fulfilled.

19. *Swastik Gases (P) Ltd. (supra)* is wholly applicable to the facts at hand, and being a larger Bench decision, binds us. "

"33. We hasten to observe that the Patna High Court, while correctly holding in favour of HDFC Bank on the point of law, has committed a fundamental error. It has allowed the application of HDFC Bank under Order VII, Rule 11 of the CPC meaning thereby the plaint stands rejected. Since the courts in Mumbai have the jurisdiction to decide the dispute raised by Rakesh and his plaint is not otherwise liable to rejection on attraction of any of the clauses of Rule 11, the proper course for the Patna High Court would have been to direct return of the plaint by the trial court under Order VII, Rule 10 of the CPC to Rakesh for its presentation before the competent court in Mumbai."

(Emphasis supplied)"

39. As held in ***Swastik Gases Pvt. Ltd.*** (supra), once the parties have consciously and unequivocally agreed to confer exclusive jurisdiction upon a particular court, such agreement must be given full effect unless barred by law. ***Globe Transport Corporation*** (supra), wherein it was held that when parties have contractually chosen a court to the exclusion of others, such a stipulation must be given effect. ***Rakesh Kumar Verma*** (supra), wherein it was reiterated that the existence of a jurisdiction clause covering both contractual and non-contractual claims will govern disputes emanating from the contractual relationship.

40. The Court also finds that the Appellant's reliance on decisions such as ***Escorts Ltd.*** (supra) and ***P.K. Kalasami Nadar*** (supra) is misplaced. These authorities lay down general principles on jurisdiction under Section 19 of the CPC, but do not address situations where parties have entered into an agreement conferring exclusive jurisdiction upon one of the competent courts. The central issue in the present case is not whether multiple forums are available under Section 19 CPC, but rather whether, in the presence of a valid and binding exclusive jurisdiction clause, the Court at Vasco can retain jurisdiction. On this specific issue, binding precedent, including ***Globe Transport Corporation*** (supra) and ***Swastik Gases*** (supra), supports the Respondent's position.

41. The Hon'ble Supreme Court in ***Jaya Laxmi Salt Works*** (supra) clearly held that for an act to qualify as a tort, it must be "not exclusively the breach of a contract". In the present case, however, the Respondent's act of rating and publishing credit reports was not an external or independent civil act, but a contractually contemplated and governed activity, carried out pursuant to obligations set forth in the MPRA. Moreover, the MPRA explicitly includes within its scope liability in tort

(including negligence), and the exclusive jurisdiction clause (Clause T(IV)) clearly provides that any contractual or non-contractual obligations, including torts, shall fall within the exclusive jurisdiction of the Courts at Delhi. Therefore, even though the act is framed in tort by the Appellant, it is inseparably connected with the contract and is governed by the mutual intention of the parties as expressed in the agreement. In such cases, as held in **Swastik Gases (P) Ltd.** (supra), the exclusive jurisdiction clause prevails. Thus, the principle in **Jaya Laxmi Salt Works** (supra) actually supports the Respondent's contention that where a civil wrong is not truly independent of the contract, but rather flows from or is connected with it, the forum agreed upon by the parties under the contract must be respected.

42. Furthermore, the Court notes that the plaint contains no specific averment asserting the territorial jurisdiction of the Civil Court at Vasco, Goa. In light of the exclusive jurisdiction clause and the absence of a plea asserting jurisdiction, the plaint does not disclose a proper basis for instituting the suit at Vasco.

43. The Respondent rightly invoked Order VII Rule 10 CPC, which provides for the return of the plaint where the court does not have jurisdiction to try the suit. It is a trite law that

jurisdiction must be determined at the threshold and not deferred until the conclusion of the trial. In this regard, the observations of the Hon'ble Supreme Court in ***Asma Lateef v. Shabbir Ahmad***<sup>7</sup> are instructive, wherein it was held:

*“The question of jurisdiction has to be determined at the commencement and not at the conclusion of the enquiry.”*

44. In the present case, the Learned Civil Judge, Senior Division, Vasco, has:

- i) Considered the pleadings in the plaint and the annexed documents, particularly the Agreement.
- ii) Heard and evaluated the submissions of both parties.
- iii) Examined the relevant precedents on exclusive jurisdiction clauses; and
- iv) Applied the correct legal principles in returning the plaint under Order VII Rule 10 CPC.

45. This Court finds no infirmity or procedural irregularity in the impugned order. The decision to return the plaint for presentation before the appropriate Court at Delhi is based on sound reasoning and in accordance with well-settled legal principles. Once it is found that the parties, with full knowledge

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<sup>7</sup> (2024) 4 SCC 696

and understanding, agreed to confer exclusive jurisdiction upon the Courts at Delhi, even in respect of non-contractual and tortious claims, the Appellant cannot be permitted to resile from such a clause merely by characterising the grievance as one in tort.

46. In view of the foregoing analysis, this Court finds no merit in the challenge to the impugned order. The Agreement executed between the parties contains a valid and enforceable exclusive jurisdiction clause conferring jurisdiction upon the Courts at Delhi. The plaint discloses no cause of action within the jurisdiction of the Civil Judge, Senior Division, Vasco, Goa. Accordingly, the learned Trial Court was justified in returning the plaint under Order VII, Rule 10 of the CPC.

47. The appeal is, therefore, dismissed. The Appellant is at liberty to present the plaint before the appropriate Court at Delhi in accordance with law.

**NIVEDITA P. MEHTA, J.**